

UNOFFICIAL TRANSLATION

This document is an unofficial English translation of the Japanese original.

Summary of Consolidated Financial Results
for the fiscal year ended March 31, 2011

Supplementary Information

May 19, 2011

NKSJ Holdings, Inc.

(Stock code number : 8630)

Summary of Consolidated Financial Results for the fiscal year ended March 31, 2011

Supplementary Information Contents

1. Overview of Consolidated Financial Results for the fiscal year ended March 31, 2011

NKSJ Holdings, Inc.

Overview of Consolidated Financial Results for the fiscal year ended March 31, 2011	3
Summary of Results of Operations by Lines of Business Segments	3
Net Incurred Loss due to the Great East Japan Earthquake	3

Sompo Japan Insurance Inc. (Non-consolidated)

Overview of Financial Results for the fiscal year ended March 31, 2011	4
Summary of Results of Operations	4
Premiums Written and Claims Paid by Lines of Business	5
Net Incurred Loss related to Natural Disasters (which occurred in the period)	6
Breakdown of Operating, General and Administrative Expenses and Loss Adjustment Expenses	6
Reserve for Outstanding Losses and Claims	6
Ordinary Underwriting Reserves	6
Catastrophic Loss Reserve	6

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

Overview of Financial Results for the fiscal year ended March 31, 2011	7
Summary of Results of Operations	7
Premiums Written and Claims Paid by Lines of Business	8
Net Incurred Loss related to Natural Disasters (which occurred in the period)	9
Breakdown of Operating, General and Administrative Expenses and Loss Adjustment Expenses	9
Reserve for Outstanding Losses and Claims	9
Ordinary Underwriting Reserves	9
Catastrophic Loss Reserve	9

2. Forecasts for the fiscal year ending March 31, 2012 (April 1, 2011 to March 31, 2012)

NKSJ Holdings, Inc. (Consolidated)	10
Sompo Japan Insurance Inc. (Non-consolidated)	10
NIPPONKOA Insurance Co., Ltd. (Non-consolidated)	10

3. Overview of Business Results of Principal Consolidated Subsidiaries

Sompo Japan Insurance Inc. (Non-consolidated)	11
Balance Sheets	11
Statements of Income	13
Premiums Written and Claims Paid by Lines of Business	15
Solvency Margin Ratio	16
Exposure to Structured Finance (As of March 31, 2011)	17
NIPPONKOA Insurance Co., Ltd. (Non-consolidated)	20
Balance Sheets	20
Statements of Income	22
Premiums Written and Claims Paid by Lines of Business	24
Solvency Margin Ratio	25
Investments in the securitized paper and subprime loans (As of March 31, 2011)	26

Sonpo 24 Insurance Company Limited (Non-Consolidated)	27
Balance Sheets	27
Statements of Income	28
Premiums Written and Claims Paid by Lines of Business	29
Solvency Margin Ratio	30
Saison Automobile and Fire Insurance Company, Limited (Non-consolidated)	31
Balance Sheets	31
Statements of Income	33
Premiums Written and Claims Paid by Lines of Business	34
Solvency Margin Ratio	35
Sompo Japan Himawari Life Insurance Co., Ltd. (Non-consolidated)	36
Balance Sheets	36
Statements of Income	38
Major Business Results	
(Total amount of policies in force and total amount of new policies, Annualized premiums)	39
Solvency Margin Ratio	40
NIPPONKOA Life Insurance Company, Limited (Non-consolidated)	41
Balance Sheets	41
Statements of Income	43
Major Business Results	
(Total amount of policies in force and total amount of new policies, Annualized premiums)	44
Solvency Margin Ratio	45
Sompo Japan DIY Life Insurance Co., Ltd. (Non-consolidated)	46
Balance Sheets	46
Statements of Income	47
Major Business Results	
(Total amount of policies in force and total amount of new policies, Annualized premiums)	48
Solvency Margin Ratio	49
Supplementary Explanation	50
Calculation of returns	50
Calculation of ratios, etc.	50
Solvency margin ratio	51
Revision of the standards for the calculation of solvency margin ratio	51
4. Supplementary Data about Financial Results for the fiscal year ended March 31, 2011 at Press Conference	
Sompo Japan Insurance Inc. (Non-consolidated)	52
NIPPONKOA Insurance Co., Ltd. (Non-consolidated)	56
Sompo Japan Insurance Inc. and NIPPONKOA Insurance Co., Ltd. (Combined)	60

1. Overview of Consolidated Financial Results for the fiscal year ended March 31, 2011

NKSJ Holdings, Inc.

Overview of Consolidated Financial Results for the fiscal year ended March 31, 2011

(Millions of yen)

		Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)
Ordinary income:	①	2,621,689
Net premiums written	②	1,933,283
Life insurance premiums written	③	238,178
Ordinary profit (loss)	④	(6,437)
Net income (loss)	⑤	(12,918)

(Millions of yen)

		Ordinary profit	Net income
Sompo Japan Insurance Inc. (Consolidated)	⑥	19,879	9,943
+			
NIPPONKOA Insurance Co., Ltd. (Consolidated)	⑦	(651)	(7,111)
+			
Consolidation adjustment, etc.	⑧	(25,664)	(15,750)
=			
NKSJ Holdings, Inc. (Consolidated)	⑨	(6,437)	(12,918)

Note) The transaction related to the establishment of NKSJ Holdings, Inc. is accounted for under the purchase method as accounting methods for business combination.

The major component of the above "Consolidation adjustment, etc." is the amount of adjustments due to the application of the purchase method.

Summary of Results of Operations by Lines of Business Segments

(Millions of yen)

		Property and casualty insurance business				Life insurance business	Others	Total
		Domestic property and casualty insurance business		Overseas property and casualty insurance business				
		Sompo Japan	NIPPONKOA					
Net premiums written	⑩	1,902,338	1,256,639	620,615	30,945	—	—	1,933,283
Life insurance premiums written	⑪	—	—	—	—	238,178	—	238,178
Ordinary profit (loss)	⑫	(4,920)	22,559	(24,908)	2,950	(3,453)	(1,013)	(6,437)
Net income (loss)	⑬	(9,374)	12,840	(19,959)	1,501	(4,073)	(971)	(12,918)

Note) Ordinary profit (loss) and net income (loss) represent amounts after consolidation adjustments.

Net Incurred Loss due to the Great East Japan Earthquake

(Millions of yen)

		Domestic property and casualty insurance business	
		Sompo Japan	NIPPONKOA
Net incurred loss	⑭	57,968	19,402

Notes)

- Net incurred loss excludes amounts of household earthquake insurance in accordance with the Earthquake Insurance Law in Japan as they do not affect gains and losses. Net incurred loss is calculated by deducting estimated reinsurance recoverable.
- Claims paid in life insurance business are not disclosed because they have a minor impact on gains and losses.
- Other than the above, 1,465 million yen of loss related to the Great East Japan Earthquake is recorded as extraordinary losses.

Sompo Japan Insurance Inc. (Non-consolidated)

Overview of Financial Results for the fiscal year ended March 31, 2011

Summary of Results of Operations

(Millions of yen)

		Year ended March 31, 2010 (April 1, 2009 to March 31, 2010)	Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)	Increase (Decrease)	Rate of change
Ordinary income and expenses:					
Underwriting income and expenses:					
Direct premiums written (including deposits of premiums by policyholders)	①	1,442,984	1,445,833	2,848	0.2 %
Direct premiums written	②	1,330,601	1,327,649	(2,952)	(0.2)
(+) Net premiums written	③	1,258,896	1,256,639	(2,256)	(0.2)
(-) Net claims paid	④	855,048	817,961	(37,087)	(4.3)
(-) Loss adjustment expenses	⑤	74,920	93,020	18,100	24.2
(-) Net commissions and brokerage fees	⑥	210,910	213,680	2,769	1.3
(+) Deposits of premiums by policyholders	⑦	112,383	118,184	5,801	5.2
(+) Interest and dividend income on deposits of premiums, etc.	⑧	40,537	39,399	(1,137)	(2.8)
(-) Maturity refunds and dividends to policyholders	⑨	191,699	227,892	36,192	18.9
(-) Provision for (reversal of) reserve for outstanding losses and claims	⑩	(70,737)	(38,950)	31,787	—
(-) Provision for (reversal of) underwriting reserves	⑪	(73,089)	(104,344)	(31,255)	—
(+) Other underwriting income and expenses	⑫	(5,740)	(2,364)	3,376	—
Gross underwriting margin	⑬	217,322	202,599	(14,722)	(6.8)
Operating, general and administrative expenses related to underwriting	⑭	217,817	209,684	(8,132)	(3.7)
Other income and expenses	⑮	(2,089)	(2,631)	(541)	—
Underwriting profit (loss)	⑯	(2,585)	(9,716)	(7,131)	—
Investment income and expenses:					
(+) Interest and dividend income	⑰	91,009	86,463	(4,546)	(5.0)
(+) Investment gains and losses on money trusts	⑱	(940)	(365)	575	—
(+) Gains and losses on sales of securities	⑲	25,455	13,677	(11,777)	(46.3)
(-) Impairment losses on securities	⑳	2,843	6,767	3,923	138.0
(+) Transfer of interest and dividend income on deposits of premiums, etc.	㉑	(40,537)	(39,399)	1,137	—
(+) Gains and losses on derivatives	㉒	7,279	3,231	(4,047)	(55.6)
(+) Other investment income and expenses	㉓	(14,209)	(16,382)	(2,172)	—
Gross investment margin	㉔	65,212	40,458	(24,754)	(38.0)
(-) Operating, general and administrative expenses	㉕	229,567	220,108	(9,458)	(4.1)
(+) Other ordinary income and expenses	㉖	(2,648)	(2,407)	241	—
Ordinary profit	㉗	50,318	20,541	(29,776)	(59.2)
Extraordinary gains and losses:					
(+) Extraordinary gains	㉘	16,783	3,320	(13,463)	(80.2)
(-) Extraordinary losses	㉙	6,985	8,449	1,463	21.0
Net extraordinary gains (losses)	㉚	9,798	(5,129)	(14,927)	(152.3)
Income before income taxes	㉛	60,116	15,412	(44,703)	(74.4)
(-) Income taxes	㉜	519	454	(65)	(12.6)
(-) Refunded income taxes for prior period	㉝	(1,159)	—	1,159	—
(-) Deferred income taxes	㉞	17,982	2,833	(15,148)	(84.2)
Total income taxes	㉟	17,342	3,288	(14,054)	(81.0)
Net income	㊱	42,774	12,124	(30,649)	(71.7)

Underwriting result:					
(+) Net premiums written	㊲	1,258,896	1,256,639	(2,256)	(0.2)
(-) Net claims paid	㊳	855,048	817,961	(37,087)	(4.3)
(-) Loss adjustment expenses	㊴	74,920	93,020	18,100	24.2
(-) Operating expenses:	㊵	428,728	423,365	(5,363)	(1.3)
Net commissions and brokerage fees	㊶	210,910	213,680	2,769	1.3
Operating, general and administrative expenses related to underwriting	㊷	217,817	209,684	(8,132)	(3.7)
Underwriting result	㊸	(99,801)	(77,706)	22,094	—
Ratios:					
Net loss ratio (%)	㊹	73.9	72.5	(1.4)	
Net expense ratio (%)	㊺	34.1	33.7	(0.4)	
Underwriting result ratio (%)	㊻	(7.9)	(6.2)	1.7	
Return on investments (income base) (%)	㊼	2.28	2.21	(0.06)	
Return on investments (realized base) (%)	㊽	2.68	2.07	(0.61)	

Reference) Total return based on the fair value:

Year ended March 31, 2010

9.03 %

Year ended March 31, 2011

(1.36) %

Sompo Japan Insurance Inc. (Non-consolidated)

Premiums Written and Claims Paid by Lines of Business

Direct premiums written (excluding deposits of premiums by policyholders)

(Millions of yen)

Business line	Year ended March 31, 2010 (April 1, 2009 to March 31, 2010)			Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	185,299	13.9 %	0.9 %	176,299	13.3 %	(4.9) %
Marine insurance	28,919	2.2	(17.8)	30,952	2.3	7.0
Personal accident insurance	126,622	9.5	(0.9)	128,198	9.7	1.2
Voluntary automobile insurance	639,992	48.1	(2.4)	638,717	48.1	(0.2)
Compulsory automobile liability insurance	176,743	13.3	(7.3)	177,038	13.3	0.2
Others	173,024	13.0	4.4	176,441	13.3	2.0
Total	1,330,601	100.0	(2.1)	1,327,649	100.0	(0.2)
Deposits of premiums by policyholders	112,383	—	(22.8)	118,184	—	5.2

Net premiums written

(Millions of yen)

Business line	Year ended March 31, 2010 (April 1, 2009 to March 31, 2010)			Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	144,138	11.4 %	(0.6) %	141,220	11.2 %	(2.0) %
Marine insurance	23,740	1.9	(20.6)	25,336	2.0	6.7
Personal accident insurance	125,229	9.9	(0.9)	127,196	10.1	1.6
Voluntary automobile insurance	640,251	50.9	(2.1)	639,977	50.9	(0.0)
Compulsory automobile liability insurance	164,724	13.1	(8.5)	166,536	13.3	1.1
Others	160,811	12.8	3.6	156,372	12.4	(2.8)
Total	1,258,896	100.0	(2.4)	1,256,639	100.0	(0.2)

Net claims paid

(Millions of yen)

Business line	Year ended March 31, 2010 (April 1, 2009 to March 31, 2010)			Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)		
	Amount	Rate of change	Net loss ratio	Amount	Rate of change	Net loss ratio
Fire and allied insurance	61,291	9.2 %	44.2 %	56,062	(8.5) %	41.6 %
Marine insurance	13,211	(11.6)	60.2	13,720	3.9	58.1
Personal accident insurance	68,118	1.9	59.5	68,877	1.1	59.4
Voluntary automobile insurance	405,899	(1.0)	70.6	398,103	(1.9)	72.0
Compulsory automobile liability insurance	154,378	(3.8)	101.3	155,111	0.5	100.8
Others	152,148	22.1	98.8	126,085	(17.1)	85.5
Total	855,048	2.7	73.9	817,961	(4.3)	72.5

Sompo Japan Insurance Inc. (Non-consolidated)

Net Incurred Loss related to Natural Disasters (which occurred in the period)

(Millions of yen)

	Year ended March 31, 2010			Year ended March 31, 2011		
	Net claims paid	Reserve for outstanding losses and claims	Net incurred loss	Net claims paid	Reserve for outstanding losses and claims	Net incurred loss
Fire and allied insurance	8,570	1,381	9,952	3,846	44,833	48,679
Voluntary automobile insurance	2,456	74	2,530	732	139	872
Others	666	108	775	163	4,011	4,174
Total	11,693	1,565	13,258	4,742	48,984	53,727

(Note)

Net incurred loss = Net claims paid + Reserve for outstanding losses and claims

Reserve for outstanding losses and claims represents amounts deducting reinsurance recoverable on unpaid loss from reserve for outstanding losses and claims of direct insurance and assumed reinsurance.

Breakdown of Operating, General and Administrative Expenses and Loss Adjustment Expenses

(Millions of yen)

	Year ended March 31, 2010			Year ended March 31, 2011		
	Amount	Increase (Decrease)	Rate of change	Amount	Increase (Decrease)	Rate of change
Personnel expenses	162,489	(2,907)	(1.8)	177,476	14,986	9.2
Non-personnel expenses	129,147	(10,933)	(7.8)	122,780	(6,367)	(4.9)
Others	12,851	(698)	(5.2)	12,873	22	0.2
Total	304,488	(14,538)	(4.6)	313,129	8,641	2.8

Reserve for Outstanding Losses and Claims

(Millions of yen)

	Year ended March 31, 2010		Year ended March 31, 2011	
	Balance	Change	Balance	Change
Fire and allied insurance	26,332	(6,272)	70,224	43,892
Marine insurance	11,832	(819)	13,722	1,889
Personal accident insurance	53,641	3,005	60,999	7,357
Voluntary automobile insurance	302,058	7,481	301,442	(616)
Compulsory automobile liability insurance	55,818	(1,500)	58,225	2,406
Others	238,116	(72,632)	134,950	(93,879)
Total	687,801	(70,737)	639,564	(38,950)

(Notes)

1. Balance of financial guarantee insurance is included in "Others".

Year ended March 31, 2010: 80,665 million yen

Year ended March 31, 2011: 9,960 million yen

2. Change of financial guarantee insurance is included in "Others".

Year ended March 31, 2010: (59,518) million yen

Year ended March 31, 2011: (70,704) million yen

3. Balance of "Others" for the year ended March 31, 2011 decreased by 9,286 million yen, due to the commutation of a portion of aviation reinsurance contracts assumed overseas. Change for the year ended March 31, 2011 excludes the decrease in reserve for outstanding losses and claims related to the commutation.

Ordinary Underwriting Reserves

(Millions of yen)

	Year ended March 31, 2010		Year ended March 31, 2011	
	Balance	Change	Balance	Change
Fire and allied insurance	494,521	(6,127)	479,191	(15,329)
Marine insurance	8,776	(1,143)	8,566	(210)
Personal accident insurance	76,791	4,377	80,727	3,935
Voluntary automobile insurance	183,551	(6,860)	183,055	(495)
Compulsory automobile liability insurance	386,615	(38,412)	343,288	(43,327)
Others	193,736	4,371	194,787	1,050
Total	1,343,993	(43,794)	1,289,615	(54,377)

(Note)

This table excludes reserve for maturity refunds and reserve for dividends to policyholders of savings-type insurance and includes underwriting reserves of earthquake insurance and compulsory automobile liability insurance.

Catastrophic Loss Reserve

(Millions of yen)

	Year ended March 31, 2010				Year ended March 31, 2011			
	Reversal	Provision	Balance	Balance ratio	Reversal	Provision	Balance	Balance ratio
Fire and allied insurance	—	18,974	148,525	105.4	—	22,424	170,950	123.9
Marine insurance	—	890	26,231	110.5	—	941	27,172	107.2
Personal accident insurance	7,006	3,909	84,587	67.5	7,001	3,961	81,548	64.1
Voluntary automobile insurance	47,509	38,609	38,609	6.0	38,609	38,655	38,655	6.0
Others	1,855	10,888	96,733	60.2	1,389	7,001	102,344	65.4
Total	56,372	73,271	394,687	36.2	47,000	72,983	420,671	38.7

(Note)

Balance ratio = Balance of catastrophic loss reserve / Net premiums written (excluding earthquake insurance and compulsory automobile liability insurance) × 100

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

Overview of Financial Results for the fiscal year ended March 31, 2011

Summary of Results of Operations

(Millions of yen)

		Year ended March 31, 2010 (April 1, 2009 to March 31, 2010)	Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)	Increase (Decrease)	Rate of change
Ordinary income and expenses:					
Underwriting income and expenses:					
Direct premiums written (including deposits of premiums by policyholders)	①	703,546	688,158	(15,387)	(2.2) %
Direct premiums written	②	664,984	653,239	(11,744)	(1.8)
(+) Net premiums written	③	633,336	620,615	(12,721)	(2.0)
(-) Net claims paid	④	403,857	397,444	(6,413)	(1.6)
(-) Loss adjustment expenses	⑤	35,813	34,369	(1,443)	(4.0)
(-) Net commissions and brokerage fees	⑥	107,151	104,455	(2,695)	(2.5)
(+) Deposits of premiums by policyholders	⑦	38,562	34,918	(3,643)	(9.4)
(+) Interest and dividend income on deposits of premiums, etc.	⑧	22,147	20,625	(1,522)	(6.9)
(-) Maturity refunds and dividends to policyholders	⑨	142,761	121,559	(21,201)	(14.9)
(-) Provision for (reversal of) reserve for outstanding losses and claims	⑩	(15,154)	21,270	36,425	—
(-) Provision for (reversal of) underwriting reserves	⑪	(103,651)	(97,631)	6,020	—
(+) Other underwriting income and expenses	⑫	275	(1,147)	(1,423)	(516.6)
Gross underwriting margin	⑬	123,544	93,543	(30,001)	(24.3)
Operating, general and administrative expenses related to underwriting	⑭	119,640	117,480	(2,160)	(1.8)
Other income and expenses	⑮	(1,610)	(1,054)	555	—
Underwriting profit (loss)	⑯	2,293	(24,991)	(27,285)	(1,189.6)
Investment income and expenses:					
(+) Interest and dividend income	⑰	44,999	42,722	(2,277)	(5.1)
(+) Investment gains and losses on money trusts	⑱	2,410	68	(2,341)	(97.2)
(+) Gains and losses on sales of securities	⑲	9,288	12,590	3,301	35.5
(-) Impairment losses on securities	⑳	2,104	3,641	1,536	73.0
(+) Transfer of interest and dividend income on deposits of premiums, etc.	㉑	(22,147)	(20,625)	1,522	—
(+) Gains and losses on derivatives	㉒	3,470	1,217	(2,252)	(64.9)
(+) Other investment income and expenses	㉓	(4,704)	(3,855)	848	—
Gross investment margin	㉔	31,210	28,475	(2,735)	(8.8)
(-) Operating, general and administrative expenses	㉕	125,792	123,663	(2,129)	(1.7)
(+) Other ordinary income and expenses	㉖	421	1,325	903	214.1
Ordinary profit (loss)	㉗	29,384	(319)	(29,703)	(101.1)
Extraordinary gains and losses:					
(+) Extraordinary gains	㉘	508	1,931	1,423	279.9
(-) Extraordinary losses	㉙	6,936	5,203	(1,732)	(25.0)
Net extraordinary losses	㉚	(6,427)	(3,272)	3,155	—
Income (loss) before income taxes	㉛	22,957	(3,591)	(26,548)	(115.6)
(-) Income taxes	㉜	7,865	311	(7,553)	(96.0)
(-) Refunded income taxes for prior period	㉝	—	—	—	—
(-) Deferred income taxes	㉞	1,967	2,534	566	28.8
Total income taxes	㉟	9,833	2,845	(6,987)	(71.1)
Net income (loss)	㊱	13,123	(6,437)	(19,560)	(149.1)

Underwriting result:					
(+) Net premiums written	㊲	633,336	620,615	(12,721)	(2.0)
(-) Net claims paid	㊳	403,857	397,444	(6,413)	(1.6)
(-) Loss adjustment expenses	㊴	35,813	34,369	(1,443)	(4.0)
(-) Operating expenses:	㊵	226,792	221,935	(4,856)	(2.1)
Net commissions and brokerage fees	㊶	107,151	104,455	(2,695)	(2.5)
Operating, general and administrative expenses related to underwriting	㊷	119,640	117,480	(2,160)	(1.8)
Underwriting result	㊸	(33,126)	(33,134)	(7)	—
Ratios:					
Net loss ratio (%)	㊹	69.4	69.6	0.2	/
Net expense ratio (%)	㊺	35.8	35.8	—	
Underwriting result ratio (%)	㊻	(5.2)	(5.3)	(0.1)	
Return on investments (income base) (%)	㊼	2.06	2.08	0.02	
Return on investments (realized base) (%)	㊽	2.47	2.40	(0.07)	

Reference) Total return based on the fair value:

Year ended March 31, 2010

7.55 %

Year ended March 31, 2011

(0.76) %

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

Premiums Written and Claims Paid by Lines of Business

Direct premiums written (excluding deposits of premiums by policyholders)

(Millions of yen)

Business line	Year ended March 31, 2010 (April 1, 2009 to March 31, 2010)			Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	121,472	18.3 %	0.3 %	114,836	17.6 %	(5.5) %
Marine insurance	14,069	2.1	(20.7)	14,818	2.3	5.3
Personal accident insurance	49,735	7.5	(4.9)	48,576	7.4	(2.3)
Voluntary automobile insurance	319,032	48.0	(1.9)	314,972	48.2	(1.3)
Compulsory automobile liability insurance	76,564	11.5	(7.1)	77,303	11.8	1.0
Others	84,108	12.6	(3.3)	82,731	12.7	(1.6)
Total	664,984	100.0	(3.0)	653,239	100.0	(1.8)
Deposits of premiums by policyholders	38,562	—	(9.1)	34,918	—	(9.4)

Net premiums written

(Millions of yen)

Business line	Year ended March 31, 2010 (April 1, 2009 to March 31, 2010)			Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	96,566	15.2 %	0.8 %	89,556	14.4 %	(7.3) %
Marine insurance	13,488	2.1	(18.7)	14,010	2.3	3.9
Personal accident insurance	50,605	8.0	(4.3)	49,668	8.0	(1.9)
Voluntary automobile insurance	318,749	50.4	(2.0)	314,873	50.7	(1.2)
Compulsory automobile liability insurance	74,187	11.7	(8.3)	74,470	12.0	0.4
Others	79,738	12.6	(2.8)	78,035	12.6	(2.1)
Total	633,336	100.0	(3.1)	620,615	100.0	(2.0)

Net claims paid

(Millions of yen)

Business line	Year ended March 31, 2010 (April 1, 2009 to March 31, 2010)			Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)		
	Amount	Rate of change	Net loss ratio	Amount	Rate of change	Net loss ratio
Fire and allied insurance	42,668	1.2 %	48.1 %	39,205	(8.1) %	47.5 %
Marine insurance	8,006	15.9	61.0	5,736	(28.4)	42.4
Personal accident insurance	30,830	(4.7)	66.4	29,734	(3.6)	65.0
Voluntary automobile insurance	206,911	4.2	71.0	210,155	1.6	72.9
Compulsory automobile liability insurance	70,780	(3.8)	102.9	71,402	0.9	103.2
Others	44,660	(5.5)	61.1	41,209	(7.7)	57.4
Total	403,857	0.8	69.4	397,444	(1.6)	69.6

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

Net Incurred Loss related to Natural Disasters (which occurred in the period)

(Millions of yen)

	Year ended March 31, 2010			Year ended March 31, 2011		
	Net claims paid	Reserve for outstanding losses and claims	Net incurred loss	Net claims paid	Reserve for outstanding losses and claims	Net incurred loss
Fire and allied insurance	8,309	2,051	10,361	4,282	20,460	24,742
Voluntary automobile insurance	1,041	30	1,072	215	1,213	1,429
Others	1,459	140	1,600	413	5,199	5,613
Total	10,811	2,222	13,033	4,911	26,873	31,785

(Note)

Net incurred loss = Net claims paid + Reserve for outstanding losses and claims

Reserve for outstanding losses and claims represents amounts deducting reinsurance recoverable on unpaid loss from reserve for outstanding losses and claims of direct insurance and assumed reinsurance.

Breakdown of Operating, General and Administrative Expenses and Loss Adjustment Expenses

(Millions of yen)

	Year ended March 31, 2010			Year ended March 31, 2011		
	Amount	Increase (Decrease)	Rate of change	Amount	Increase (Decrease)	Rate of change
Personnel expenses	85,383	2,133	2.6	87,695	2,311	2.7
Non-personnel expenses	68,356	(400)	(0.6)	62,998	(5,358)	(7.8)
Others	7,865	(213)	(2.6)	7,339	(526)	(6.7)
Total	161,606	1,519	0.9	158,032	(3,573)	(2.2)

Reserve for Outstanding Losses and Claims

(Millions of yen)

	Year ended March 31, 2010		Year ended March 31, 2011	
	Balance	Change	Balance	Change
Fire and allied insurance	22,211	(4,799)	43,677	21,465
Marine insurance	6,439	(2,139)	6,414	(25)
Personal accident insurance	19,263	(2,843)	17,596	(1,667)
Voluntary automobile insurance	130,636	(9,145)	130,873	237
Compulsory automobile liability insurance	25,716	(586)	26,907	1,190
Others	63,604	4,359	63,674	69
Total	267,872	(15,154)	289,142	21,270

Ordinary Underwriting Reserves

(Millions of yen)

	Year ended March 31, 2010		Year ended March 31, 2011	
	Balance	Change	Balance	Change
Fire and allied insurance	362,688	1,450	353,180	(9,508)
Marine insurance	4,009	(1,847)	4,205	196
Personal accident insurance	28,896	217	28,437	(459)
Voluntary automobile insurance	91,696	(2,258)	90,732	(963)
Compulsory automobile liability insurance	177,127	(18,056)	157,119	(20,007)
Others	77,365	(1,841)	75,068	(2,297)
Total	741,784	(22,335)	708,743	(33,040)

(Note)

This table excludes reserve for maturity refunds and reserve for dividends to policyholders of savings-type insurance and includes underwriting reserves of earthquake insurance and compulsory automobile liability insurance.

Catastrophic Loss Reserve

(Millions of yen)

	Year ended March 31, 2010				Year ended March 31, 2011			
	Reversal	Provision	Balance	Balance ratio	Reversal	Provision	Balance	Balance ratio
Fire and allied insurance	—	6,557	121,138	128.4	—	6,072	127,210	145.7
Marine insurance	211	603	19,028	141.1	183	612	19,456	138.9
Personal accident insurance	6,208	1,576	21,016	41.5	5,496	1,550	17,070	34.4
Voluntary automobile insurance	22,357	21,909	21,909	6.9	21,909	21,617	21,617	6.9
Others	747	3,872	51,501	64.6	517	3,727	54,711	70.1
Total	29,525	34,519	234,593	42.1	28,106	33,580	240,067	44.1

(Note)

Balance ratio = Balance of catastrophic loss reserve / Net premiums written (excluding earthquake insurance and compulsory automobile liability insurance) × 100

2. Forecasts for the fiscal year ending March 31, 2012 (April 1, 2011 to March 31, 2012)

NKSJ Holdings, Inc. (Consolidated)

(Yen in hundred millions, %)

	Fiscal year ended March 31, 2011 Result	Fiscal year ending March 31, 2012 Forecast	Increase (Decrease)	Rate of change
Full-year				
Ordinary income:	26,216	27,740	1,523	5.8
Net premiums written	19,332	19,920	587	3.0
Life insurance premiums written	2,381	2,410	28	1.2
Ordinary profit	(64)	420	484	—
Net income	(129)	160	289	—
Dividends per share	20 yen	80 yen	—	—

※ NKSJ Holdings, Inc. plans a reverse split of stocks to combine common stocks at a ratio of four shares to one share as of October 1, 2011. The effect of the reverse split of stocks is considered in estimation of dividends per share for the fiscal year ending March 31, 2012.

Fiscal year ending March 31, 2012

Forecast

	Ordinary profit	Net income
Sompo Japan Insurance Inc. (Consolidated)	470	280
+		
NIPPONKOA Insurance Co., Ltd. (Consolidated)	200	95
+		
NKSJ Himawari Life Insurance, Inc.	30	(30)
+		
Consolidation adjustment, etc.	(280)	(185)
=		
NKSJ Holdings, Inc. (Consolidated)	420	160

< Note to consolidation adjustment, etc. >

The transaction related to the establishment of NKSJ Holdings, Inc. is accounted for under the purchase method as accounting methods for business combination. The major component of the "Consolidation adjustment, etc." of the consolidated forecasts for the fiscal year ending March 31, 2012 is the amount of adjustments due to the application of the purchase method.

※ NKSJ Holdings, Inc. plans Sompo Japan Himawari Life Insurance Co., Ltd. and NIPPONKOA Life Insurance Company, Limited to merger and makes the post-merger company directly owned by NKSJ Holdings, Inc. as of October 1, 2011. For this reason, in the above table, Sompo Japan Insurance Inc. (Consolidated) includes forecast of financial results of Sompo Japan Himawari Life Insurance Co., Ltd. for the first half fiscal year ending March 31, 2012. NIPPONKOA Insurance Co., Ltd. (Consolidated) includes forecast of financial results of NIPPONKOA Life Insurance Company, Limited for the first half fiscal year ending March 31, 2012 and NKSJ Himawari Life Insurance, Inc. indicates forecast of financial results of NKSJ Himawari Life Insurance, Inc. for the second half fiscal year ending March 31, 2012.

Sompo Japan Insurance Inc. (Non-consolidated)

(Yen in hundred millions, %)

	Fiscal year ended March 31, 2011 Result	Fiscal year ending March 31, 2012 Forecast	Increase (Decrease)	Rate of change
Full-year				
Net premiums written	12,566	12,810	243	1.9
(Excluding compulsory automobile liability insurance)	10,901	11,059	157	1.4
Net loss ratio	72.5	76.8	4.3	—
(Excluding financial guarantee insurance* and compulsory automobile liability insurance)	64.3	73.1	8.8	—
Net expense ratio	33.7	33.0	(0.7)	—
(Excluding compulsory automobile liability insurance)	34.8	34.4	(0.4)	—
Combined ratio	106.2	109.8	3.6	—
(Excluding financial guarantee insurance* and compulsory automobile liability insurance)	99.0	107.5	8.4	—
Underwriting profit	(97)	120	217	—
Investment income and expenses	404	505	100	24.8
Ordinary profit	205	490	284	138.5
Net income	121	270	148	122.7

* Net claims paid of financial guarantee insurance is excluded from the figures of net loss ratio and combined ratio, but net premiums written and loss adjustment expenses of it are not excluded.

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

(Yen in hundred millions, %)

	Fiscal year ended March 31, 2011 Result	Fiscal year ending March 31, 2012 Forecast	Increase (Decrease)	Rate of change
Full-year				
Net premiums written	6,206	6,220	13	0.2
(Excluding compulsory automobile liability insurance)	5,461	5,432	(29)	(0.5)
Net loss ratio	69.6	79.3	9.7	—
(Excluding compulsory automobile liability insurance)	65.0	76.9	11.9	—
Net expense ratio	35.8	35.6	(0.2)	—
(Excluding compulsory automobile liability insurance)	37.2	37.4	0.2	—
Combined ratio	105.3	115.0	9.7	—
(Excluding compulsory automobile liability insurance)	102.2	114.3	12.1	—
Underwriting profit	(249)	(50)	199	—
Investment income and expenses	284	314	30	10.6
Ordinary profit	(3)	210	213	—
Net income	(64)	110	174	—

3. Overview of Business Results of Principal Consolidated Subsidiaries

Sompo Japan Insurance Inc. (Non-consolidated)

Balance Sheets

	As of March 31, 2010	As of March 31, 2011	Increase (Decrease)
	Amount	Amount	
(Millions of yen)			
Assets:			
Cash and deposits:	118,455	89,494	(28,960)
Cash	3	4	1
Deposits	118,451	89,489	(28,962)
Call loans	46,800	67,800	21,000
Receivables under resale agreements	61,489	33,490	(27,999)
Monetary receivables bought	34,585	29,823	(4,762)
Money trusts	6,773	237	(6,536)
Securities:	3,525,735	3,359,247	(166,487)
Government bonds	893,426	837,468	(55,957)
Municipal bonds	30,916	19,068	(11,847)
Corporate bonds	520,528	512,744	(7,783)
Domestic stocks	1,239,408	1,163,091	(76,316)
Foreign securities	787,306	788,949	1,643
Other securities	54,149	37,923	(16,225)
Loans:	476,173	455,617	(20,556)
Policy loans	9,800	9,575	(224)
Ordinary loans	466,373	446,041	(20,332)
Tangible fixed assets:	212,244	211,597	(647)
Land	103,535	103,264	(271)
Buildings	85,225	82,786	(2,438)
Leased assets	2,785	5,357	2,572
Construction in progress	730	826	96
Other tangible fixed assets	19,966	19,361	(605)
Intangible fixed assets	758	96	(662)
Other assets:	437,671	381,845	(55,826)
Premiums receivable	1,369	1,519	150
Agency accounts receivable	97,377	98,000	622
Foreign agency accounts receivable	23,099	23,668	568
Coinsurance accounts receivable	9,041	8,701	(340)
Reinsurance accounts receivable	70,569	67,711	(2,858)
Foreign reinsurance accounts receivable	12,517	9,125	(3,392)
Proxy service receivable	0	1	1
Accounts receivable	20,173	23,571	3,397
Accrued income	8,670	7,748	(922)
Advance deposits	27,369	13,011	(14,357)
Earthquake insurance deposits	65,097	68,895	3,797
Suspense payments	97,205	54,878	(42,327)
Deposits paid for future transactions	1,860	3,632	1,771
Derivative assets	2,331	417	(1,914)
Other assets	987	962	(24)
Deferred tax assets	121,347	168,619	47,271
Allowance for possible loan losses	(5,068)	(3,477)	1,591
Allowance for possible investment losses	(7,734)	(8,019)	(284)
Total assets	5,029,232	4,786,371	(242,860)

Sompo Japan Insurance Inc. (Non-consolidated)

Balance Sheets

(Millions of yen)

	As of March 31, 2010	As of March 31, 2011	Increase (Decrease)
	Amount	Amount	
Liabilities:			
Underwriting funds:	3,797,586	3,645,004	(152,581)
Reserve for outstanding losses and claims	687,801	639,564	(48,237)
Underwriting reserves	3,109,784	3,005,440	(104,344)
Bonds	128,000	128,000	—
Other liabilities:	181,855	207,245	25,390
Coinsurance accounts payable	4,997	4,623	(373)
Reinsurance accounts payable	48,173	46,366	(1,807)
Foreign reinsurance accounts payable	12,567	9,663	(2,903)
Proxy service payable	17	16	(1)
Borrowings	438	3,157	2,719
Income taxes payable	3,248	3,353	105
Deposits received	5,341	5,301	(39)
Unearned income	39	35	(4)
Accounts payable	48,271	66,842	18,571
Suspense receipts	53,499	55,349	1,849
Securities borrowed	455	299	(155)
Derivative liabilities	1,875	5,030	3,154
Lease obligations	2,930	5,662	2,731
Asset retirement obligations	—	1,543	1,543
Reserve for retirement benefits	76,741	77,984	1,243
Reserve for bonus payments	13,405	14,793	1,387
Reserves under the special laws:	11,462	17,305	5,843
Reserve for price fluctuation	11,462	17,305	5,843
Total liabilities	4,209,051	4,090,334	(118,716)
Net assets:			
Shareholders' equity:			
Common stock	70,000	70,000	—
Capital surplus:	24,229	24,229	—
Capital reserves	24,229	24,229	—
Retained earnings:	338,304	305,999	(32,305)
Legal reserve	40,026	45,770	5,743
Other retained earnings:	298,277	260,229	(38,048)
Reserve for advanced depreciation	1,307	1,257	(49)
General reserve	233,300	233,300	—
Retained earnings carried forward	63,670	25,671	(37,998)
Total shareholders' equity	432,534	400,229	(32,305)
Valuation and translation adjustments:			
Unrealized gains on securities available for sale, net of tax	386,343	295,807	(90,536)
Total valuation and translation adjustments	386,343	295,807	(90,536)
Stock acquisition rights	1,302	—	(1,302)
Total net assets	820,181	696,037	(124,144)
Total liabilities and net assets	5,029,232	4,786,371	(242,860)

Sampo Japan Insurance Inc. (Non-consolidated)

Statements of Income

(Millions of yen)

	Year ended March 31, 2010 (April 1, 2009 to March 31, 2010)	Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)	Increase (Decrease)	Rate of change
	Amount	Amount		
Ordinary income:	1,661,802	1,637,215	(24,587)	(1.5) %
Underwriting income:	1,557,803	1,562,178	4,375	0.3
Net premiums written	1,258,896	1,256,639	(2,256)	(0.2)
Deposits of premiums by policyholders	112,383	118,184	5,801	5.2
Interest and dividend income on deposits of premiums, etc.	40,537	39,399	(1,137)	(2.8)
Reversal of reserve for outstanding losses and claims	70,737	38,950	(31,787)	(44.9)
Reversal of underwriting reserves	73,089	104,344	31,255	42.8
Other underwriting income	2,160	4,660	2,499	115.7
Investment income:	95,612	69,131	(26,480)	(27.7)
Interest and dividend income	91,009	86,463	(4,546)	(5.0)
Investment gains on money trusts	0	0	0	540.1
Investment gains on trading securities	—	62	62	—
Gains on sales of securities	37,205	18,604	(18,601)	(50.0)
Gains on redemption of securities	229	0	(228)	(99.6)
Gains on derivatives	7,279	3,231	(4,047)	(55.6)
Other investment income	425	168	(256)	(60.3)
Transfer of interest and dividend income on deposits of premiums, etc.	(40,537)	(39,399)	1,137	—
Other ordinary income	8,387	5,905	(2,482)	(29.6)
Ordinary expenses:	1,611,484	1,616,673	5,189	0.3
Underwriting expenses:	1,340,481	1,359,579	19,098	1.4
Net claims paid	855,048	817,961	(37,087)	(4.3)
Loss adjustment expenses	74,920	93,020	18,100	24.2
Net commissions and brokerage fees	210,910	213,680	2,769	1.3
Maturity refunds to policyholders	191,568	227,802	36,233	18.9
Dividends to policyholders	131	89	(41)	(31.5)
Foreign exchange losses	1,621	155	(1,466)	(90.4)
Other underwriting expenses	6,279	6,869	590	9.4
Investment expenses:	30,399	28,672	(1,726)	(5.7)
Investment losses on money trusts	940	365	(575)	(61.1)
Investment losses on trading securities	56	—	(56)	(100.0)
Losses on sales of securities	11,750	4,926	(6,824)	(58.1)
Impairment losses on securities	2,843	6,767	3,923	138.0
Losses on redemption of securities	2,596	2,840	244	9.4
Foreign exchange losses	5,231	10,228	4,997	95.5
Other investment expenses	6,980	3,544	(3,436)	(49.2)
Operating, general and administrative expenses	229,567	220,108	(9,458)	(4.1)
Other ordinary expenses:	11,036	8,312	(2,723)	(24.7)
Interest paid	6,021	7,161	1,140	18.9
Losses on bad debt	13	8	(5)	(38.0)
Provision for allowance for possible investment losses	447	284	(162)	(36.3)
Other ordinary expenses	4,554	858	(3,695)	(81.1)
Ordinary profit	50,318	20,541	(29,776)	(59.2)

Sompo Japan Insurance Inc. (Non-consolidated)

Statements of Income

(Millions of yen)

	Year ended March 31, 2010 (April 1, 2009 to March 31, 2010)	Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)	Increase (Decrease)	Rate of change
	Amount	Amount		
Extraordinary gains:	16,783	3,320	(13,463)	(80.2)
Gains on disposal of fixed assets	1,769	231	(1,538)	(86.9)
Other extraordinary gains	15,013	3,088	(11,925)	(79.4)
Extraordinary losses:	6,985	8,449	1,463	21.0
Losses on disposal of fixed assets	922	464	(457)	(49.6)
Impairment losses	380	259	(120)	(31.8)
Provision for reserves under the special laws:	5,682	5,843	160	2.8
Provision for reserve for price fluctuation	5,682	5,843	160	2.8
Other extraordinary losses	—	1,882	1,882	—
Income before income taxes	60,116	15,412	(44,703)	(74.4)
Income taxes	519	454	(65)	(12.6)
Refunded income taxes for prior period	(1,159)	—	1,159	—
Deferred income taxes	17,982	2,833	(15,148)	(84.2)
Total income taxes	17,342	3,288	(14,054)	(81.0)
Net income	42,774	12,124	(30,649)	(71.7)
Underwriting result:				
Net premiums written (+)	1,258,896	1,256,639	(2,256)	(0.2)
Net claims paid (—)	855,048	817,961	(37,087)	(4.3)
Loss adjustment expenses (—)	74,920	93,020	18,100	24.2
Operating expenses: (—)	428,728	423,365	(5,363)	(1.3)
Net commissions and brokerage fees	210,910	213,680	2,769	1.3
Operating, general and administrative expenses related to underwriting	217,817	209,684	(8,132)	(3.7)
Underwriting result	(99,801)	(77,706)	22,094	—
Underwriting profit (loss)	(2,585)	(9,716)	(7,131)	—
Ratios:				
Net loss ratio (%)	73.9	72.5	(1.4)	
Net expense ratio (%)	34.1	33.7	(0.4)	
Underwriting result ratio (%)	(7.9)	(6.2)	1.7	

Sompo Japan Insurance Inc. (Non-consolidated)

Premiums Written and Claims Paid by Lines of Business

Direct premiums written (excluding deposits of premiums by policyholders)

(Millions of yen)

Business line	Year ended March 31, 2010 (April 1, 2009 to March 31, 2010)			Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	185,299	13.9 %	0.9 %	176,299	13.3 %	(4.9) %
Marine insurance	28,919	2.2	(17.8)	30,952	2.3	7.0
Personal accident insurance	126,622	9.5	(0.9)	128,198	9.7	1.2
Voluntary automobile insurance	639,992	48.1	(2.4)	638,717	48.1	(0.2)
Compulsory automobile liability insurance	176,743	13.3	(7.3)	177,038	13.3	0.2
Others	173,024	13.0	4.4	176,441	13.3	2.0
Total	1,330,601	100.0	(2.1)	1,327,649	100.0	(0.2)
Deposits of premiums by policyholders	112,383	—	(22.8)	118,184	—	5.2

Net premiums written

(Millions of yen)

Business line	Year ended March 31, 2010 (April 1, 2009 to March 31, 2010)			Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	144,138	11.4 %	(0.6) %	141,220	11.2 %	(2.0) %
Marine insurance	23,740	1.9	(20.6)	25,336	2.0	6.7
Personal accident insurance	125,229	9.9	(0.9)	127,196	10.1	1.6
Voluntary automobile insurance	640,251	50.9	(2.1)	639,977	50.9	(0.0)
Compulsory automobile liability insurance	164,724	13.1	(8.5)	166,536	13.3	1.1
Others	160,811	12.8	3.6	156,372	12.4	(2.8)
Total	1,258,896	100.0	(2.4)	1,256,639	100.0	(0.2)

Net claims paid

(Millions of yen)

Business line	Year ended March 31, 2010 (April 1, 2009 to March 31, 2010)			Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)		
	Amount	Rate of change	Net loss ratio	Amount	Rate of change	Net loss ratio
Fire and allied insurance	61,291	9.2 %	44.2 %	56,062	(8.5) %	41.6 %
Marine insurance	13,211	(11.6)	60.2	13,720	3.9	58.1
Personal accident insurance	68,118	1.9	59.5	68,877	1.1	59.4
Voluntary automobile insurance	405,899	(1.0)	70.6	398,103	(1.9)	72.0
Compulsory automobile liability insurance	154,378	(3.8)	101.3	155,111	0.5	100.8
Others	152,148	22.1	98.8	126,085	(17.1)	85.5
Total	855,048	2.7	73.9	817,961	(4.3)	72.5

Sompo Japan Insurance Inc. (Non-consolidated)

Solvency Margin Ratio

(Millions of yen)

	As of March 31, 2010	As of March 31, 2011
(A) Total Solvency Margin	1,671,429	1,476,906
Capital and funds, etc.	414,156	400,229
Reserve for price fluctuation	11,462	17,305
Contingency reserve	611	611
Catastrophic loss reserve	466,702	487,656
General allowance for possible loan losses	992	404
Unrealized gains on securities (before tax effect deductions)	536,605	415,622
Net unrealized gains and losses on real estate	52,252	30,177
Excess amount of reserve for maturity refunds	—	—
Subordinated debt, etc.	128,000	128,000
Deductions	101,616	157,360
Others	162,261	154,258
(B) Total Risks	417,827	394,555
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$		
Underwriting risk (R_1)	83,975	77,389
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_2)	—	—
Guaranteed interest rate risk (R_3)	5,368	5,144
Investment risk (R_4)	185,633	173,292
Business management risk (R_5)	9,493	8,938
Major catastrophe risk (R_6)	199,686	191,119
(C) Solvency Margin Ratio	800.0 %	748.6 %
$[(A) / \{(B) \times 1/2\}] \times 100$		

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

[Reference] The figures based on new standards to be applied from March 31, 2012

(Millions of yen)

	As of March 31, 2011
(A) Total Solvency Margin	1,476,906
Capital and funds, etc.	400,229
Reserve for price fluctuation	17,305
Contingency reserve	611
Catastrophic loss reserve	487,656
General allowance for possible loan losses	404
Unrealized gains on securities (before tax effect deductions)	415,622
Net unrealized gains and losses on real estate	30,177
Excess amount of reserve for maturity refunds	—
Subordinated debt, etc.	128,000
Excess amount of reserve for maturity refunds and subordinated debt, etc. which are excluded from total solvency margin	—
Deductions	157,360
Others	154,258
(B) Total Risks	525,109
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	
Underwriting risk (R_1)	108,300
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_2)	—
Guaranteed interest rate risk (R_3)	18,681
Investment risk (R_4)	301,892
Business management risk (R_5)	12,070
Major catastrophe risk (R_6)	174,665
(C) Solvency Margin Ratio	562.5 %
$[(A) / \{(B) \times 1/2\}] \times 100$	

Note) The "new standards" is the revision of the current standards which reflects the revisions of Cabinet Office Ordinance No. 23 and the provisions of Notification No. 48 of the Financial Services Agency issued on April 20, 2010 (application from March 31, 2012).

Exposure to Structured Finance

As of March 31, 2011

May 19, 2011

SOMPO JAPAN INSURANCE INC.

Summary of Financial Guarantee Insurance

Gains/Losses for FY2010 (Overall financial guarantee)

23.2 billion yen gain

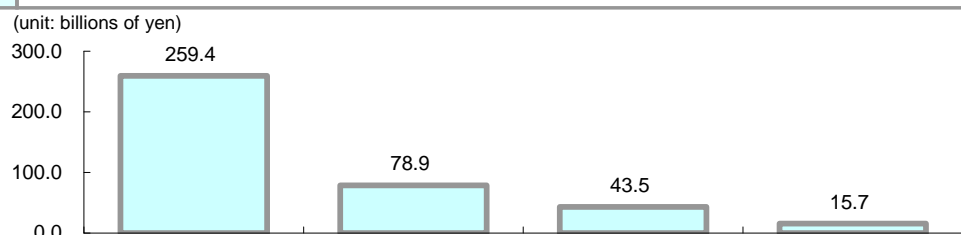
※ Primarily due to some recovery from the past fiscal year's loss payment and the reversal of loss reserve for ABS-CDO guarantees.

Overall financial guarantee (Gains/Losses)	(Unit: billions of yen)			
	Nine months ended December 31, 2010	Three months ended March 31, 2011	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2010
Loss Payment (*1)	(30.6)	(14.5)	(45.1)	(63.8)
Provision/Reversal of Loss Reserves (*2)	50.4	17.9	68.4	55.7
Gains/Losses	19.8	3.4	23.2	(8.0)

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

Net exposure to ABS-CDOs

Net exposure to ABS-CDOs (after deduction of loss reserves) reduced to 15.7 billion yen. (Decreased by 27.7 billion yen since March 31, 2010)



ABS-CDOs (Insured Amount)	(Unit: billions of yen)			
	3/31/2008	3/31/2009	3/31/2010	3/31/2011
Total of Insured Amount	289.4	218.0	123.1	25.1
Outstanding Loss Reserves	(30.0)	(139.0)	(79.5)	(9.3)
Insured Amount Net of Loss Reserves	259.4	78.9	43.5	15.7

<Appendix 1> Financial Guarantee Insurance

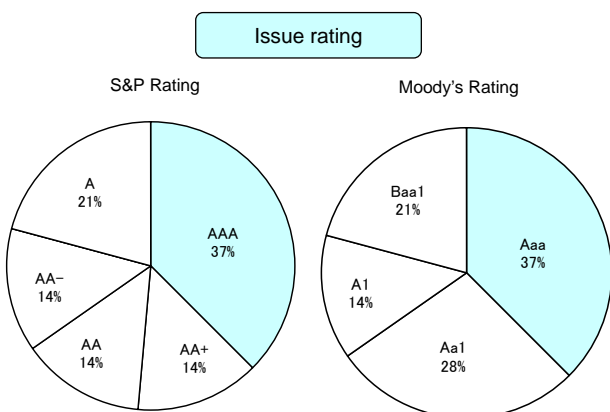
(As of March 31, 2011, Unit: billions of yen, USD/JPY=83.15)

Categories		Insured Amount				Gains/Losses for FY2010 (*7)	
		Direct Insurance (*5)	Treaty Reinsurance (*6)	Total	Outstanding Loss Reserves		Insured Amount Net of Loss Reserves
CDOs	ABS CDOs (backed by pools of asset backed securities) (*1)	24.6	0.4	25.1	9.3	15.7	23.1
	Corporate CDOs (backed by pools of single corporate credits) (*2)	119.6	0.2	119.9	-	119.9	-
	CDOs Total	144.2	0.7	145.0	9.3	135.6	23.1
ABS	RMBS (*3)	-	9.0	9.0	0.5	8.4	(0.4)
	Global RMBS	-	-	-	-	-	-
	Domestic RMBS	31.2	-	31.2	-	31.2	-
	RMBS Total	31.2	9.0	40.2	0.5	39.6	(0.4)
	Global ABS (*4)	2.6	12.7	15.4	-	15.4	0.5
ABS Total	33.9	21.7	55.7	0.5	55.1	0.1	
Public Finance		-	143.5	143.5	0.0	143.5	0.0
Total		178.1	166.1	344.3	9.9	334.3	23.2

*1 ABS CDOs (backed by pools of asset backed securities): The securities backed by securitized assets such as the RMBS, CDOs and CLOs. List of Guarantee for ABS CDOs (Excl. Treaty Reinsurance) was eliminated from Appendix as there is only one ABS CDO as of March 31, 2011 due to the commutation or the full redemption of tranches guaranteed by us.
 *2 Corporate CDOs (backed by pools of single corporate credits): The securities backed by assets such as corporate bonds, loans and CDS.
 *3 RMBS: Asset Backed Securities where underlying assets are residential mortgages. 82% of RMBS are rated investment grade (BBB or above) including AAA ratings for 78%.
 *4 6% of global ABS are U.S. consumer loan-related ABS, while others are mainly related to corporate credit (e.g., leasing receivables).
 *5 "Direct Insurance" includes 2.6 billion yen of Direct Insurance to cover U.S. monoline guaranteed notes.
 *6 "Treaty Reinsurance" is a portfolio-based reinsurance where certain parts of policies underwritten by a primary insurer are ceded automatically to the reinsurer, Sompo Japan, in accordance with the conditions agreed by the primary insurer and the reinsurer.
 *7 Total amount of 23.2 billion yen gain is comprised of 45.1 billion yen of mainly loss payments offset by 70.7 billion yen of reversal of loss reserve and 2.2 billion yen losses of foreign exchange hedge transaction for loss reserve. Financial Guarantee Insurance is not supposed to book mark-to-market unrealized gains/losses through income statement as it is an insurance policy.

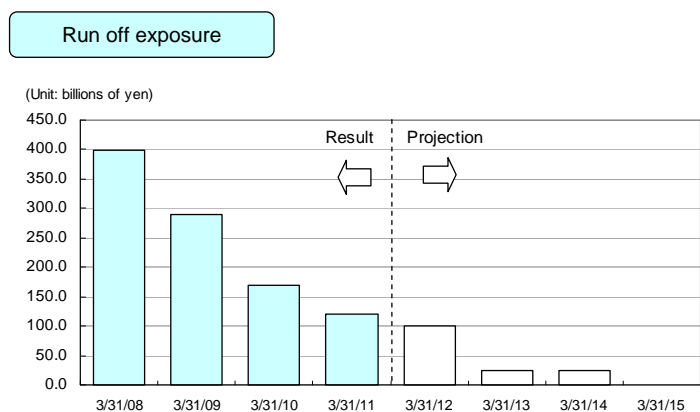
<Appendix 2> Summary of Guarantee for Corporate CDOs (Excl. Treaty Reinsurance)

- The total outstanding of insured corporate CDO (direct underwriting) amounted to 119.6 billion yen as of March 31, 2011. As a result of overall scrutiny of the individual contracts, there are no losses expected at this point.
- Average residual period of all direct underwritten corporate CDO guarantees is approximately 1.9 years. Approximately 79% of our exposure or 94.7 billion yen is to be redeemed by the end of FY2012.
- Each corporate CDO is well diversified with approximately 150 reference corporations. Thus a potential impact by default of one reference company would be limited.
- We do not see any concentration to particular sector or corporation. For example, exposure to financial institutions which is the largest sector in the reference corporations accounts for around 14%.



(Note) Rating distribution by S&P as of March 31, 2011. For transactions without S&P rating, we applied Moody's rating instead.

(Note) Rating distribution by Moody's as of March 31, 2011. For transactions without Moody's rating, we applied S&P's rating instead.



(Note) Estimated future exposure was translated at the exchange rate as of March 31, 2011.

<Appendix 3> Structured Finance Exposure in Our Investment Portfolio

(As of March 31, 2011, Unit: billions of yen, USD/JPY=83.15)

Categories		Outstanding Balance	Gains/Losses for FY 2010		
			Gains/Losses Charged to P/L	Unrealized Gains/Losses	Total
CDOs	ABS CDOs (backed by pools of asset backed securities)	-	0.0	-	0.0
	Corporate CDOs (backed by pools of single corporate credits) (*1)	-	-	-	-
	CDOs Total	-	0.0	-	0.0
ABS	RMBS (*2)				
	Global RMBS	1.7	-	(0.5)	(0.5)
	Domestic RMBS	26.1	-	0.8	0.8
	RMBS Total	27.9	-	0.2	0.2
	CMBS				
	Global CMBS	0.8	-	(0.2)	(0.2)
	Domestic CMBS	10.5	-	(0.4)	(0.4)
	CMBS Total	11.3	-	(0.6)	(0.6)
	Other ABS				
	Global ABS	1.0	-	(0.3)	(0.3)
	Domestic ABS	-	-	-	-
Other ABS Total	1.0	-	(0.3)	(0.3)	
ABS Total	40.2	-	(0.7)	(0.7)	
Investment in SIV		-	-	-	-
Leveraged Finance (*3)		0.4	-	-	-
Total		40.7	0.0	(0.7)	(0.7)
Reference: Hedge funds (U.S. subprime loans related exposure)		+1.4	Net of the long position and the short position		

*1 Excluding public finance CLO.

*2 Excluding RMBS issued by government sponsored enterprises. Most of the RMBS are rated investment grade (BBB or above), and 82% are rated AAA. Exposure to U.S. housing related government-sponsored enterprises (GSEs)'s RMBS and Agency Bonds amounted to 54.2 billion yen (Decreased by 7.1 billion yen since March 31, 2010). No impairment losses were recognized for the fiscal year ended March 31, 2011.

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

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

Balance Sheets

(Millions of yen)

	As of March 31, 2010	As of March 31, 2011	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits:	80,793	124,674	43,880
Cash	61	65	3
Deposits	80,732	124,609	43,876
Call loans	50,000	10,000	(40,000)
Monetary receivables bought	6,129	2,449	(3,679)
Money trusts	56,752	46,313	(10,438)
Securities:	1,822,848	1,697,112	(125,736)
Government bonds	366,918	375,501	8,583
Municipal bonds	48,913	45,552	(3,360)
Corporate bonds	345,742	311,568	(34,174)
Domestic stocks	679,555	601,533	(78,022)
Foreign securities	362,761	344,291	(18,470)
Other securities	18,956	18,664	(292)
Loans:	227,417	200,717	(26,700)
Policy loans	5,953	5,654	(298)
Ordinary loans	221,464	195,062	(26,402)
Tangible fixed assets:	130,437	127,897	(2,540)
Land	67,914	66,692	(1,221)
Buildings	55,872	54,174	(1,698)
Leased assets	52	466	413
Construction in progress	225	1,201	976
Other tangible fixed assets	6,372	5,362	(1,009)
Intangible fixed assets	534	526	(8)
Other assets:	159,263	169,264	10,001
Premiums receivable	460	266	(194)
Agency accounts receivable	21,895	20,841	(1,054)
Foreign agency accounts receivable	5,946	3,895	(2,050)
Coinsurance accounts receivable	2,336	2,076	(260)
Reinsurance accounts receivable	29,573	35,485	5,911
Foreign reinsurance accounts receivable	7,678	9,005	1,326
Accounts receivable	8,824	13,178	4,353
Accrued income	5,871	5,877	5
Advance deposits	6,301	5,731	(570)
Earthquake insurance deposits	46,186	48,813	2,627
Suspense payments	16,131	17,033	902
Derivative assets	5,977	5,553	(424)
Other assets	2,079	1,507	(571)
Deferred tax assets	60,392	82,262	21,869
Allowance for possible loan losses	(2,106)	(2,028)	78
Total assets	2,592,464	2,459,190	(133,273)

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

Balance Sheets

(Millions of yen)

	As of March 31, 2010	As of March 31, 2011	Increase (Decrease)
	Amount	Amount	
Liabilities:			
Underwriting funds:	2,059,290	1,982,929	(76,360)
Reserve for outstanding losses and claims	267,872	289,142	21,270
Underwriting reserves	1,791,418	1,693,786	(97,631)
Other liabilities:	65,184	73,476	8,291
Coinsurance accounts payable	1,225	1,213	(11)
Reinsurance accounts payable	18,771	18,650	(120)
Foreign reinsurance accounts payable	1,245	1,775	529
Borrowings	1,561	1,455	(105)
Income taxes payable	5,210	1,441	(3,769)
Deposits received	1,829	1,740	(89)
Unearned income	974	898	(76)
Accounts payable	24,478	33,370	8,892
Suspense receipts	6,841	6,798	(43)
Derivative liabilities	2,993	5,358	2,364
Lease obligations	53	489	436
Asset retirement obligations	—	282	282
Other liabilities	0	0	—
Reserve for retirement benefits	22,583	23,217	634
Reserve for bonus payments	6,078	5,415	(663)
Reserve for bonus payments to directors	41	—	(41)
Reserves under the special laws:	5,643	8,611	2,968
Reserve for price fluctuation	5,643	8,611	2,968
Total liabilities	2,158,821	2,093,650	(65,170)
Net assets:			
Shareholders' equity:			
Common stock	91,249	91,249	—
Capital surplus:	46,702	46,702	—
Capital reserves	46,702	46,702	—
Retained earnings:	117,202	92,050	(25,151)
Legal reserve	38,151	41,894	3,742
Other retained earnings:	79,050	50,156	(28,894)
Reserve for dividends	34,385	—	(34,385)
Reserve for extraordinary losses	54,000	—	(54,000)
Reserve for foreign investment losses	0	—	(0)
Reserve for advanced depreciation	3,270	3,133	(137)
General reserve	25,962	50,000	24,038
Retained earnings carried forward	(38,567)	(2,977)	35,589
Total shareholders' equity	255,153	230,001	(25,151)
Valuation and translation adjustments:			
Unrealized gains on securities available for sale, net of tax	175,808	131,995	(43,813)
Deferred gains on hedges	2,115	3,543	1,427
Total valuation and translation adjustments	177,924	135,538	(42,386)
Stock acquisition rights	565	—	(565)
Total net assets	433,642	365,539	(68,102)
Total liabilities and net assets	2,592,464	2,459,190	(133,273)

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

Statements of Income

(Millions of yen)

	Year ended March 31, 2010 (April 1, 2009 to March 31, 2010)	Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)	Increase (Decrease)	Rate of change
	Amount	Amount		
Ordinary income:	859,978	819,445	(40,533)	(4.7) %
Underwriting income:	813,345	773,845	(39,499)	(4.9)
Net premiums written	633,336	620,615	(12,721)	(2.0)
Deposits of premiums by policyholders	38,562	34,918	(3,643)	(9.4)
Interest and dividend income on deposits of premiums, etc.	22,147	20,625	(1,522)	(6.9)
Reversal of reserve for outstanding losses and claims	15,154	—	(15,154)	(100.0)
Reversal of underwriting reserves	103,651	97,631	(6,020)	(5.8)
Foreign exchange gains	438	—	(438)	(100.0)
Other underwriting income	53	54	0	1.6
Investment income:	45,131	43,237	(1,893)	(4.2)
Interest and dividend income	44,999	42,722	(2,277)	(5.1)
Investment gains on money trusts	2,510	671	(1,839)	(73.3)
Gains on sales of securities	16,075	19,181	3,106	19.3
Gains on redemption of securities	198	2	(196)	(99.0)
Gains on derivatives	3,470	1,217	(2,252)	(64.9)
Foreign exchange gains	7	—	(7)	(100.0)
Other investment income	17	68	50	282.3
Transfer of interest and dividend income on deposits of premiums, etc.	(22,147)	(20,625)	1,522	—
Other ordinary income	1,502	2,362	860	57.3
Ordinary expenses:	830,594	819,764	(10,829)	(1.3)
Underwriting expenses:	689,800	680,302	(9,498)	(1.4)
Net claims paid	403,857	397,444	(6,413)	(1.6)
Loss adjustment expenses	35,813	34,369	(1,443)	(4.0)
Net commissions and brokerage fees	107,151	104,455	(2,695)	(2.5)
Maturity refunds to policyholders	142,510	121,532	(20,977)	(14.7)
Dividends to policyholders	250	27	(223)	(89.1)
Provision for reserve for outstanding losses and claims	—	21,270	21,270	—
Foreign exchange losses	—	977	977	—
Other underwriting expenses	216	224	7	3.5
Investment expenses:	13,920	14,762	841	6.0
Investment losses on money trusts	100	603	502	500.9
Losses on sales of securities	6,786	6,590	(195)	(2.9)
Impairment losses on securities	2,104	3,641	1,536	73.0
Losses on redemption of securities	1,671	1,085	(585)	(35.0)
Foreign exchange losses	—	474	474	—
Other investment expenses	3,257	2,366	(891)	(27.4)
Operating, general and administrative expenses	125,792	123,663	(2,129)	(1.7)
Other ordinary expenses:	1,080	1,037	(42)	(3.9)
Interest paid	45	32	(12)	(28.0)
Provision for allowance for possible loan losses	34	121	86	249.7
Losses on bad debt	2	3	1	48.5
Other ordinary expenses	997	879	(117)	(11.8)
Ordinary profit (loss)	29,384	(319)	(29,703)	(101.1)

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

Statements of Income

(Millions of yen)

	Year ended March 31, 2010 (April 1, 2009 to March 31, 2010)	Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)	Increase (Decrease)	Rate of change
	Amount	Amount		
Extraordinary gains:	508	1,931	1,423	279.9
Gains on disposal of fixed assets	508	1,366	858	168.8
Other extraordinary gains	—	565	565	—
Extraordinary losses:	6,936	5,203	(1,732)	(25.0)
Losses on disposal of fixed assets	476	876	400	84.1
Impairment losses	263	859	595	225.9
Provision for reserves under the special laws:	3,061	2,968	(92)	(3.0)
Provision for reserve for price fluctuation	3,061	2,968	(92)	(3.0)
Other extraordinary losses	3,134	499	(2,635)	(84.1)
Income (loss) before income taxes	22,957	(3,591)	(26,548)	(115.6)
Income taxes	7,865	311	(7,553)	(96.0)
Deferred income taxes	1,967	2,534	566	28.8
Total income taxes	9,833	2,845	(6,987)	(71.1)
Net income (loss)	13,123	(6,437)	(19,560)	(149.1)
Underwriting result:				
Net premiums written (+)	633,336	620,615	(12,721)	(2.0)
Net claims paid (—)	403,857	397,444	(6,413)	(1.6)
Loss adjustment expenses (—)	35,813	34,369	(1,443)	(4.0)
Operating expenses: (—)	226,792	221,935	(4,856)	(2.1)
Net commissions and brokerage fees	107,151	104,455	(2,695)	(2.5)
Operating, general and administrative expenses related to underwriting	119,640	117,480	(2,160)	(1.8)
Underwriting result	(33,126)	(33,134)	(7)	—
Underwriting profit (loss)	2,293	(24,991)	(27,285)	(1,189.6)
Ratios:				
Net loss ratio (%)	69.4	69.6	0.2	
Net expense ratio (%)	35.8	35.8	—	
Underwriting result ratio (%)	(5.2)	(5.3)	(0.1)	

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

Premiums Written and Claims Paid by Lines of Business

Direct premiums written (excluding deposits of premiums by policyholders)

(Millions of yen)

Business line	Year ended March 31, 2010 (April 1, 2009 to March 31, 2010)			Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	121,472	18.3 %	0.3 %	114,836	17.6 %	(5.5) %
Marine insurance	14,069	2.1	(20.7)	14,818	2.3	5.3
Personal accident insurance	49,735	7.5	(4.9)	48,576	7.4	(2.3)
Voluntary automobile insurance	319,032	48.0	(1.9)	314,972	48.2	(1.3)
Compulsory automobile liability insurance	76,564	11.5	(7.1)	77,303	11.8	1.0
Others	84,108	12.6	(3.3)	82,731	12.7	(1.6)
Total	664,984	100.0	(3.0)	653,239	100.0	(1.8)
Deposits of premiums by policyholders	38,562	—	(9.1)	34,918	—	(9.4)

Net premiums written

(Millions of yen)

Business line	Year ended March 31, 2010 (April 1, 2009 to March 31, 2010)			Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	96,566	15.2 %	0.8 %	89,556	14.4 %	(7.3) %
Marine insurance	13,488	2.1	(18.7)	14,010	2.3	3.9
Personal accident insurance	50,605	8.0	(4.3)	49,668	8.0	(1.9)
Voluntary automobile insurance	318,749	50.4	(2.0)	314,873	50.7	(1.2)
Compulsory automobile liability insurance	74,187	11.7	(8.3)	74,470	12.0	0.4
Others	79,738	12.6	(2.8)	78,035	12.6	(2.1)
Total	633,336	100.0	(3.1)	620,615	100.0	(2.0)

Net claims paid

(Millions of yen)

Business line	Year ended March 31, 2010 (April 1, 2009 to March 31, 2010)			Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)		
	Amount	Rate of change	Net loss ratio	Amount	Rate of change	Net loss ratio
Fire and allied insurance	42,668	1.2 %	48.1 %	39,205	(8.1) %	47.5 %
Marine insurance	8,006	15.9	61.0	5,736	(28.4)	42.4
Personal accident insurance	30,830	(4.7)	66.4	29,734	(3.6)	65.0
Voluntary automobile insurance	206,911	4.2	71.0	210,155	1.6	72.9
Compulsory automobile liability insurance	70,780	(3.8)	102.9	71,402	0.9	103.2
Others	44,660	(5.5)	61.1	41,209	(7.7)	57.4
Total	403,857	0.8	69.4	397,444	(1.6)	69.6

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

Solvency Margin Ratio

(Millions of yen)

	As of March 31, 2010	As of March 31, 2011
(A) Total Solvency Margin	840,210	742,896
Capital and funds, etc.	249,698	230,001
Reserve for price fluctuation	5,643	8,611
Contingency reserve	12	14
Catastrophic loss reserve	285,675	287,719
General allowance for possible loan losses	40	75
Unrealized gains on securities (before tax effect deductions)	242,132	180,010
Net unrealized gains and losses on real estate	24,275	15,866
Excess amount of reserve for maturity refunds	—	—
Subordinated debt, etc.	—	—
Deductions	13,269	13,269
Others	46,002	33,866
(B) Total Risks	226,293	231,098
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$		
Underwriting risk (R_1)	39,271	37,852
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_2)	1	1
Guaranteed interest rate risk (R_3)	3,088	2,926
Investment risk (R_4)	85,444	78,200
Business management risk (R_5)	7,492	7,589
Major catastrophe risk (R_6)	121,948	133,986
(C) Solvency Margin Ratio	742.5 %	642.9 %
$[(A) / \{(B) \times 1/2\}] \times 100$		

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

[Reference] The figures based on new standards to be applied from March 31, 2012

(Millions of yen)

	As of March 31, 2011
(A) Total Solvency Margin	742,896
Capital and funds, etc.	230,001
Reserve for price fluctuation	8,611
Contingency reserve	14
Catastrophic loss reserve	287,719
General allowance for possible loan losses	75
Unrealized gains on securities (before tax effect deductions)	180,010
Net unrealized gains and losses on real estate	15,866
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	13,269
Others	33,866
(B) Total Risks	284,736
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	
Underwriting risk (R_1)	55,228
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_2)	1
Guaranteed interest rate risk (R_3)	10,408
Investment risk (R_4)	147,295
Business management risk (R_5)	9,628
Major catastrophe risk (R_6)	108,013
(C) Solvency Margin Ratio	521.8 %
$[(A) / \{(B) \times 1/2\}] \times 100$	

Note) The "new standards" is the revision of the current standards which reflects the revisions of Cabinet Office Ordinance No. 23 and the provisions of Notification No. 48 of the Financial Services Agency issued on April 20, 2010 (application from March 31, 2012).

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

Investments in the securitized paper and subprime loans (As of March 31, 2011)

Investments by NIPPONKOA in the securitized paper, as of March 31, 2011, are as follows.

1. SPEs (Special Purpose Entities)
None.

2. CDOs (Collateralized Debt Obligations)

(Billions of yen)

	As of March 31, 2011			(Reference) As of March 31, 2010		
	Fair value	Net unrealized gains and losses	Impairment losses	Fair value	Net unrealized gains and losses	Impairment losses
CDOs	5.0	0.0	—	7.8	0.1	—
Rated	4.7	—	—	7.2	—	—
Non-rated	0.3	0.0	—	0.6	0.1	—

Notes)

- (1) NIPPONKOA recognized impairment on securities whose fair value is determinable as of the balance sheet date if the fair value declined by 30% or more from carrying value. Also 30% rule is applied to the securities in the table below.
- (2) Out of the rated CDOs, 21% is rated AAA and 79% is rated A.
- (3) All of the underlying collateral pools for CDOs are assets supported by the corporate credits.
- (4) 94% of the CDOs is domestic and 6% is overseas.
- (5) The ratios for categorizations of the rated CDOs and categorizations of the CDOs by region are calculated using the fair value.
- (6) Other than the figures in the table above, related to CDOs, NIPPONKOA recorded 0.9 billion yen of gains on derivatives.

3. Other subprime/Alt-A exposure
None.

4. CMBS (Commercial Mortgage-Backed Security)

(Billions of yen)

	As of March 31, 2011			(Reference) As of March 31, 2010		
	Fair value	Net unrealized gains and losses	Impairment losses	Fair value	Net unrealized gains and losses	Impairment losses
CMBS	4.2	(0.0)	(0.1)	8.8	(0.3)	(0.1)
Domestic	4.2	(0.0)	(0.1)	8.8	(0.3)	(0.1)
Overseas	—	—	—	—	—	—

Note) Amount in impairment losses includes the impairment losses on securities and other investment expenses.

5. Leveraged finance
None.

6. CDS (Credit Default Swap)

NIPPONKOA does not hold CDS that reference the securitized paper including CDOs.

NIPPONKOA holds CDS that reference a single credit of a firm (7.0 billion yen of short commitment notional value, (0.0) billion yen of fair value, (0.0) billion yen of valuation loss).

[Definitions of securitized assets]

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

Sonpo 24 Insurance Company Limited (Non-consolidated)

Balance Sheets

(Millions of yen)

	As of March 31, 2010	As of March 31, 2011	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits:	1,851	1,664	(187)
Deposits	1,851	1,664	(187)
Securities:	15,618	16,451	832
Government bonds	10,618	15,951	5,332
Other securities	5,000	500	(4,500)
Tangible fixed assets:	182	137	(44)
Buildings	38	33	(4)
Other tangible fixed assets	144	104	(39)
Other assets:	810	806	(4)
Accounts receivable	627	617	(9)
Accrued income	3	5	2
Advance deposits	166	166	0
Suspense payments	13	16	2
Total assets	18,463	19,059	596
Liabilities:			
Underwriting funds:	8,538	9,497	959
Reserve for outstanding losses and claims	2,333	2,807	473
Underwriting reserves	6,204	6,690	485
Other liabilities:	1,443	1,558	114
Reinsurance accounts payable	6	7	0
Income taxes payable	45	34	(10)
Deposits received	13	9	(3)
Accounts payable	831	922	90
Suspense receipts	547	584	37
Reserve for retirement benefits	79	103	24
Reserve for bonus payments	92	80	(12)
Reserves under the special laws:	20	23	3
Reserve for price fluctuation	20	23	3
Deferred tax liabilities	18	—	(18)
Total liabilities	10,193	11,263	1,069
Net assets:			
Shareholders' equity:			
Common stock	19,000	19,000	—
Capital surplus:	19,000	19,000	—
Capital reserves	19,000	19,000	—
Retained earnings:	(29,763)	(30,132)	(368)
Other retained earnings:	(29,763)	(30,132)	(368)
Retained earnings carried forward	(29,763)	(30,132)	(368)
Total shareholders' equity	8,236	7,867	(368)
Valuation and translation adjustments:			
Unrealized gains (losses) on securities available for sale, net of tax	32	(72)	(105)
Total valuation and translation adjustments	32	(72)	(105)
Total net assets	8,269	7,795	(473)
Total liabilities and net assets	18,463	19,059	596

Sonpo 24 Insurance Company Limited (Non-consolidated)

Statements of Income

(Millions of yen)

	Year ended March 31, 2010 (April 1, 2009 to March 31, 2010)	Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)	Increase (Decrease)	Rate of change
	Amount	Amount		
Ordinary income:	10,023	11,143	1,120	11.2 %
Underwriting income:	9,929	10,797	868	8.8
Net premiums written	9,919	10,788	868	8.8
Interest and dividend income on deposits of premiums, etc.	9	9	0	0.7
Investment income:	92	345	252	272.9
Interest and dividend income	101	80	(20)	(20.5)
Gains on sales of securities	—	273	273	—
Transfer of interest and dividend income on deposits of premiums, etc.	(9)	(9)	(0)	—
Other ordinary income	1	0	(0)	(60.9)
Ordinary expenses:	10,297	11,504	1,206	11.7
Underwriting expenses:	7,489	8,901	1,411	18.8
Net claims paid	5,564	6,604	1,039	18.7
Loss adjustment expenses	623	637	13	2.2
Net commissions and brokerage fees	641	699	58	9.1
Provision for reserve for outstanding losses and claims	64	473	409	635.2
Provision for underwriting reserves	595	485	(109)	(18.5)
Other underwriting expenses	0	0	0	10.7
Operating, general and administrative expenses	2,799	2,597	(201)	(7.2)
Other ordinary expenses:	7	5	(2)	(33.4)
Other ordinary expenses	7	5	(2)	(33.4)
Ordinary loss	(274)	(360)	(86)	—
Extraordinary losses:	8	4	(4)	(47.1)
Losses on disposal of fixed assets	2	1	(1)	(50.6)
Provision for reserves under the special laws:	3	3	0	6.1
Provision for reserve for price fluctuation	3	3	0	6.1
Other extraordinary losses	2	—	(2)	(100.0)
Loss before income taxes	(283)	(364)	(81)	—
Income taxes	3	3	—	—
Total income taxes	3	3	—	—
Net loss	(286)	(368)	(81)	—
Underwriting result:				
Net premiums written (+)	9,919	10,788	868	8.8
Net claims paid (—)	5,564	6,604	1,039	18.7
Loss adjustment expenses (—)	623	637	13	2.2
Operating expenses: (—)	3,438	3,293	(145)	(4.2)
Net commissions and brokerage fees	641	699	58	9.1
Operating, general and administrative expenses related to underwriting	2,797	2,593	(204)	(7.3)
Underwriting result	292	253	(38)	(13.2)
Underwriting profit (loss)	(358)	(696)	(338)	—
Ratios:				
Net loss ratio (%)	62.4	67.1	4.7	
Net expense ratio (%)	34.7	30.5	(4.2)	
Underwriting result ratio (%)	2.9	2.4	(0.5)	

Sonpo 24 Insurance Company Limited (Non-consolidated)

Premiums Written and Claims Paid by Lines of Business

Direct premiums written (excluding deposits of premiums by policyholders)

(Millions of yen)

Business line	Year ended March 31, 2010 (April 1, 2009 to March 31, 2010)			Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	—	— %	— %	—	— %	— %
Marine insurance	—	—	—	—	—	—
Personal accident insurance	—	—	—	—	—	—
Voluntary automobile insurance	9,820	100.0	14.2	10,697	100.0	8.9
Compulsory automobile liability insurance	—	—	—	—	—	—
Others	—	—	—	—	—	—
Total	9,820	100.0	14.2	10,697	100.0	8.9
Deposits of premiums by policyholders	—	—	—	—	—	—

Net premiums written

(Millions of yen)

Business line	Year ended March 31, 2010 (April 1, 2009 to March 31, 2010)			Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	—	— %	— %	—	— %	— %
Marine insurance	—	—	—	—	—	—
Personal accident insurance	—	—	—	—	—	—
Voluntary automobile insurance	9,751	98.3	14.1	10,623	98.5	8.9
Compulsory automobile liability insurance	168	1.7	4.9	165	1.5	(1.9)
Others	—	—	—	—	—	—
Total	9,919	100.0	14.0	10,788	100.0	8.8

Net claims paid

(Millions of yen)

Business line	Year ended March 31, 2010 (April 1, 2009 to March 31, 2010)			Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)		
	Amount	Rate of change	Net loss ratio	Amount	Rate of change	Net loss ratio
Fire and allied insurance	—	— %	— %	—	— %	— %
Marine insurance	—	—	—	—	—	—
Personal accident insurance	—	—	—	—	—	—
Voluntary automobile insurance	5,382	13.4	61.6	6,397	18.9	66.2
Compulsory automobile liability insurance	182	7.2	108.3	206	13.5	125.3
Others	—	—	—	—	—	—
Total	5,564	13.2	62.4	6,604	18.7	67.1

Sonpo 24 Insurance Company Limited (Non-consolidated)

Solvency Margin Ratio

(Millions of yen)

	As of March 31, 2010	As of March 31, 2011
(A) Total Solvency Margin	8,616	8,160
Capital and funds, etc.	8,236	7,867
Reserve for price fluctuation	20	23
Contingency reserve	—	—
Catastrophic loss reserve	312	340
General allowance for possible loan losses	—	—
Unrealized gains (losses) on securities (before tax effect deductions)	46	(72)
Net unrealized gains and losses on real estate	—	—
Excess amount of reserve for maturity refunds	—	—
Subordinated debt, etc.	—	—
Deductions	—	—
Others	—	—
(B) Total Risks	895	962
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$		
Underwriting risk (R_1)	734	809
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)	193	153
Business management risk (R_5)	30	32
Major catastrophe risk (R_6)	104	105
(C) Solvency Margin Ratio	1,924.8 %	1,695.8 %
$[(A) / \{(B) \times 1/2\}] \times 100$		

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

[Reference] The figures based on new standards to be applied from March 31, 2012

(Millions of yen)

	As of March 31, 2011
(A) Total Solvency Margin	8,160
Capital and funds, etc.	7,867
Reserve for price fluctuation	23
Contingency reserve	—
Catastrophic loss reserve	340
General allowance for possible loan losses	—
Unrealized losses on securities (before tax effect deductions)	(72)
Net unrealized gains and losses on real estate	—
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	1,521
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	
Underwriting risk (R_1)	1,316
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)	351
Business management risk (R_5)	53
Major catastrophe risk (R_6)	105
(C) Solvency Margin Ratio	1,072.8 %
$[(A) / \{(B) \times 1/2\}] \times 100$	

Note) The "new standards" is the revision of the current standards which reflects the revisions of Cabinet Office Ordinance No. 23 and the provisions of Notification No. 48 of the Financial Services Agency issued on April 20, 2010 (application from March 31, 2012).

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

Balance Sheets

(Millions of yen)

	As of March 31, 2010	As of March 31, 2011	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits:	10,796	4,028	(6,768)
Cash	13	5	(7)
Deposits	10,782	4,022	(6,760)
Money trusts	1,316	1,316	0
Securities:	19,223	23,104	3,881
Government bonds	4,111	8,543	4,432
Municipal bonds	616	1,453	836
Corporate bonds	10,414	9,390	(1,024)
Domestic stocks	137	166	28
Foreign securities	2,559	1,345	(1,214)
Other securities	1,383	2,205	822
Loans:	20	16	(4)
Policy loans	20	16	(4)
Tangible fixed assets:	171	385	214
Buildings	15	17	1
Leased assets	151	365	213
Other tangible fixed assets	3	2	(0)
Intangible fixed assets:	897	1,958	1,060
Software	874	1,878	1,003
Leased assets	—	57	57
Other intangible fixed assets	23	21	(1)
Other assets:	1,917	2,239	322
Premiums receivable	318	480	161
Agency accounts receivable	54	13	(41)
Coinsurance accounts receivable	30	22	(8)
Reinsurance accounts receivable	256	362	106
Accounts receivable	265	283	18
Accrued income	77	76	(1)
Advance deposits	299	407	108
Earthquake insurance deposits	181	196	15
Suspense payments	433	397	(36)
Allowance for possible loan losses	(0)	(0)	0
Total assets	34,342	33,049	(1,293)

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

Balance Sheets

(Millions of yen)

	As of March 31, 2010	As of March 31, 2011	Increase (Decrease)
	Amount	Amount	
Liabilities:			
Underwriting funds:			
Underwriting funds:	19,359	20,051	692
Reserve for outstanding losses and claims	4,946	4,741	(204)
Underwriting reserves	14,413	15,310	896
Other liabilities:	1,431	1,986	554
Coinsurance accounts payable	20	23	3
Reinsurance accounts payable	539	626	86
Proxy service payable	0	0	(0)
Income taxes payable	58	60	1
Deposits received	16	14	(1)
Accounts payable	559	799	239
Suspense receipts	81	32	(49)
Lease obligations	154	429	274
Reserve for retirement benefits	364	218	(145)
Reserve for retirement benefits to directors	34	42	7
Reserve for bonus payments	206	217	11
Reserves under the special laws:	14	7	(6)
Reserve for price fluctuation	14	7	(6)
Deferred tax liabilities	100	85	(14)
Total liabilities	21,510	22,610	1,099
Net assets:			
Shareholders' equity:			
Common stock	8,610	8,610	—
Capital surplus:	6,848	6,848	—
Capital reserves	6,848	6,848	—
Other capital surplus	0	0	—
Retained earnings:	(2,925)	(5,250)	(2,325)
Other retained earnings:	(2,925)	(5,250)	(2,325)
Retained earnings carried forward	(2,925)	(5,250)	(2,325)
Total shareholders' equity	12,532	10,207	(2,325)
Valuation and translation adjustments:			
Unrealized gains on securities available for sale, net of tax	299	231	(67)
Total valuation and translation adjustments	299	231	(67)
Total net assets	12,831	10,439	(2,392)
Total liabilities and net assets	34,342	33,049	(1,293)

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

Statements of Income

(Millions of yen)

	Year ended March 31, 2010 (April 1, 2009 to March 31, 2010)	Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)	Increase (Decrease)	Rate of change
	Amount	Amount		
Ordinary income:	15,570	15,724	154	1.0 %
Underwriting income:	14,963	15,173	209	1.4
Net premiums written	13,862	14,294	431	3.1
Deposits of premiums by policyholders	734	620	(114)	(15.6)
Interest and dividend income on deposits of premiums, etc.	58	53	(4)	(8.5)
Reversal of reserve for outstanding losses and claims	307	204	(102)	(33.3)
Foreign exchange gains	—	0	0	—
Investment income:	392	339	(53)	(13.6)
Interest and dividend income	306	283	(22)	(7.4)
Investment gains on money trusts	67	0	(66)	(99.5)
Investment gains on trading securities	3	2	(1)	(39.0)
Gains on sales of securities	71	106	34	47.9
Gains on redemption of securities	2	—	(2)	(100.0)
Other investment income	—	0	0	—
Transfer of interest and dividend income on deposits of premiums, etc.	(58)	(53)	4	—
Other ordinary income	213	212	(1)	(0.7)
Ordinary expenses:	16,338	18,031	1,693	10.4
Underwriting expenses:	11,619	12,238	619	5.3
Net claims paid	7,494	7,571	77	1.0
Loss adjustment expenses	823	964	141	17.1
Net commissions and brokerage fees	1,761	1,727	(33)	(1.9)
Maturity refunds to policyholders	1,024	1,071	47	4.6
Dividends to policyholders	0	0	0	20.7
Provision for underwriting reserves	509	896	387	76.0
Foreign exchange losses	0	—	(0)	(100.0)
Other underwriting expenses	6	5	(0)	(8.4)
Investment expenses:	121	151	30	25.0
Losses on sales of securities	76	54	(22)	(29.5)
Losses on redemption of securities	16	64	47	293.8
Other investment expenses	27	33	5	18.2
Operating, general and administrative expenses	4,522	5,629	1,107	24.5
Other ordinary expenses:	75	12	(63)	(83.9)
Interest paid	4	9	5	102.3
Provision for allowance for possible loan losses	0	—	(0)	(100.0)
Losses on bad debt	4	—	(4)	(100.0)
Other ordinary expenses	65	2	(63)	(96.7)
Ordinary loss	(768)	(2,307)	(1,538)	—
Extraordinary gains:	—	6	6	—
Reversal of reserves under the special laws:	—	6	6	—
Reversal of reserve for price fluctuation	—	6	6	—
Extraordinary losses:	7	3	(4)	(57.4)
Losses on disposal of fixed assets	0	2	1	691.4
Impairment losses	0	1	0	133.3
Provision for reserves under the special laws:	6	—	(6)	(100.0)
Provision for reserve for price fluctuation	6	—	(6)	(100.0)
Loss before income taxes	(775)	(2,303)	(1,527)	—
Income taxes	21	21	—	—
Total income taxes	21	21	—	—
Net loss	(797)	(2,325)	(1,527)	—
Underwriting result:				
Net premiums written (+)	13,862	14,294	431	3.1
Net claims paid (—)	7,494	7,571	77	1.0
Loss adjustment expenses (—)	823	964	141	17.1
Operating expenses: (—)	6,012	7,071	1,059	17.6
Net commissions and brokerage fees	1,761	1,727	(33)	(1.9)
Operating, general and administrative expenses related to underwriting	4,250	5,343	1,092	25.7
Underwriting result	(466)	(1,313)	(846)	—
Underwriting profit (loss)	(861)	(2,369)	(1,507)	—
Ratios:				
Net loss ratio (%)	60.0	59.7	(0.3)	
Net expense ratio (%)	43.4	49.5	6.1	
Underwriting result ratio (%)	(3.4)	(9.2)	(5.8)	

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

Premiums Written and Claims Paid by Lines of Business

Direct premiums written (excluding deposits of premiums by policyholders)

(Millions of yen)

Business line	Year ended March 31, 2010 (April 1, 2009 to March 31, 2010)			Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	2,606	16.5 %	86.9 %	3,506	21.0 %	34.6 %
Marine insurance	2	0.0	19.2	1	0.0	(48.6)
Personal accident insurance	3,863	24.4	21.9	4,352	26.1	12.6
Voluntary automobile insurance	8,202	51.9	(5.2)	7,755	46.5	(5.4)
Compulsory automobile liability insurance	291	1.8	(10.2)	243	1.5	(16.4)
Others	845	5.3	(2.6)	836	5.0	(1.1)
Total	15,811	100.0	9.7	16,695	100.0	5.6
Deposits of premiums by policyholders	734	—	(11.9)	620	—	(15.6)

Net premiums written

(Millions of yen)

Business line	Year ended March 31, 2010 (April 1, 2009 to March 31, 2010)			Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	1,903	13.7 %	91.2 %	2,617	18.3 %	37.5 %
Marine insurance	29	0.2	(39.0)	23	0.2	(20.7)
Personal accident insurance	2,548	18.4	8.8	2,685	18.8	5.4
Voluntary automobile insurance	8,146	58.8	(5.2)	7,702	53.9	(5.5)
Compulsory automobile liability insurance	412	3.0	(3.0)	453	3.2	9.9
Others	822	5.9	(3.0)	811	5.7	(1.3)
Total	13,862	100.0	4.6	14,294	100.0	3.1

Net claims paid

(Millions of yen)

Business line	Year ended March 31, 2010 (April 1, 2009 to March 31, 2010)			Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)		
	Amount	Rate of change	Net loss ratio	Amount	Rate of change	Net loss ratio
Fire and allied insurance	209	(11.2) %	12.3 %	243	15.9 %	10.3 %
Marine insurance	19	(41.4)	66.5	15	(19.8)	67.1
Personal accident insurance	1,512	15.3	65.7	1,621	7.2	69.3
Voluntary automobile insurance	5,199	2.4	71.0	5,135	(1.2)	74.8
Compulsory automobile liability insurance	391	(3.2)	101.9	415	6.1	99.4
Others	161	(19.9)	22.6	140	(12.8)	21.9
Total	7,494	3.1	60.0	7,571	1.0	59.7

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

Solvency Margin Ratio

(Millions of yen)

	As of March 31, 2010	As of March 31, 2011
(A) Total Solvency Margin	16,208	13,698
Capital and funds, etc.	12,532	10,207
Reserve for price fluctuation	14	7
Contingency reserve	8	8
Catastrophic loss reserve	3,291	3,185
General allowance for possible loan losses	0	—
Unrealized gains on securities (before tax effect deductions)	359	285
Net unrealized gains and losses on real estate	—	—
Excess amount of reserve for maturity refunds	—	—
Subordinated debt, etc.	—	—
Deductions	—	—
Others	2	2
(B) Total Risks	1,666	1,633
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$		
Underwriting risk (R_1)	838	846
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_2)	—	—
Guaranteed interest rate risk (R_3)	6	6
Investment risk (R_4)	553	516
Business management risk (R_5)	59	58
Major catastrophe risk (R_6)	598	579
(C) Solvency Margin Ratio	1,945.3 %	1,677.2 %
$[(A) / \{(B) \times 1/2\}] \times 100$		

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

[Reference] The figures based on new standards to be applied from March 31, 2012

(Millions of yen)

	As of March 31, 2011
(A) Total Solvency Margin	13,698
Capital and funds, etc.	10,207
Reserve for price fluctuation	7
Contingency reserve	8
Catastrophic loss reserve	3,185
General allowance for possible loan losses	—
Unrealized gains on securities (before tax effect deductions)	285
Net unrealized gains and losses on real estate	—
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	2
(B) Total Risks	2,114
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	
Underwriting risk (R_1)	1,260
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_2)	—
Guaranteed interest rate risk (R_3)	25
Investment risk (R_4)	707
Business management risk (R_5)	77
Major catastrophe risk (R_6)	579
(C) Solvency Margin Ratio	1,295.8 %
$[(A) / \{(B) \times 1/2\}] \times 100$	

Note) The "new standards" is the revision of the current standards which reflects the revisions of Cabinet Office Ordinance No. 23 and the provisions of Notification No. 48 of the Financial Services Agency issued on April 20, 2010 (application from March 31, 2012).

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

Balance Sheets

	As of March 31, 2010	As of March 31, 2011	(Millions of yen) Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits:	32,988	39,395	6,406
Cash	21	22	0
Deposits	32,967	39,372	6,405
Securities:	1,030,306	1,083,552	53,246
Government bonds	560,887	644,873	83,985
Municipal bonds	70,489	69,354	(1,134)
Corporate bonds	310,212	314,678	4,466
Domestic stocks	5,140	4,744	(395)
Foreign securities	83,576	49,902	(33,674)
Loans:	17,162	18,067	904
Policy loans	17,162	18,067	904
Tangible fixed assets:	1,197	1,354	157
Buildings	458	603	144
Leased assets	647	644	(2)
Other tangible fixed assets	92	106	14
Intangible fixed assets:	4,625	4,114	(511)
Software	4,573	4,114	(458)
Other intangible fixed assets	52	—	(52)
Agency accounts receivable	174	143	(30)
Reinsurance accounts receivable	1,206	1,480	273
Other assets:	21,401	25,303	3,901
Accounts receivable	15,244	16,771	1,527
Prepaid expenses	444	662	218
Accrued income	3,102	3,129	26
Advance deposits	2,451	3,411	960
Derivative assets	23	31	7
Suspense payments	85	1,265	1,180
Other assets	49	31	(18)
Deferred tax assets	13,164	13,871	706
Allowance for possible loan losses	(94)	(29)	65
Total assets	1,122,133	1,187,254	65,120

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

Balance Sheets

	(Millions of yen)		Increase (Decrease)
	As of March 31, 2010	As of March 31, 2011	
	Amount	Amount	
Liabilities:			
Policy reserves:	1,054,852	1,121,707	66,855
Reserve for outstanding claims	20,155	22,017	1,861
Policy reserves	1,032,371	1,097,361	64,990
Reserve for dividends to policyholders	2,325	2,329	3
Agency accounts payable	1,591	2,584	993
Reinsurance accounts payable	1,205	1,231	26
Other liabilities:	7,564	5,803	(1,760)
Income taxes payable	67	37	(30)
Accounts payable	1,839	638	(1,201)
Accrued expenses	4,101	3,529	(571)
Deposits received	83	94	11
Derivative liabilities	174	58	(115)
Lease obligations	662	688	25
Suspense receipts	634	756	121
Reserve for retirement benefits	663	941	278
Reserve for retirement benefits to directors	45	84	38
Reserves under the special laws:	794	923	129
Reserve for price fluctuation	794	923	129
Total liabilities	1,066,716	1,133,276	66,559
Net assets:			
Shareholders' equity:			
Common stock	17,250	17,250	—
Capital surplus:	10,000	10,000	—
Capital reserves	10,000	10,000	—
Retained earnings:	27,283	25,777	(1,506)
Other retained earnings:	27,283	25,777	(1,506)
Reserve under Article 10 of the Supplementary Provisions of Ordinance for Enforcement of the Insurance Business Law	325	325	—
Retained earnings carried forward	26,958	25,452	(1,506)
Total shareholders' equity	54,533	53,027	(1,506)
Valuation and translation adjustments:			
Unrealized gains on securities available for sale, net of tax	882	949	67
Total valuation and translation adjustments	882	949	67
Total net assets	55,416	53,977	(1,438)
Total liabilities and net assets	1,122,133	1,187,254	65,120

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

Statements of Income

(Millions of yen)

	Year ended March 31, 2010 (April 1, 2009 to March 31, 2010)	Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)	Increase (Decrease)	Rate of change
	Amount	Amount		
Ordinary income:	258,426	269,332	10,905	4.2 %
Insurance premiums and other:	236,238	249,462	13,223	5.6
Insurance premiums	232,187	244,911	12,723	5.5
Reinsurance income	4,050	4,550	500	12.4
Investment income:	22,095	19,710	(2,384)	(10.8)
Interest and dividend income:	18,121	19,127	1,005	5.6
Interest and dividends on securities	17,534	18,486	952	5.4
Interest on loans	580	632	51	8.9
Other interest and dividends	6	8	1	31.4
Gains on sales of securities	1,596	582	(1,013)	(63.5)
Gains on redemption of securities	179	—	(179)	(100.0)
Foreign exchange gains	6	—	(6)	(100.0)
Investment gains on special account	2,191	—	(2,191)	(100.0)
Other ordinary income:	93	159	66	71.2
Fund receipt for annuity rider	2	50	48	1,829.9
Fund receipt for claim deposit payments	83	83	0	0.4
Other ordinary income	7	24	17	247.8
Ordinary expenses:	254,338	268,572	14,234	5.6
Insurance claims and other:	147,861	138,884	(8,977)	(6.1)
Insurance claims	20,970	22,970	1,999	9.5
Annuity payments	897	1,050	152	17.0
Insurance benefits	22,121	24,057	1,935	8.7
Surrender benefits	97,900	85,253	(12,646)	(12.9)
Other refunds	1,119	977	(142)	(12.7)
Reinsurance premiums	4,851	4,575	(276)	(5.7)
Provision for policy reserves and other:	47,251	66,851	19,599	41.5
Provision for reserve for outstanding claims	2,079	1,861	(218)	(10.5)
Provision for policy reserves	45,172	64,990	19,817	43.9
Provision for interest portion of reserve for dividends to policyholders	0	0	0	72.0
Investment expenses:	1,519	853	(666)	(43.9)
Interest paid	37	60	22	60.0
Losses on sales of securities	389	334	(55)	(14.2)
Impairment losses on securities	719	—	(719)	(100.0)
Losses on derivatives	299	34	(265)	(88.5)
Foreign exchange losses	—	13	13	—
Other investment expenses	73	31	(42)	(57.6)
Investment losses on special account	—	379	379	—
Operating, general and administrative expenses	56,105	59,332	3,227	5.8
Other ordinary expenses:	1,600	2,651	1,051	65.7
Claim deposit payments	26	38	11	44.3
Taxes	862	972	109	12.7
Depreciation	331	1,269	937	282.4
Provision for reserve for retirement benefits	270	301	31	11.5
Other ordinary expenses	107	69	(38)	(35.6)
Ordinary profit	4,088	759	(3,328)	(81.4)
Extraordinary gains:	3	10	7	214.7
Other extraordinary gains	3	10	7	214.7
Extraordinary losses:	108	940	831	763.4
Losses on disposal of fixed assets	8	17	8	99.7
Provision for reserves under the special laws:	100	129	28	28.9
Provision for reserve for price fluctuation	100	129	28	28.9
Other extraordinary losses	—	794	794	—
Provision for reserve for dividends to policyholders	1,586	1,706	119	7.5
Income (loss) before income taxes	2,396	(1,876)	(4,273)	(178.3)
Income taxes	2,549	374	(2,175)	(85.3)
Deferred income taxes	(1,469)	(744)	724	—
Total income taxes	1,080	(370)	(1,451)	(134.3)
Net income (loss)	1,315	(1,506)	(2,821)	(214.5)

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

Major Business Results

Total amount of policies in force

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

	As of March 31, 2010				As of March 31, 2011			
	Number		Amount		Number		Amount	
		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year
Individual insurance	1,732	109.9	104,049	110.1	1,923	111.1	115,732	111.2
Individual annuities	15	98.2	801	98.5	15	99.4	798	99.5
Group insurance	—	—	18,379	92.0	—	—	18,891	102.8
Group annuities	—	—	—	—	—	—	—	—

Note) Amount of "Individual annuities" represents the sum of annuity fund at the beginning of annuity payment of contracts before the beginning of annuity payment and policy reserves for the contracts after the beginning of annuity payment.

Total amount of new policies

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

	Year ended March 31, 2010 (April 1, 2009 to March 31, 2010)				Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)			
	Number		Amount		Number		Amount	
		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year
Individual insurance	309	124.1	21,195	135.2	339	109.9	22,410	105.7
Individual annuities	0	109.7	22	104.8	0	107.5	21	96.9
Group insurance	—	—	498	314.8	—	—	195	39.2
Group annuities	—	—	—	—	—	—	—	—

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

Annualized premiums

Policies in force

(Millions of yen, %)

	As of March 31, 2010		As of March 31, 2011	
		% of previous fiscal year		% of previous fiscal year
Individual insurance	192,742	98.1	197,314	102.4
Individual annuities	3,439	98.9	3,547	103.1
Total	196,181	98.2	200,861	102.4
Medical and survival benefits	72,864	106.1	79,058	108.5

New policies

(Millions of yen, %)

	Year ended March 31, 2010 (April 1, 2009 to March 31, 2010)		Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)	
		% of previous fiscal year		% of previous fiscal year
Individual insurance	24,063	111.1	26,527	110.2
Individual annuities	89	97.8	88	99.4
Total	24,153	111.0	26,616	110.2
Medical and survival benefits	11,628	115.8	12,688	109.1

Notes)

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

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

Solvency Margin Ratio

(Millions of yen)

	As of March 31, 2010	As of March 31, 2011
(A) Total Solvency Margin	157,431	159,904
Capital, etc.	54,533	53,027
Reserve for price fluctuation	794	923
Contingency reserve	15,355	14,939
General allowance for possible loan losses	18	7
Unrealized gains on securities (90% of gain or 100% of loss)	1,245	1,340
Net unrealized gains and losses on real estate (85% of gain or 100% of loss)	—	—
Policy reserves in excess of surrender values	69,171	74,145
Brought in capital, etc.	—	—
Subordinated debt, etc.	—	—
Deductions	—	—
Others	16,312	15,520
(B) Total Risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	12,915	13,898
Underwriting risk (R_1)	6,382	7,114
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_8)	3,516	3,966
Guaranteed interest rate risk (R_2)	3,188	3,217
Investment risk (R_3)	4,223	4,202
Business management risk (R_4)	352	376
Guaranteed minimum benefit risk (R_7)	322	329
(C) Solvency Margin Ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	2,437.9 %	2,300.9 %

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

2. Guaranteed minimum benefit risk is calculated by the standard method.

[Reference] The figures based on new standards to be applied from March 31, 2012

(Millions of yen)

	As of March 31, 2011
(A) Total Solvency Margin	153,831
Capital, etc.	53,027
Reserve for price fluctuation	923
Contingency reserve	14,939
General allowance for possible loan losses	7
Unrealized gains on securities (90% of gain or 100% of loss)	1,340
Net unrealized gains and losses on real estate (85% of gain or 100% of loss)	—
Policy reserves in excess of surrender values	74,145
Subordinated debt, etc.	—
Policy reserves in excess of surrender values and subordinated debt, etc. which are excluded from total solvency margin	(5,219)
Brought in capital, etc.	—
Deductions	—
Others	14,667
(B) Total Risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	18,683
Underwriting risk (R_1)	7,114
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_8)	3,966
Guaranteed interest rate risk (R_2)	7,388
Investment risk (R_3)	6,692
Business management risk (R_4)	509
Guaranteed minimum benefit risk (R_7)	323
(C) Solvency Margin Ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	1,646.7 %

Notes) 1. Under Cabinet Office Ordinance No.23 (2010) and the provisions of Notification No. 48 of the Financial Services Agency (2010), the standards for the calculation of solvency margin ratio are planned to be revised to tighten and refine calculation of total solvency margin and estimation of total risk and others. The revised standards will be applied from March 31, 2012. The above figures are calculated by using the revised standards to the financial results as of March 31, 2011.

2. Guaranteed minimum benefit risk is calculated by the standard method.

3. "Policy reserves in excess of surrender values" is calculated under the provisions of Article 1 Paragraph 1-1 of Notification No. 25 of the Financial Services Agency (2011). "Policy reserves in excess of surrender values and subordinated debt, etc. which are excluded from total solvency margin" is calculated under the provisions of Article 1 Paragraph 1-3 of Notification No. 25 of the Financial Services Agency (2011).

NIPPONKOA Life Insurance Company, Limited (Non-consolidated)

Balance Sheets

	As of March 31, 2010	As of March 31, 2011	(Millions of yen) Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits:	14,371	16,986	2,614
Cash	0	1	0
Deposits	14,371	16,985	2,614
Call loans	478	599	121
Receivables under securities borrowing transactions	25,382	30,370	4,987
Money trusts	19,916	19,963	46
Securities:	378,612	423,688	45,075
Government bonds	243,074	285,772	42,698
Municipal bonds	52,132	56,588	4,455
Corporate bonds	75,571	74,149	(1,422)
Domestic stocks	6,892	6,188	(704)
Foreign securities	941	989	48
Loans:	13,763	14,882	1,118
Policy loans	13,763	14,882	1,118
Tangible fixed assets:	178	256	78
Buildings	29	21	(7)
Other tangible fixed assets	149	235	86
Intangible fixed assets:	240	2,579	2,338
Other intangible fixed assets	240	2,579	2,338
Agency accounts receivable	24	20	(4)
Reinsurance accounts receivable	183	74	(108)
Other assets:	8,911	10,730	1,818
Accounts receivable	6,719	7,997	1,277
Prepaid expenses	153	246	93
Accrued income	1,589	1,522	(66)
Advance deposits	227	678	451
Suspense payments	222	285	63
Deferred tax assets	6,931	8,001	1,069
Allowance for possible loan losses	(7)	(6)	0
Total assets	468,988	528,146	59,158

NIPPONKOA Life Insurance Company, Limited (Non-consolidated)

Balance Sheets

(Millions of yen)

	As of March 31, 2010	As of March 31, 2011	Increase (Decrease)
	Amount	Amount	
Liabilities:			
Policy reserves:	411,682	466,833	55,150
Reserve for outstanding claims	2,998	3,420	422
Policy reserves	407,193	461,954	54,760
Reserve for dividends to policyholders	1,491	1,457	(33)
Agency accounts payable	804	998	193
Reinsurance accounts payable	113	126	13
Other liabilities:	30,000	33,739	3,738
Payables under securities lending transactions	25,861	30,970	5,109
Income taxes payable	2,628	12	(2,616)
Accounts payable	56	972	916
Accrued expenses	1,182	1,385	202
Deposits received	21	25	4
Suspense receipts	249	371	122
Reserve for retirement benefits	300	384	83
Reserve for bonus payments to directors	15	—	(15)
Reserves under the special laws:	542	631	89
Reserve for price fluctuation	542	631	89
Total liabilities	443,459	502,712	59,253
Net assets:			
Shareholders' equity:			
Common stock	20,000	20,000	—
Retained earnings:	1,564	1,285	(278)
Legal reserve	4	4	—
Other retained earnings:	1,560	1,281	(278)
Retained earnings carried forward	1,560	1,281	(278)
Total shareholders' equity	21,564	21,285	(278)
Valuation and translation adjustments:			
Unrealized gains on securities available for sale, net of tax	3,964	4,147	183
Total valuation and translation adjustments	3,964	4,147	183
Total net assets	25,528	25,433	(95)
Total liabilities and net assets	468,988	528,146	59,158

NIPPONKOA Life Insurance Company, Limited (Non-consolidated)

Statements of Income

(Millions of yen)

	Year ended March 31, 2010 (April 1, 2009 to March 31, 2010)	Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)	Increase (Decrease)	Rate of change
	Amount	Amount		
Ordinary income:	101,554	116,048	14,493	14.3 %
Insurance premiums and other:	91,507	105,646	14,139	15.5
Insurance premiums	91,188	104,966	13,777	15.1
Reinsurance income	318	680	361	113.6
Investment income:	8,916	9,497	580	6.5
Interest and dividend income:	8,070	8,960	890	11.0
Interest on deposits	0	0	0	201.0
Interest and dividends on securities	7,631	8,486	855	11.2
Interest on loans	390	429	38	9.8
Other interest and dividends	47	44	(3)	(6.7)
Investment gains on money trusts	691	385	(305)	(44.2)
Gains on sales of securities	152	151	(0)	(0.2)
Other investment income	3	—	(3)	(100.0)
Other ordinary income:	1,130	903	(226)	(20.1)
Fund receipt for annuity rider	500	212	(287)	(57.4)
Fund receipt for claim deposit payments	630	690	60	9.6
Other ordinary income	0	0	0	44.8
Ordinary expenses:	99,439	114,977	15,538	15.6
Insurance claims and other:	37,483	39,094	1,610	4.3
Insurance claims	8,535	9,840	1,304	15.3
Annuity payments	530	609	79	15.0
Insurance benefits	3,589	4,069	479	13.4
Surrender benefits	24,080	23,774	(306)	(1.3)
Other refunds	181	166	(14)	(8.2)
Reinsurance premiums	565	633	67	12.0
Provision for policy reserves and other:	42,994	55,184	12,190	28.4
Provision for reserve for outstanding claims	466	422	(43)	(9.3)
Provision for policy reserves	42,527	54,760	12,233	28.8
Provision for interest portion of reserve for dividends to policyholders	1	1	0	23.2
Investment expenses:	64	40	(24)	(38.4)
Interest paid	55	35	(19)	(35.4)
Provision for allowance for possible loan losses	5	—	(5)	(100.0)
Other investment expenses	4	4	0	7.1
Operating, general and administrative expenses	17,863	19,577	1,713	9.6
Other ordinary expenses:	1,032	1,081	49	4.7
Claim deposit payments	524	509	(15)	(2.9)
Taxes	333	383	50	15.1
Depreciation	95	103	7	8.3
Provision for reserve for retirement benefits	77	80	3	4.7
Other ordinary expenses	1	4	2	141.9
Ordinary profit	2,115	1,070	(1,045)	(49.4)
Extraordinary gains:	—	0	0	—
Reversal of allowance for possible loan losses	—	0	0	—
Extraordinary losses:	89	340	251	281.8
Losses on disposal of fixed assets	8	0	(7)	(88.8)
Provision for reserves under the special laws:	80	89	8	9.9
Provision for reserve for price fluctuation	80	89	8	9.9
Other extraordinary losses	—	250	250	—
Provision for reserve for dividends to policyholders	1,122	1,095	(26)	(2.4)
Income (loss) before income taxes	903	(365)	(1,269)	(140.4)
Income taxes	3,397	1,085	(2,311)	(68.1)
Deferred income taxes	(3,044)	(1,172)	1,872	—
Total income taxes	352	(87)	(439)	(124.8)
Net income (loss)	551	(278)	(829)	(150.5)

NIPPONKOA Life Insurance Company, Limited (Non-consolidated)

Major Business Results

Total amount of policies in force

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

	As of March 31, 2010				As of March 31, 2011			
	Number		Amount		Number		Amount	
		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year
Individual insurance	555	111.1	40,044	105.1	626	112.8	43,489	108.6
Individual annuities	53	96.3	1,971	96.3	54	100.5	1,992	101.1
Group insurance	—	—	11,052	109.9	—	—	11,287	102.1
Group annuities	—	—	—	—	—	—	—	—

Note) Amount of "Individual annuities" represents the sum of annuity fund at the beginning of annuity payment of contracts before the beginning of annuity payment and policy reserves for the contracts after the beginning of annuity payment.

Total amount of new policies

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

	Year ended March 31, 2010 (April 1, 2009 to March 31, 2010)				Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)			
	Number		Amount		Number		Amount	
		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year
Individual insurance	97	115.5	6,417	107.9	113	117.0	8,118	126.5
Individual annuities	1	85.9	51	76.9	2	234.9	122	236.3
Group insurance	—	—	313	110.6	—	—	126	40.3
Group annuities	—	—	—	—	—	—	—	—

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

Annualized premiums

Policies in force

(Millions of yen, %)

	As of March 31, 2010		As of March 31, 2011	
		% of previous fiscal year		% of previous fiscal year
Individual insurance	57,758	105.3	62,874	108.9
Individual annuities	11,966	96.5	12,079	100.9
Total	69,725	103.6	74,954	107.5
Medical and survival benefits	13,610	111.6	14,776	108.6

New policies

(Millions of yen, %)

	Year ended March 31, 2010 (April 1, 2009 to March 31, 2010)		Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)	
		% of previous fiscal year		% of previous fiscal year
Individual insurance	8,961	106.4	10,809	120.6
Individual annuities	306	78.4	695	226.9
Total	9,268	105.1	11,504	124.1
Medical and survival benefits	2,509	102.3	2,338	93.2

Notes)

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

NIPPONKOA Life Insurance Company, Limited (Non-consolidated)

Solvency Margin Ratio

(Millions of yen)

	As of March 31, 2010	As of March 31, 2011
(A) Total Solvency Margin	60,078	61,719
Capital, etc.	21,564	21,285
Reserve for price fluctuation	542	631
Contingency reserve	4,859	4,752
General allowance for possible loan losses	—	—
Unrealized gains on securities (90% of gain or 100% of loss)	5,592	5,849
Net unrealized gains and losses on real estate (85% of gain or 100% of loss)	—	—
Policy reserves in excess of surrender values	25,993	27,847
Brought in capital, etc.	—	—
Subordinated debt, etc.	—	—
Deductions	—	—
Others	1,527	1,352
(B) Total Risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	4,368	4,754
Underwriting risk (R_1)	2,930	3,134
Underwriting risk for third-sector insurance products including accident and sickness insurance (R_8)	970	1,113
Guaranteed interest rate risk (R_2)	164	173
Investment risk (R_3)	1,538	1,674
Business management risk (R_4)	112	121
Guaranteed minimum benefit risk (R_7)	—	—
(C) Solvency Margin Ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	2,750.4 %	2,596.3 %

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

[Reference] The figures based on new standards to be applied from March 31, 2012

(Millions of yen)

	As of March 31, 2011
(A) Total Solvency Margin	60,073
Capital, etc.	21,285
Reserve for price fluctuation	631
Contingency reserve	4,752
General allowance for possible loan losses	—
Unrealized gains on securities (90% of gain or 100% of loss)	5,849
Net unrealized gains and losses on real estate (85% of gain or 100% of loss)	—
Policy reserves in excess of surrender values	27,847
Subordinated debt, etc.	—
Policy reserves in excess of surrender values and subordinated debt, etc. which are excluded from total solvency margin	(1,099)
Brought in capital, etc.	—
Deductions	—
Others	805
(B) Total Risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	5,756
Underwriting risk (R_1)	3,134
Underwriting risk for third-sector insurance products including accident and sickness insurance (R_8)	1,113
Guaranteed interest rate risk (R_2)	624
Investment risk (R_3)	3,021
Business management risk (R_4)	157
Guaranteed minimum benefit risk (R_7)	—
(C) Solvency Margin Ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	2,087.3 %

Notes)

- Under Cabinet Office Ordinance No.23 (2010) and the provisions of Notification No. 48 of the Financial Services Agency (2010), the standards for the calculation of solvency margin ratio are planned to be revised to tighten and refine calculation of total solvency margin and estimation of total risk and others. The revised standards will be applied from March 31, 2012. The above figures are calculated by using the revised standards to the financial results as of March 31, 2011.
- "Policy reserves in excess of surrender values" is calculated under the provisions of Article 1 Paragraph 1-1 of Notification No. 25 of the Financial Services Agency (2011). "Policy reserves in excess of surrender values and subordinated debt, etc. which are excluded from total solvency margin" is calculated under the provisions of Article 1 Paragraph 1-3 of Notification No. 25 of the Financial Services Agency (2011).

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

Balance Sheets

(Millions of yen)

	As of March 31, 2010	As of March 31, 2011	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits:	182	251	68
Deposits	182	251	68
Securities:	5,407	4,354	(1,052)
Government bonds	2,690	1,575	(1,114)
Domestic stocks	950	757	(193)
Other securities	1,766	2,021	254
Tangible fixed assets:	80	51	(28)
Buildings	24	19	(5)
Leased assets	15	7	(8)
Other tangible fixed assets	40	24	(15)
Intangible fixed assets:	0	1,064	1,063
Other intangible fixed assets	0	1,064	1,063
Agency accounts receivable	0	0	(0)
Reinsurance accounts receivable	21	3	(17)
Other assets:	456	288	(167)
Accounts receivable	175	172	(2)
Prepaid expenses	5	3	(1)
Accrued income	0	0	(0)
Advance deposits	74	74	—
Suspense payments	199	36	(162)
Other assets	0	0	(0)
Allowance for possible loan losses	(0)	—	0
Total assets	6,149	6,014	(134)
Liabilities:			
Policy reserves:	1,041	1,204	163
Reserve for outstanding claims	141	315	174
Policy reserves	899	888	(11)
Agency accounts payable	3	3	0
Reinsurance accounts payable	32	31	(0)
Other liabilities:	342	227	(114)
Income taxes payable	3	3	—
Accrued expenses	318	213	(105)
Deposits received	1	1	0
Lease obligations	17	8	(8)
Suspense receipts	1	0	(0)
Reserve for retirement benefits	20	24	4
Reserves under the special laws:	15	16	1
Reserve for price fluctuation	15	16	1
Deferred tax liabilities	225	155	(70)
Total liabilities	1,680	1,664	(15)
Net assets:			
Shareholders' equity:			
Common stock	10,100	10,100	—
Capital surplus:	2,100	2,100	—
Capital reserves	2,100	2,100	—
Retained earnings:	(8,128)	(8,123)	5
Other retained earnings:	(8,128)	(8,123)	5
Retained earnings carried forward	(8,128)	(8,123)	5
Total shareholders' equity	4,071	4,076	5
Valuation and translation adjustments:			
Unrealized gains on securities available for sale, net of tax	397	273	(123)
Total valuation and translation adjustments	397	273	(123)
Total net assets	4,468	4,350	(118)
Total liabilities and net assets	6,149	6,014	(134)

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

Statements of Income

(Millions of yen)

	Year ended March 31, 2010 (April 1, 2009 to March 31, 2010)	Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)	Increase (Decrease)	Rate of change
	Amount	Amount		
Ordinary income:	3,722	3,794	71	1.9 %
Insurance premiums and other:	3,649	3,751	101	2.8
Insurance premiums	3,572	3,655	83	2.3
Reinsurance income	77	95	17	23.0
Investment income:	42	32	(9)	(22.4)
Interest and dividend income:	42	32	(9)	(22.4)
Interest and dividends on securities	42	32	(9)	(22.4)
Other ordinary income:	31	11	(19)	(64.3)
Reversal of reserve for outstanding claims	30	—	(30)	(100.0)
Reversal of policy reserves	—	11	11	—
Other ordinary income	0	0	(0)	(44.4)
Ordinary expenses:	4,456	3,784	(671)	(15.1)
Insurance claims and other:	1,361	1,105	(256)	(18.8)
Insurance claims	997	752	(244)	(24.6)
Insurance benefits	219	212	(6)	(3.1)
Other refunds	1	4	2	209.1
Reinsurance premiums	143	136	(7)	(5.3)
Provision for policy reserves and other:	14	174	160	1,095.4
Provision for reserve for outstanding claims	—	174	174	—
Provision for policy reserves	14	—	(14)	(100.0)
Investment expenses:	2	2	0	5.6
Interest paid	2	2	0	5.6
Operating, general and administrative expenses	3,009	2,448	(561)	(18.7)
Other ordinary expenses:	67	53	(13)	(20.5)
Taxes	16	16	0	0.4
Depreciation	46	32	(14)	(29.8)
Provision for reserve for retirement benefits	4	4	0	1.3
Ordinary profit (loss)	(733)	10	743	—
Extraordinary losses:	9	1	(8)	(87.1)
Provision for reserves under the special laws:	1	1	(0)	(12.4)
Provision for reserve for price fluctuation	1	1	(0)	(12.4)
Other extraordinary losses	8	—	(8)	(100.0)
Income (loss) before income taxes	(742)	8	751	—
Income taxes	1	3	2	166.5
Total income taxes	1	3	2	166.5
Net income (loss)	(744)	5	749	—

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

Major Business Results

Total amount of policies in force

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

	As of March 31, 2010				As of March 31, 2011			
	Number		Amount		Number		Amount	
		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year
Individual insurance	46	101.1	8,039	99.7	46	99.0	7,841	97.5
Individual annuities	—	—	—	—	—	—	—	—
Group insurance	—	—	—	—	—	—	—	—
Group annuities	—	—	—	—	—	—	—	—

Total amount of new policies

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

	Year ended March 31, 2010 (April 1, 2009 to March 31, 2010)				Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)			
	Number		Amount		Number		Amount	
		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year
Individual insurance	4	89.9	756	85.5	3	78.1	575	76.0
Individual annuities	—	—	—	—	—	—	—	—
Group insurance	—	—	—	—	—	—	—	—
Group annuities	—	—	—	—	—	—	—	—

Annualized premiums

Policies in force

(Millions of yen, %)

	As of March 31, 2010		As of March 31, 2011	
		% of previous fiscal year		% of previous fiscal year
Individual insurance	3,650	103.2	3,707	101.6
Individual annuities	—	—	—	—
Total	3,650	103.2	3,707	101.6
Medical and survival benefits	863	104.6	878	101.8

New policies

(Millions of yen, %)

	Year ended March 31, 2010 (April 1, 2009 to March 31, 2010)		Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)	
		% of previous fiscal year		% of previous fiscal year
Individual insurance	314	88.7	246	78.3
Individual annuities	—	—	—	—
Total	314	88.7	246	78.3
Medical and survival benefits	96	91.2	70	73.2

Notes)

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

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

Solvency Margin Ratio

	(Millions of yen)	
	As of March 31, 2010	As of March 31, 2011
(A) Total Solvency Margin	5,199	5,020
Capital, etc.	4,071	4,076
Reserve for price fluctuation	15	16
Contingency reserve	551	540
General allowance for possible loan losses	—	—
Unrealized gains on securities (90% of gain or 100% of loss)	560	385
Net unrealized gains and losses on real estate (85% of gain or 100% of loss)	—	—
Policy reserves in excess of surrender values	—	—
Brought in capital, etc.	—	—
Subordinated debt, etc.	—	—
Deductions	—	—
Others	—	—
(B) Total Risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	582	567
Underwriting risk (R_1)	454	443
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_8)	95	95
Guaranteed interest rate risk (R_2)	0	0
Investment risk (R_3)	118	102
Business management risk (R_4)	20	19
Guaranteed minimum benefit risk (R_7)	—	—
(C) Solvency Margin Ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	1,785.9 %	1,768.9 %

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

[Reference] The figures based on new standards to be applied from March 31, 2012

(Millions of yen)

	As of March 31, 2011
(A) Total Solvency Margin	5,020
Capital, etc.	4,076
Reserve for price fluctuation	16
Contingency reserve	540
General allowance for possible loan losses	—
Unrealized gains on securities (90% of gain or 100% of loss)	385
Net unrealized gains and losses on real estate (85% of gain or 100% of loss)	—
Policy reserves in excess of surrender values	—
Subordinated debt, etc.	—
Policy reserves in excess of surrender values and subordinated debt, etc. which are excluded from total solvency margin	—
Brought in capital, etc.	—
Deductions	—
Others	—
(B) Total Risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	593
Underwriting risk (R_1)	443
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_8)	95
Guaranteed interest rate risk (R_2)	0
Investment risk (R_3)	191
Business management risk (R_4)	21
Guaranteed minimum benefit risk (R_7)	—
(C) Solvency Margin Ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	1,690.3 %

Note) Under Cabinet Office Ordinance No.23 (2010) and the provisions of Notification No. 48 of the Financial Services Agency (2010), the standards for the calculation of solvency margin ratio are planned to be revised to tighten and refine calculation of total solvency margin and estimation of total risk and others. The revised standards will be applied from March 31, 2012. The above figures are calculated by using the revised standards to the financial results as of March 31, 2011.

Supplementary Explanation

<Calculation of returns>

The calculation methods of “Return on investments (income base)”, “Return on investments (realized base)” and “Total return based on the fair value” are as follows.

1. Return on investments (income base)

The results of investment activities are shown from the point of view of income earned (interest and dividend income earned).

Numerator is based on interest and dividend income related to investment assets. Denominator is based on the cost of investment assets.

Numerator = Interest and dividend income (including amounts which correspond to interest and dividend income of investment gains and losses on money trusts)

Denominator = Average balances of investment assets based on the acquisition cost or the amortized cost

2. Return on investments (realized base)

The results of investment activities are shown from the point of view of the contribution to gains and losses of the period (statements of income).

Numerator is based on realized gains and losses. Denominator is based on the cost of investment assets.

Numerator = Investment income + Interest and dividend income on deposits of premiums, etc. - Investment expenses

Denominator = Average balances of investment assets based on the acquisition cost or the amortized cost

3. Total return based on the fair value (reference)

The return on investment based on the fair value is shown.

Numerator is based on realized gains and losses and net changes in unrealized gains and losses on investment assets.

Denominator is based on the fair value of investment assets.

Numerator = (Investment income + Interest and dividend income on deposits of premiums, etc. - Investment expenses) + (Unrealized gains and losses at the end of this period* - Unrealized gains and losses at the end of the previous period*) + Increase and decrease in deferred gains (losses) on hedges

Denominator = Average balances of investment assets based on the acquisition cost or the amortized cost + Unrealized gains and losses at the end of the previous period* + Unrealized gains and losses on trading securities at the end of the previous period

* Unrealized gains and losses related to securities available for sale, monetary receivables bought and money trusts classified as other than trading purposes or held to maturity before tax effect deductions.

<Calculation of ratios, etc.>

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

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

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

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

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

< Solvency margin ratio >

- In addition to reserves to cover payments for claims, benefits and maturity refunds, etc., it is necessary for insurance companies to maintain sufficient solvency in order to cover against risks which may exceed their normal estimates, i.e. the occurrence of major catastrophes, the fluctuation in mortality rate due to significant changes in key environmental factors and a big decline in value of assets held by insurance companies, etc.
- Solvency margin ratio: (C), which is calculated in accordance with the Insurance Business Law, is the ratio of "solvency margin of insurance companies by means of their capital, reserves, etc." (total solvency margin: (A)) to "risks which will exceed their normal estimates" (total risks: (B)).
- "Risks which will exceed their normal estimates" are composed of risks described below.
 - <1> Underwriting risk, underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance:
Risks of occurrence of insurance claims in excess of normal estimates (excluding risks relating to major catastrophes)
 - <2> Guaranteed interest rate risk:
Risks of invested assets failing to yield assumed interest rates due to the aggravation of investment conditions than expected
 - <3> Investment risk:
Risks of retained securities and other assets fluctuating in prices in excess of normal estimates
 - <4> Business management risk:
Risks beyond normal estimates arising from business management (That does not fall under other categories.)
 - <5> Major catastrophe risk:
Risks of the occurrence of major catastrophic losses in excess of normal estimates (risks such as the Great Kanto Earthquake or Isewan typhoon)
 - <6> Guaranteed minimum benefit risk:
Risks of special account assets fluctuating in prices in excess of normal estimates
- "Solvency margin of insurance companies by means of their capital, reserves, etc." (total solvency margin) is the sum of total net assets (excluding planned outflows), certain reserves (reserve for price fluctuation, contingency reserve and catastrophic loss reserve, etc.) and parts of net unrealized gains and losses on real estate, etc.
- Solvency margin ratio is one of the indicators for the regulatory authorities to monitor financial soundness of insurance companies. Solvency margin ratio exceeding 200% would indicate adequate capability to meet payments of possible insurance claims.

< Revision of the standards for the calculation of solvency margin ratio >

- For the purpose of improving its credibility of solvency margin ratio, regulations on solvency margin ratio are revised, which will be officially applied at the end of the fiscal year ending March 31, 2012. Until the date of application, solvency margin ratio calculated by using the revised standards is disclosed as a reference, in addition to the solvency margin ratio calculated under the current standards.
- Under the new standards, solvency margin ratio may decline compared to that of under the current standards because of stricter standards of estimating total risk and others. However, as is the case under the current standards, solvency margin ratio under the new standards exceeding 200% would indicate adequate capability to meet payments of possible insurance claims.

4. Supplementary Data about Financial Results for the fiscal year ended March 31, 2011 at Press Conference

Sompo Japan Insurance Inc. (Non-consolidated)

(1) Key figures

(Yen in hundred millions)

	Year ended March 31, 2010 (A)	Six months ended September 30, 2010 (B)	Year ended March 31, 2011 (C)	Increase (Decrease)	Increase (Decrease)
				(C) - (A)	(C) - (B)
① Net premiums written	12,588	6,436	12,566	(22)	—
Rate of change	(2.4)%	0.3 %	(0.2)%	2.3 %	(0.5)%
② Total assets	50,292	48,572	47,863	(2,428)	(708)
③ Net loss ratio	73.9 %	69.3 %	72.5 %	(1.4)%	3.2 %
④ Net expense ratio	34.1 %	33.3 %	33.7 %	(0.4)%	0.3 %
⑤ Combined ratio	107.9 %	102.6 %	106.2 %	(1.7)%	3.6 %
Underwriting result ratio	(7.9)%	(2.6)%	(6.2)%	1.7 %	(3.6)%
⑥ Voluntary automobile insurance					
• Net premiums written	6,402	3,197	6,399	(2)	—
Rate of change	(2.1)%	(0.9)%	(0.0)%	2.1 %	0.8 %
• Underwriting result ratio	(4.8)%	(2.7)%	(5.2)%	(0.4)%	(2.5)%
• Net loss ratio	70.6 %	69.4 %	72.0 %	1.4 %	2.6 %
• Net expense ratio	34.3 %	33.3 %	33.2 %	(1.0)%	(0.1)%
⑦ Fire and allied insurance					
• Net premiums written	1,441	675	1,412	(29)	—
Rate of change	(0.6)%	(0.2)%	(2.0)%	(1.4)%	(1.8)%
• Underwriting result ratio	13.0 %	12.2 %	15.3 %	2.3 %	3.0 %
• Net loss ratio	44.2 %	43.3 %	41.6 %	(2.7)%	(1.7)%
• Net expense ratio	42.8 %	44.5 %	43.2 %	0.4 %	(1.3)%
⑧ Number of employees	17,294	19,027	18,708	1,414	(319)
⑨ Number of agencies	46,294	45,533	45,084	(1,210)	(449)

<Reference> Consolidated figures of NKSJ Holdings, Inc.

(Yen in hundred millions)

	Year ended March 31, 2010 (A)	Six months ended September 30, 2010 (B)	Year ended March 31, 2011 (C)	Increase (Decrease)	Increase (Decrease)
				(C) - (A)	(C) - (B)
① Ordinary income	/	13,297	26,216	—	—
② Net premiums written		9,878	19,332	—	—
Rate of change		—	—	—	—
③ Life insurance premiums written		1,089	2,381	—	—
Rate of change		—	—	—	—
④ Ordinary profit		388	(64)	—	—
⑤ Net income	241	(129)	—	—	

Notes)

1. Net loss ratio = (Net claims paid + Loss adjustment expenses) / Net premiums written × 100
2. Net expense ratio = (Net commissions and brokerage fees + Operating, general and administrative expenses related to underwriting) / Net premiums written × 100
3. Combined ratio = Net loss ratio + Net expense ratio
4. Underwriting result ratio = 100 - Combined ratio
5. Items with % within "Increase (Decrease)" represent change from the year ended March 31, 2010 and the six months ended September 30, 2010, respectively.

Sompo Japan Insurance Inc. (Non-consolidated)

(2) Other figures

① Non-performing loans

Risk-monitored loans

(Yen in hundred millions)

	As of March 31, 2010	As of September 30, 2010	As of March 31, 2011
Loans to borrowers in bankruptcy	8	6	5
Overdue loans	20	16	10
Loans overdue for three months or more	—	—	—
Restructured loans	11	4	6
Total	40	27	22
Percent of total loans	0.9%	0.6%	0.5%

(Reference) Total loans	4,761	4,681	4,556
-------------------------	-------	-------	-------

Results of self-assessment

(Yen in hundred millions)

	As of March 31, 2010	As of September 30, 2010	As of March 31, 2011
No category	48,472	46,457	45,692
Category II	616	486	488
Category III	97	93	94
Category IV	148	56	81
Subtotal (Category II-IV)	862	637	665
Total	49,334	47,094	46,357

Note)

The above figures represent amounts before recognition of impairment losses. Impairment losses on securities are included in "Category IV".

② Impairment losses on securities

(Yen in hundred millions)

	Year ended March 31, 2010	Six months ended September 30, 2010	Year ended March 31, 2011
Domestic bonds	—	—	—
Domestic stocks	25	27	63
Foreign securities	3	10	4
Others	0	—	—
Total	28	37	67

Note)

Impairment losses on monetary receivables bought which are classified as other investment expenses in the statements of income are included in "Others" above.

Impairment rules applied

Impairment losses on securities which have readily determinable fair value are recognized if fair value declines by 30% or more of their cost (historical cost or amortized cost).

③ Impairment losses on fixed assets

(Yen in hundred millions)

	Year ended March 31, 2010	Six months ended September 30, 2010	Year ended March 31, 2011
Land	3	2	2
Buildings	0	0	0
Others	—	—	—
Total	3	2	2

Sompo Japan Insurance Inc. (Non-consolidated)

④ Unrealized gains and losses on securities

(Yen in hundred millions)

	As of March 31, 2010	As of September 30, 2010	As of March 31, 2011
Domestic bonds	320	654	357
Domestic stocks	5,800	4,249	4,635
Foreign securities	(198)	(384)	(464)
Others	40	37	24
Total	5,963	4,556	4,553

Notes)

1. Unrealized gains and losses on monetary receivables bought are included in "Others" above.
2. Besides the above, unrealized gains (losses) on trust assets in money trusts other than trading purposes or held to maturity amount to 0.0 billion yen as of March 31, 2010, (0.1) billion yen as of September 30, 2010.

⑤ Underwriting of third-sector insurance products

(Number in hundreds)

	Year ended March 31, 2011		Breakdown of number	
	Number	Increase (Decrease)	Sompo Japan Insurance Inc.	Subsidiaries
Number of policies	10,882	671	8,480	2,401

Notes)

1. This table represents total and respective number of policies of Sompo Japan Insurance Inc. and its subsidiaries from April 1, 2010 to March 31, 2011.
2. The above numbers represent the cumulative sales of policies of medical insurance and cancer insurance.

⑥ Claims by natural disasters

(Yen in hundred millions)

	Year ended March 31, 2010	Six months ended September 30, 2010	Year ended March 31, 2011
Direct claims paid a	130	14	68
Net claims paid b	116	14	47
Unpaid claims c	15	4	489
Net incurred loss b + c	132	18	537

Notes)

1. This table represents paid and unpaid claims related to natural disasters which occurred in the period.
2. Amounts of unpaid claims are calculated by deducting reinsurance recoverable on unpaid loss from reserve for outstanding losses and claims.

⑦ Catastrophic loss reserve

(Yen in hundred millions, %)

Business line	Year ended March 31, 2010			Six months ended September 30, 2010			Year ended March 31, 2011		
	Balance	Balance ratio	Provision	Balance	Balance ratio	Provision	Balance	Balance ratio	Provision
Fire and allied insurance	1,485	105.4	189	1,580	119.9	95	1,709	123.9	224
Marine insurance	262	110.5	8	264	102.1	4	271	107.2	9
Personal accident insurance	845	67.5	39	857	63.3	21	815	64.1	39
Voluntary automobile insurance	386	6.0	386	265	4.1	194	386	6.0	386
Others	967	60.2	108	1,021	56.6	61	1,023	65.4	70
Total	3,946	36.2	732	3,989	35.8	377	4,206	38.7	729

Notes)

1. Balance ratio = Balance of catastrophic loss reserve / Net premiums written (excluding household earthquake insurance and compulsory automobile liability insurance) × 100
As for the interim fiscal year, net premiums written are doubled for the calculation of balance ratio.
2. Provision represents gross amounts before excluding reversal.

⑧ Claims paid due to the Great East Japan Earthquake (excluding household earthquake insurance)

(Yen in hundred millions)

	Year ended March 31, 2011
Net claims paid	0
Net incurred loss	385

Note)

Of above table ⑧, this table represents the amount of net claims paid and net incurred loss which exclude household earthquake insurance due to the Great East Japan Earthquake.

Sompo Japan Insurance Inc. (Non-consolidated)

⑨ Reinsurance assumed

(Yen in hundred millions)

Business line	Year ended March 31, 2010		Year ended March 31, 2011	
	Reinsurance premiums assumed	Reinsurance claims assumed	Reinsurance premiums assumed	Reinsurance claims assumed
Fire and allied insurance	177	85	208	54
Marine insurance	71	50	67	39
Personal accident insurance	10	6	15	6
Voluntary automobile insurance	35	18	30	19
Compulsory automobile liability insurance	1,085	1,543	1,102	1,551
Others	129	201	112	284
Total	1,510	1,906	1,536	1,956

⑩ Reinsurance ceded

(Yen in hundred millions)

Business line	Year ended March 31, 2010		Year ended March 31, 2011	
	Reinsurance premiums ceded	Reinsurance claims ceded	Reinsurance premiums ceded	Reinsurance claims ceded
Fire and allied insurance	588	78	559	49
Marine insurance	122	68	123	107
Personal accident insurance	24	17	25	13
Voluntary automobile insurance	33	19	18	15
Compulsory automobile liability insurance	1,205	1,725	1,207	1,734
Others	251	113	313	64
Total	2,227	2,023	2,246	1,985

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

(1) Key figures

(Yen in hundred millions)

	Year ended March 31, 2010	Six months ended September 30, 2010	Year ended March 31, 2011	Increase (Decrease)	Increase (Decrease)
	(A)	(B)	(C)	(C) - (A)	(C) - (B)
① Net premiums written	6,333	3,165	6,206	(127)	—
Rate of change	(3.1)%	(1.0)%	(2.0)%	1.1 %	(1.0)%
② Total assets	25,924	25,081	24,591	(1,332)	(490)
③ Net loss ratio	69.4 %	67.1 %	69.6 %	0.2 %	2.5 %
④ Net expense ratio	35.8 %	35.3 %	35.8 %	— %	0.5 %
⑤ Combined ratio	105.2 %	102.4 %	105.3 %	0.1 %	2.9 %
Underwriting result ratio	(5.2)%	(2.4)%	(5.3)%	(0.1)%	(2.9)%
⑥ Voluntary automobile insurance					
• Net premiums written	3,187	1,579	3,148	(38)	—
Rate of change	(2.0)%	(1.6)%	(1.2)%	0.8 %	0.4 %
• Underwriting result ratio	(2.4)%	(2.5)%	(4.3)%	(1.9)%	(1.8)%
• Net loss ratio	71.0 %	70.5 %	72.9 %	1.9 %	2.4 %
• Net expense ratio	31.4 %	32.0 %	31.4 %	— %	(0.6)%
⑦ Fire and allied insurance					
• Net premiums written	965	423	895	(70)	—
Rate of change	0.8 %	(3.1)%	(7.3)%	(8.1)%	(4.2)%
• Underwriting result ratio	7.7 %	7.8 %	7.8 %	0.1 %	— %
• Net loss ratio	48.1 %	48.6 %	47.5 %	(0.6)%	(1.1)%
• Net expense ratio	44.2 %	43.6 %	44.7 %	0.5 %	1.1 %
⑧ Number of employees	8,257	9,962	9,887	1,630	(75)
⑨ Number of agencies	28,520	27,972	27,626	(894)	(346)

Notes)

1. Net loss ratio = (Net claims paid + Loss adjustment expenses) / Net premiums written × 100
2. Net expense ratio = (Net commissions and brokerage fees + Operating, general and administrative expenses related to underwriting) / Net premiums written × 100
3. Combined ratio = Net loss ratio + Net expense ratio
4. Underwriting result ratio = 100 - Combined ratio
5. Items with % within "Increase (Decrease)" represent change from the year ended March 31, 2010 and the six months ended September 30, 2010, respectively.
6. Number of employees does not include numbers of agent trainees nor in-house agents but includes numbers of employees who are loaned from other companies.

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

(2) Other figures

① Non-performing loans

Risk-monitored loans

(Yen in hundred millions)

	As of March 31, 2010	As of September 30, 2010	As of March 31, 2011
Loans to borrowers in bankruptcy	0	0	0
Overdue loans	11	11	11
Loans overdue for three months or more	—	—	—
Restructured loans	5	3	2
Total	17	15	14
Percent of total loans	0.8%	0.7%	0.7%

(Reference) Total loans	2,274	2,126	2,007
-------------------------	-------	-------	-------

Results of self-assessment

(Yen in hundred millions)

	As of March 31, 2010	As of September 30, 2010	As of March 31, 2011
No category	25,850	24,264	23,675
Category II	74	80	94
Category III	17	16	14
Category IV	155	15	44
Subtotal (Category II-IV)	247	112	153
Total	26,097	24,376	23,828

Notes)

1. Total represents the amount before amortized or provisioned, however the amount of Category III and IV are fully amortized and/or provisioned.

2. Since 0.1 billion yen included in Category IV as of September 30, 2010 was recorded as impairment losses on securities, the amount is excluded from Category IV as of March 31, 2011.

② Impairment losses on securities

(Yen in hundred millions)

	Year ended March 31, 2010	Six months ended September 30, 2010	Year ended March 31, 2011
Domestic bonds	—	—	—
Domestic stocks	12	8	35
Foreign securities	0	2	1
Others	8	0	—
Total	21	11	36

Impairment rules applied

NIPPONKOA recognized impairment on securities whose fair value is determinable as of the balance sheet date if the fair value declined by 30% or more from carrying value.

③ Impairment losses on fixed assets

(Yen in hundred millions)

	Year ended March 31, 2010	Six months ended September 30, 2010	Year ended March 31, 2011
Land	0	3	5
Buildings	2	0	3
Others	—	0	0
Total	2	4	8

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

④ Unrealized gains and losses on securities

(Yen in hundred millions)

	As of March 31, 2010	As of September 30, 2010	As of March 31, 2011
Domestic bonds	124	301	117
Domestic stocks	2,718	1,944	2,074
Foreign securities	(112)	(60)	(113)
Others	5	4	9
Total	2,735	2,190	2,088

Note)

The above numbers represent difference between costs and book values for securities available for sale, which have determinable fair value.

⑤ Underwriting of third-sector insurance products

(Number in hundreds)

	Year ended March 31, 2011		Breakdown of number	
	Number	Increase (Decrease)	NIPPONKOA Insurance Co., Ltd.	Subsidiaries
Number of policies	1,485	(36)	1,006	479

Notes)

- This table represents cumulative total and respective number of policies of NIPPONKOA Insurance Co., Ltd. and its subsidiaries from April 1, 2010 to March 31, 2011.
- The above numbers include policies of medical insurance and cancer insurance, but exclude policies of accident insurance and nursing-care insurance.

⑥ Claims by natural disasters

(Yen in hundred millions)

	Year ended March 31, 2010	Six months ended September 30, 2010	Year ended March 31, 2011
Direct claims paid a	114	15	116
Net claims paid b	108	15	49
Unpaid claims c	22	7	268
Net incurred loss b + c	130	23	317

Notes)

- This table represents paid and unpaid claims related to natural disasters which occurred in the period.
- Amounts of unpaid claims are calculated by deducting reinsurance recoverable on unpaid loss from reserve for outstanding losses and claims.
- Claims by natural disasters include claims caused by earthquakes.

⑦ Catastrophic loss reserve

(Yen in hundred millions, %)

Business line	Year ended March 31, 2010			Six months ended September 30, 2010			Year ended March 31, 2011		
	Balance	Balance ratio	Provision	Balance	Balance ratio	Provision	Balance	Balance ratio	Provision
Fire and allied insurance	1,211	128.4	65	1,240	150.2	28	1,272	145.7	60
Marine insurance	190	141.1	6	190	137.0	3	194	138.9	6
Personal accident insurance	210	41.5	15	199	36.5	8	170	34.4	15
Voluntary automobile insurance	219	6.9	219	109	3.5	108	216	6.9	216
Others	515	64.6	38	532	60.9	21	547	70.1	37
Total	2,345	42.1	345	2,271	41.0	170	2,400	44.1	335

Notes)

- Balance ratio = Balance of catastrophic loss reserve / Net premiums written (excluding household earthquake insurance and compulsory automobile liability insurance) × 100
As for the interim fiscal year, net premiums written are doubled for the calculation of balance ratio.
- Provision represents gross amounts.

⑧ Claims paid due to the Great East Japan Earthquake (excluding household earthquake insurance)

(Yen in hundred millions)

	Year ended March 31, 2011
Net claims paid	0
Net incurred loss	194

Note)

Of above table ⑥, this table represents the amount of net claims paid and net incurred loss which exclude household earthquake insurance due to the Great East Japan Earthquake.

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

⑨ Reinsurance assumed

(Yen in hundred millions)

Business line	Year ended March 31, 2010		Year ended March 31, 2011	
	Reinsurance premiums assumed	Reinsurance claims assumed	Reinsurance premiums assumed	Reinsurance claims assumed
Fire and allied insurance	43	18	41	20
Marine insurance	26	15	21	12
Personal accident insurance	17	14	21	15
Voluntary automobile insurance	25	17	26	17
Compulsory automobile liability insurance	501	707	501	714
Others	28	18	26	8
Total	643	791	639	788

⑩ Reinsurance ceded

(Yen in hundred millions)

Business line	Year ended March 31, 2010		Year ended March 31, 2011	
	Reinsurance premiums ceded	Reinsurance claims ceded	Reinsurance premiums ceded	Reinsurance claims ceded
Fire and allied insurance	292	54	294	91
Marine insurance	32	22	29	20
Personal accident insurance	9	4	10	4
Voluntary automobile insurance	28	21	27	20
Compulsory automobile liability insurance	525	764	530	766
Others	71	23	73	18
Total	959	892	965	921

[Supplementary Information]

Sompo Japan Insurance Inc. and NIPPONKOA Insurance Co., Ltd. (Combined)

(Yen in hundred millions)

	Year ended March 31, 2010	Six months ended September 30, 2010	Year ended March 31, 2011	Increase (Decrease)	Increase (Decrease)
	(A)	(B)	(C)	(C) - (A)	(C) - (B)
① Net premiums written	18,922	9,602	18,772	(149)	—
Rate of change	(2.7)%	(0.1)%	(0.8)%	1.9 %	(0.7)%
② Total assets	76,216	73,654	72,455	(3,761)	(1,198)
③ Net loss ratio	72.4 %	68.6 %	71.5 %	(0.9)%	3.0 %
④ Net expense ratio	34.6 %	34.0 %	34.4 %	(0.3)%	0.4 %
⑤ Combined ratio	107.0 %	102.6 %	105.9 %	(1.1)%	3.3 %
Underwriting result ratio	(7.0)%	(2.6)%	(5.9)%	1.1 %	(3.3)%
⑥ Voluntary automobile insurance					
• Net premiums written	9,590	4,777	9,548	(41)	—
Rate of change	(2.1)%	(1.1)%	(0.4)%	1.6 %	0.7 %
• Underwriting result ratio	(4.0)%	(2.6)%	(4.9)%	(0.9)%	(2.3)%
• Net loss ratio	70.7 %	69.7 %	72.3 %	1.5 %	2.5 %
• Net expense ratio	33.3 %	32.9 %	32.6 %	(0.7)%	(0.2)%
⑦ Fire and allied insurance					
• Net premiums written	2,407	1,099	2,307	(99)	—
Rate of change	(0.1)%	(1.4)%	(4.1)%	(4.1)%	(2.7)%
• Underwriting result ratio	10.9 %	10.5 %	12.4 %	1.5 %	1.9 %
• Net loss ratio	45.8 %	45.3 %	43.9 %	(1.9)%	(1.5)%
• Net expense ratio	43.4 %	44.1 %	43.8 %	0.4 %	(0.4)%
⑧ Number of employees	25,551	28,989	28,595	3,044	(394)
⑨ Number of agencies	74,814	73,505	72,710	(2,104)	(795)

Notes)

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

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

3. Combined ratio = Net loss ratio + Net expense ratio

4. Underwriting result ratio = 100 - Combined ratio

5. Items with % within "Increase (Decrease)" represent change from the year ended March 31, 2010 and the six months ended September 30, 2010, respectively.