NKSJ HOLDINGS

Discussion Material

October 2013

NKSJ Holdings, Inc.

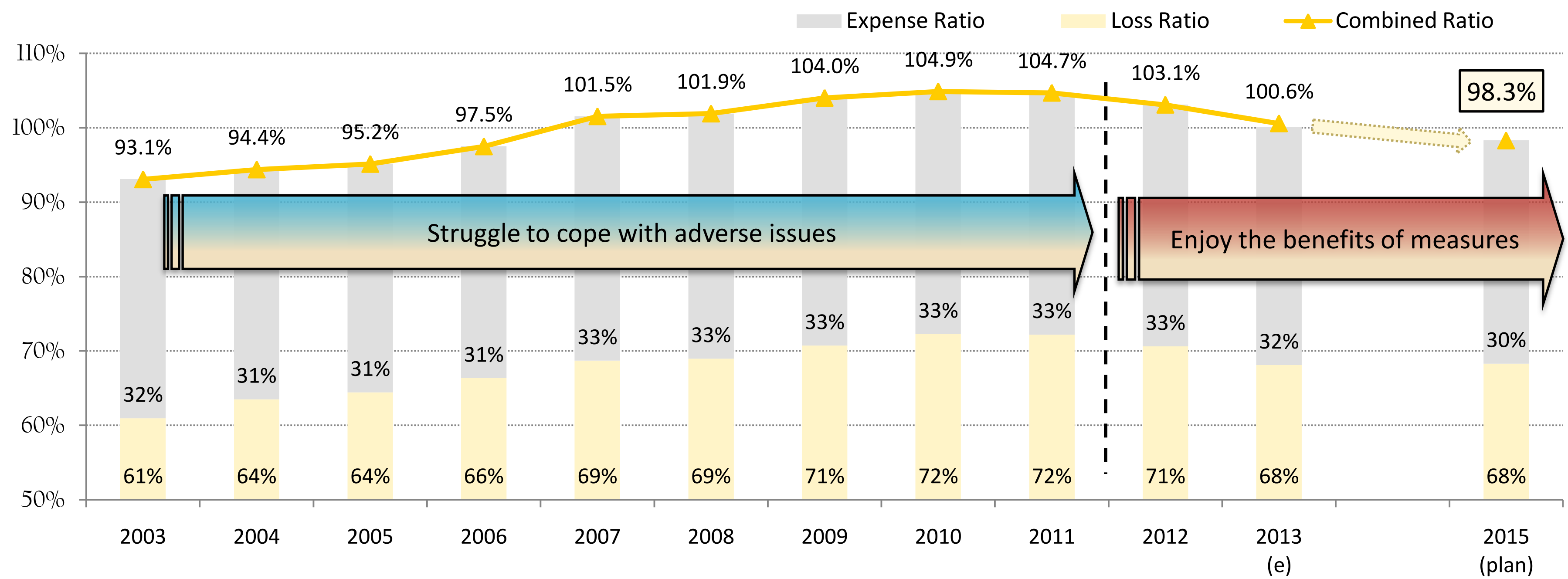
NKSJ HOLDINGS

Turnaround in Automobile Insurance

NKSJ HOLDINGS

Combined ratio of automobile insurance has turned into improvement trend as a result of our several pricing measures.

Combined Ratio of Automobile Insurance (Sum of SJ and NK)



Adverse issues;

- Population of elderly drivers who tend to have frequent accidents is growing.
- Increase in number of adjusters and system cost to solve "non-payment problem"
- Rising repair cost as car parts are getting more sophisticated
- The previous Driver Rating System was not rational

Our measures;

- Rate revision for elderly drivers (Started in April 2011)
- Series of base rate revision (See Page 3)
- Revision of Driver Rating System (See Page 3&4)

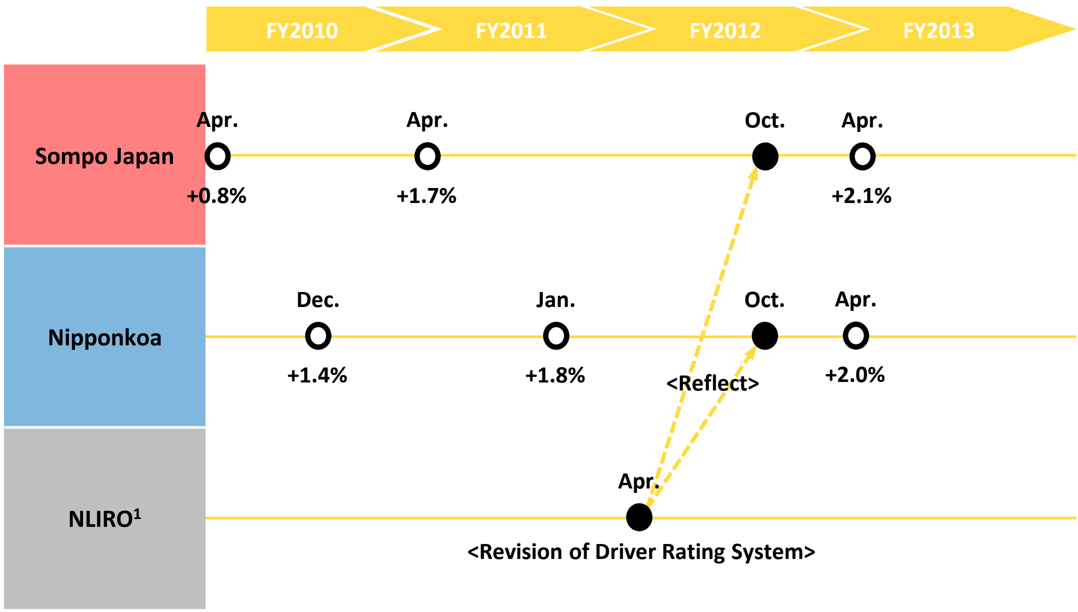
2

Automobile Insurance: Measures to Improve Profitability

NKSJ HOLDINGS

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

Historical Premium Rates Revisions & Driver Rating System Revision



Measures to Improve Profitability

- SJ and NK have raised premiums for automobile insurance 3 times since FY 2010.
  - The effects will continue to materialize gradually.
- The Driver Rating System was revised in April 2012 and the revision has been reflected in our automobile insurance policies written after October 2012
  - Expected to improve profitability in the mid-and-long term

1. Non-Life Insurance Rating Organization of Japan

Automobile Insurance: Revision of Driver Rating System

Under the old Driver Rating Sytem, accident-free policyholders had to pay a part of the premiums that primarily policyholders involved in accidents would have had to pay. After the revision, rating levels are determined reflecting risks of each policyholder more accurately.

Old Driver Rating System

Overview

- Risk is classified into rating levels from 1 to 20 to ensure that premiums reflect the degree of risk according to a policyholders' prior accident record
- A rating coefficient (discount rate) is established for each rating level
- A driver with no accidents during a given year will be promoted to the next higher rating level in the following year. A driver involved in an accident will be demoted by three rating levels
  - Ratings shall be maintained at the same level if a driver suffers certain types of incidents such as vehicle theft, as well as damage due to flying debris or vandalism such as graffiti (hereinafter, "waived incident")

Problems

- Policyholders involved in accidents have a higher actual risk than justified by the premiums they pay
- Accident-free policyholders have a lower actual risk than justified by the premiums they pay

Revised Driver Rating System

Overview

- For policies in force, rating levels 7 to 20 were subdivided into an "accident-free coefficient" and an "accident coefficient"
- Ratings coefficients for all rating levels shall be revised to reflect the most recent actual risk
- The practice of recognizing waived incidents was abolished and replaced with demotion by one rating level
- The period[1] for applying the "accident coefficient" shall be three years for every accident resulting in a demotion by three rating levels (one year for an accident resulting in a demotion of one rating level)

<Example> When customers with rating level 18 received an insurance payment after being involved in an accident

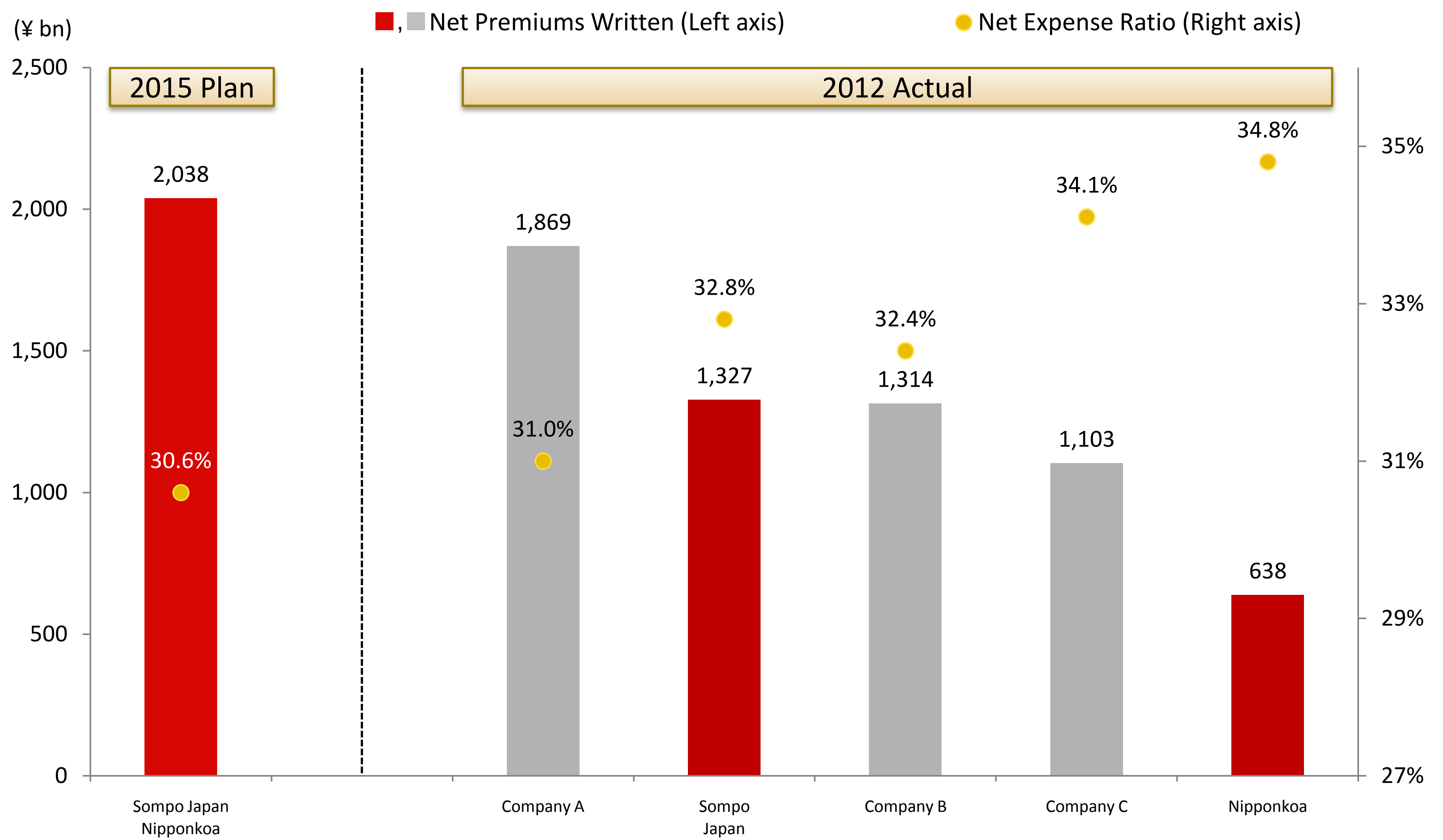
Old	**Old coefficient**	**Old coefficient**			**Old coefficient**
	Level 18 -59%	**Level 15** -52%	**Level 16** -55%	**Level 17** -57%	**Level 18** -59%
		<One year later>	<Two years later>	<Three years later>	<Four years later>
Revised	**Accident-free**	**Accident coefficient**			**Accident-free**
	Level 18 -54%	**Level 15** -33%	**Level 16** -36%	**Level 17** -38%	**Level 18** -54%
		<One year later>	<Two years later>	<Three years later>	<Four years later>
Rate of premium increase from the old system[2] =>		39.6%	42.2%	44.2%	

1. Up to six years
2. Rate of premium increase = Accident coefficient (after application of discount rate) / Old coefficient (after application of discount rate)

Expense Reductions through Merger

Sompo Japan and Niponkoa intend to realize merger synergies such as expense reductions through operational standardization and streamlining of operations.

Comparison of Premiums and Expense Ratio[1]



Source: Company disclosures

Merger synergies

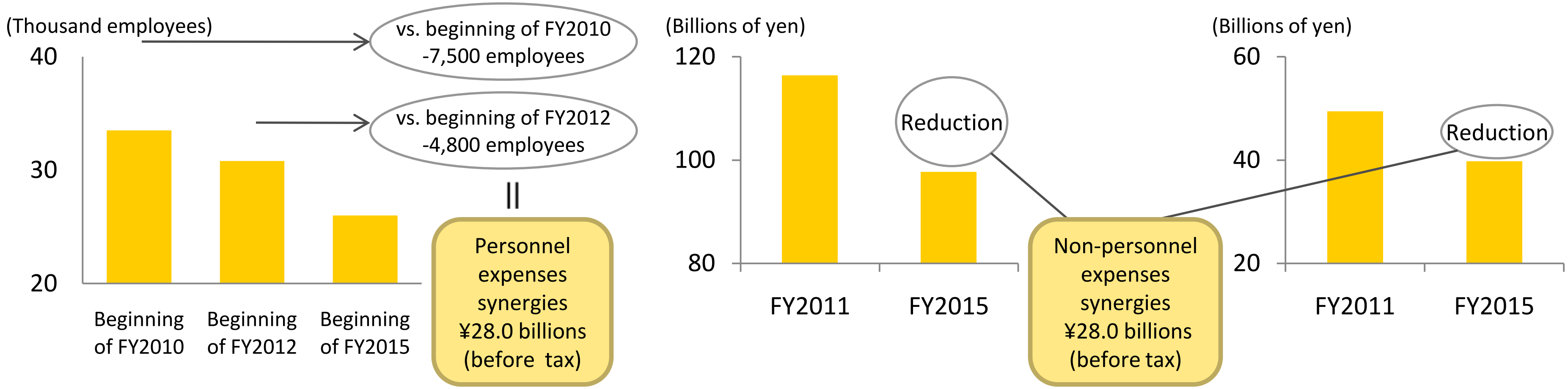
¥56 billion of expense reduction in FY 2015 compared to FY 2011 is projected.

- **Personnel expenses: ¥28 billion**
- **Non-personnel expenses: ¥28 billion**

Number of employees

Non-personnel expenses (excl. system costs)

Non-personnel expenses (system costs)



- Reduce the number of employees through voluntary retirement in addition to natural attrition
- Target the industry's highest level of personnel efficiency by fiscal 2015.

- Reduce property rent and other related expenses by co-locating sales offices nationwide.
- Reduce administration and printing costs through standardization.
- Reduce employee dormitory rent, travel costs and other related expenses by reducing the number of personnel.

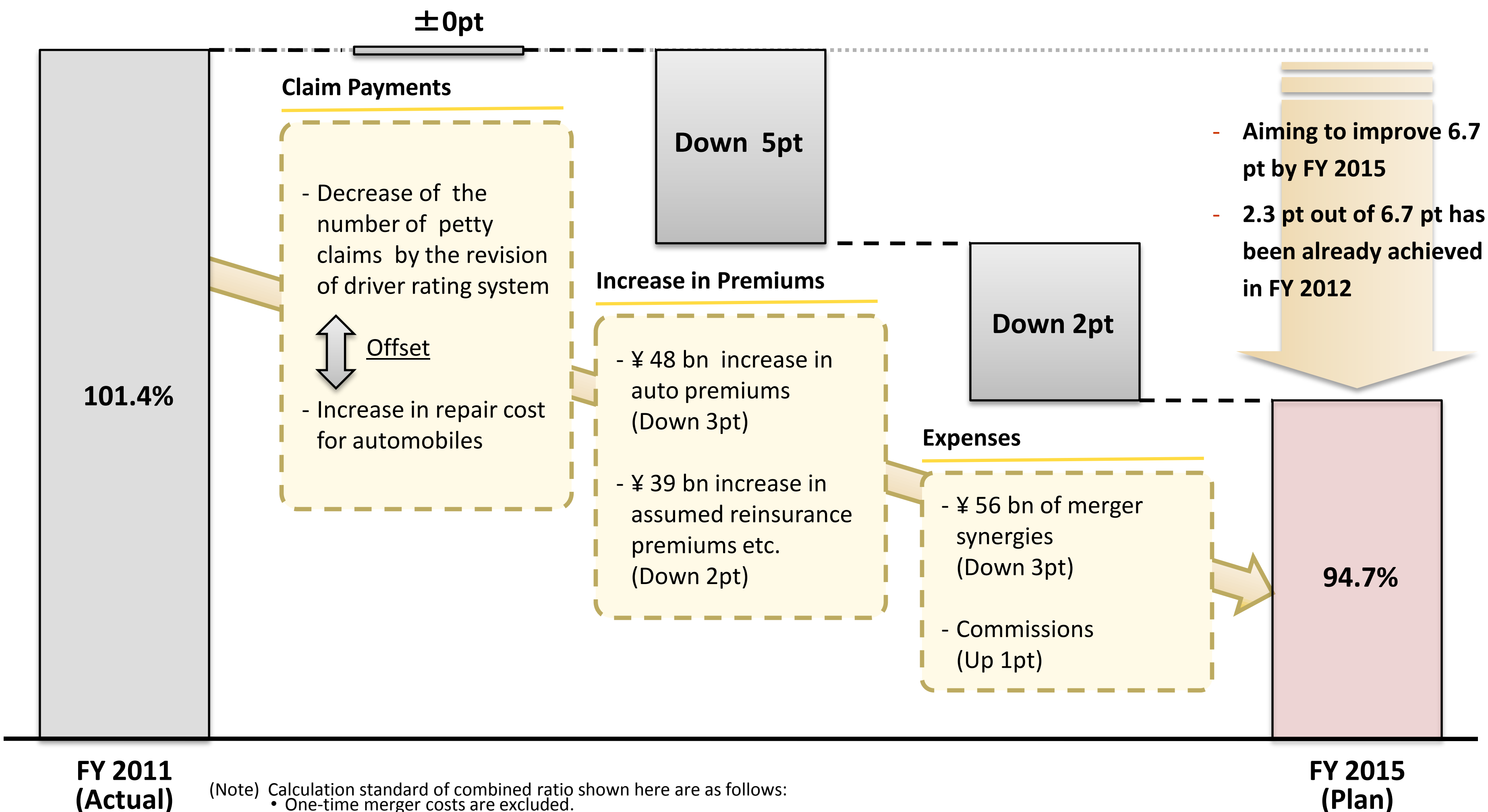
- Reduce running costs by integrating systems.
- Transfer data of long-term policies after the merger, and integrate systems completely.

NKSJ HOLDINGS

Improving Combined Ratio through the merger etc.

Among three major P&C insurance groups in Japan, NKSJ is the only group that can enjoy the merger synergy. Aiming to achieve under 95% of combined ratio in FY 2015.

Trends of Combined Ratio (Domestic P&C)



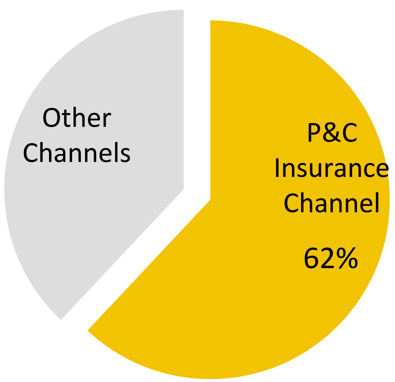
(Note) Calculation standard of combined ratio shown here are as follows:
- One-time merger costs are excluded.
- Assumed Impact of natural disasters is ¥38.0 billion in every year.
- Impact of the increase in Japan's consumption tax rate is not reflected
- CALI is excluded.

Growth with High Margin in Domestic Life Insurance Business

NKSJ Himawari Life aims to enhance sales by utilizing P&C agency network and focus on highly profitable protection-type products. Both bring us growth coupled with high margin.

Sales Channel Strategy

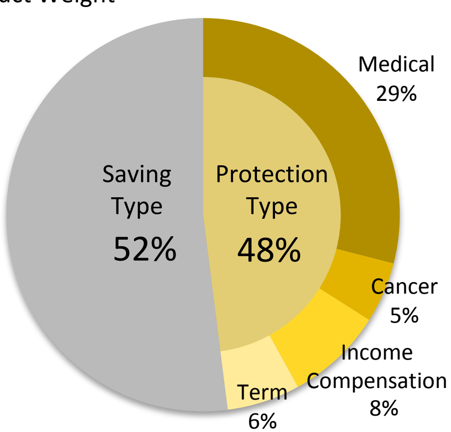
Channel Weight[1]



- Utilizing P&C agency network, i.e. no need to develop new infrastructure for sales from scratch.
- There is room to broaden cross-selling to the P&C customer base of 20 million customers through P&C agency network.

Product Portfolio Strategy

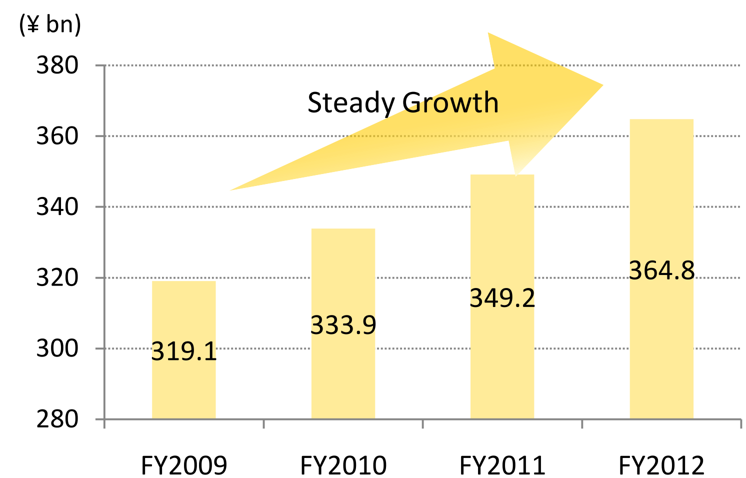
Product Weight[2]



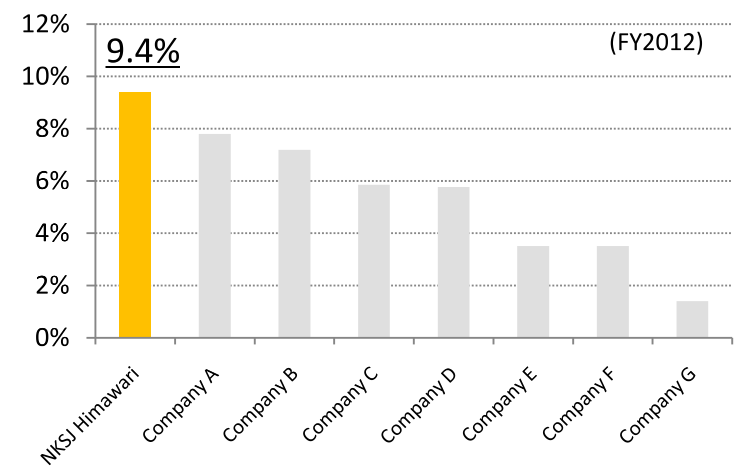
- Focusing on highly profitable protection-type products.

Growth with High Margin

Trends of annualized premium in force



New business Margin Comparison (EEV, MCEV)



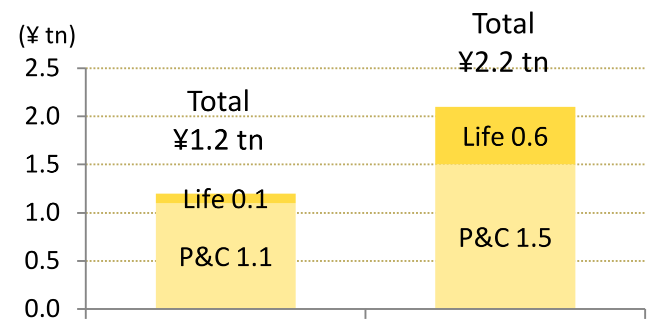
(Note) Company A, B, C, D and G adopt EEV.
NKSJ Himawari, Company E and F adopt MCEV.
Source: Company disclosures

1. Annualized new premium as of March 31, 2013
2. Annualized premium in force as of March 31, 2013

Share Price Valuation

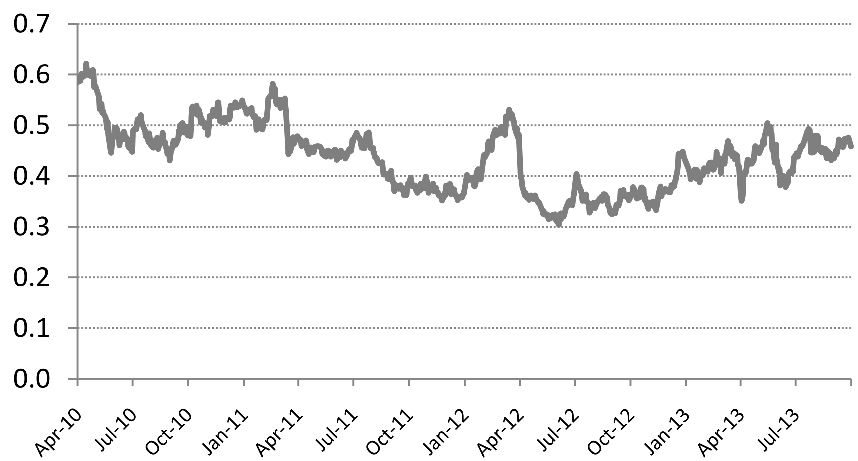
We believe our share price is undervalued.

Net Assets and Adjusted Net Assets[1]



	Net Assets (J-GAAP)	Adjusted Net Assets
Per Share	3,077Yen	5,415Yen
PBR[2]	0.8x	0.5x

Trends of Adjusted PBR[3]



Background on low PBR	Fact & Prospect
☐ Long term deficit in <u>automobile insurance</u>	☐ Tangible cycle of profit improvement has appeared ☐ Higher certainty to achieve our management plan
☐ Frequent occurrence of <u>natural disasters</u>	☐ Improved accumulation risk management
☐ Low recognition of <u>Life EV as profit</u>	☐ Trend of growing MCEV ensures our future profit
☐ Anxiety about <u>dividend cut</u>	☐ Commitment for 60 yen dividend per share at the minimum level. ☐ Upside potential for shareholder return via an improvement in business performance

1. As of March 31, 2013. Adjusted Net Assets:
Consolidated Net assets (excluding life insurance subsidiaries' net assets) + Catastrophic loss reserve (after tax) + Reserve for price fluctuation(after tax) + Life insurance subsidiaries' EV
2. As of September 30, 2013.
3. Adjusted PBR: Share Price / Adjusted Net Assets Per Share

Overview of NKSJ Group

NKSJ HOLDINGS

NKSJ Group is an insurance group that consists mainly of P&C insurance companies and has life insurance and asset management business as well. Sompo Japan and Nipponkoa are its core P&C insurance companies and aim to further realize group synergies through a merger scheduled on September 1, 2014.

NKSJ Group Structure

NKSJ HOLDINGS

Total Assets (Consolidated)[1]
¥9,178.1 bn

100%

P&C Insurance

SOMPO JAPAN

Total Assets (Non-consolidated)[1]
¥4,745.0 bn

100%

P&C Insurance

NIPPONKOA INSURANCE

Total Assets (Non-consolidated)[1]
¥2,293.1 bn

To be merged on September 1, 2014

Sompo Japan Nipponkoa

100%

Life Insurance

NKSJ Himawari Life Insurance

Total Assets (Non-consolidated)[1]
¥1,972.6 bn

Other Businesses

Asset Management

SOMPO JAPAN NIPPONKOA ASSET MANAGEMENT

Assistance

Prime Assistance

Healthcare

Sompo Japan Nipponkoa Healthcare Services Inc.

Healthcare Frontier Japan

Selected Financial Data of NKSJ HD (Consolidated)

(¥ bn)	FY2011	FY2012
Ordinary Income	2,790.5	2,843.2
Ordinary Profit (Loss)	(51.8)	104.7
Net Income (Loss)	(92.2)	43.6
Total Assets	8,893.3	9,178.1
Total Net Assets	1,000.5	1,283.4
Market Capitalization[1]		814.4

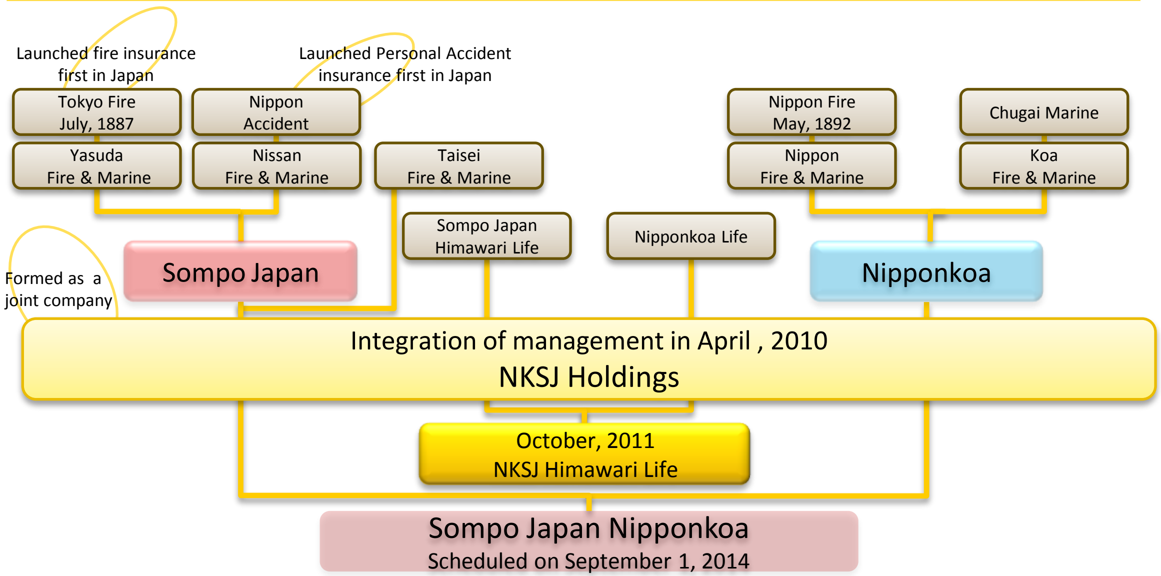
1.As of March 31, 2013

Overview of Sompo Japan and Nipponkoa

NKSJ HOLDINGS

Sompo Japan and Nipponkoa are centered around domestic P&C insurance business and have solid ratings. With over 120 years of history, we have strengthened our domestic business base through consolidations with major domestic P&C insurance companies and other steps.

History of Major Domestic Consolidations



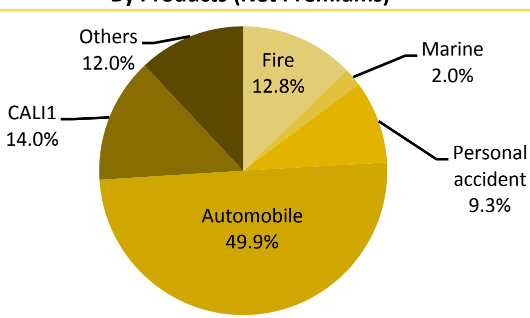
Selected Financial Data of P&C

(Sum of Sompo Japan and Nipponkoa)

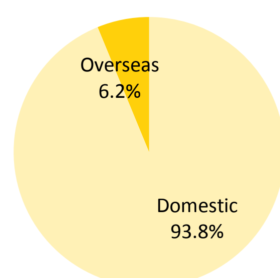
(¥ bn)	FY2010	FY2011	FY2012
Net Premiums Written (“NPW”)	1,877.2	1,911.7	1,966.2
Ordinary Profit (Loss)	20.2	(3.7)	129.6
Net Income (Loss)	5.6	(60.1)	62.4
Total Assets	7,245.5	6,938.2	7,038.2
Total Net Assets	1,061.5	908.1	1,144.9
Combined Ratio	105.9%	115.6%	105.4%
Ratings			
Moody’s / S&P / R&I / JCR	A1 / A+ / AA- / AA (As of April 2013)		
A.M. Best	A+ (As of April 2013)		

Premiums Written in FY2012 (Sum of SJ and NK)

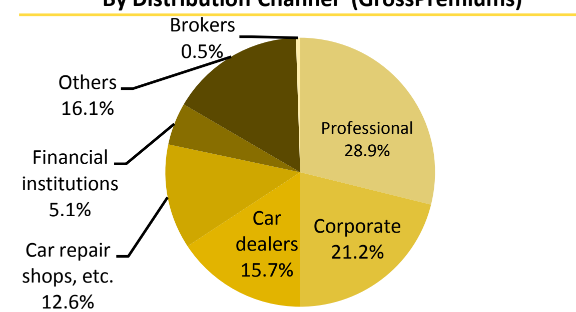
By Products (Net Premiums)



Domestic vs. Overseas[2] (Net Premiums)



By Distribution Channel[3] (GrossPremiums)

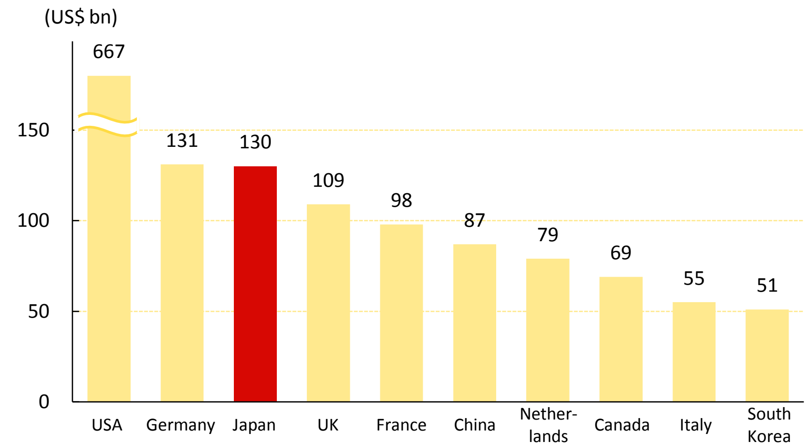


1. CALI: Compulsory Automobile Liability Insurance
2. Overseas NPW = NPW of overseas subsidiaries + NPW from overseas insurance contracts of SJ and NK
3. Gross written premium on a performance evaluation basis, excluding savings-type insurance. “Corporate”, “Car dealers”, “Car repair shops, etc.”, “Professionals” and “Other” agents are all agents

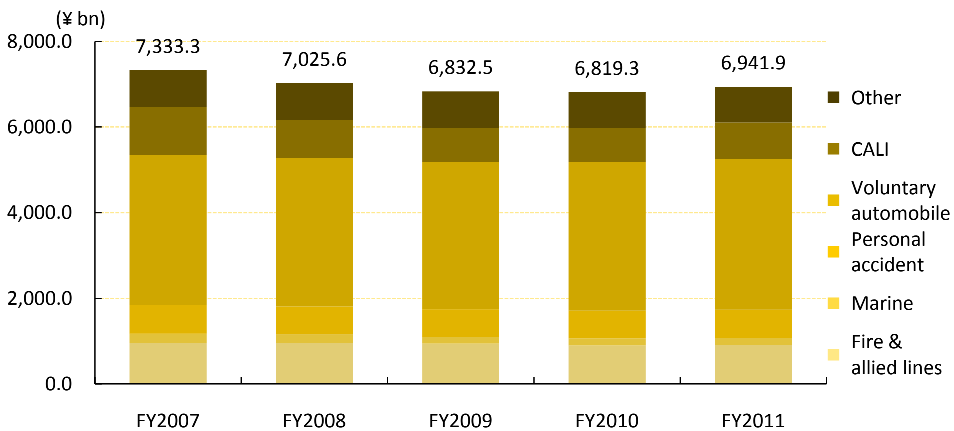
Overview of the Japanese P&C Insurance Market and our Market Share

Japan is the world's 3rd largest P&C insurance market. Premiums are stable and earned mainly from automobile insurance. The total market share of the top 5 companies exceeds 80%. The total share of Sompo Japan and Nipponkoa, which will merge as Sompo Japan Nippokoa, is the largest in the Japanese P&C insurance market.

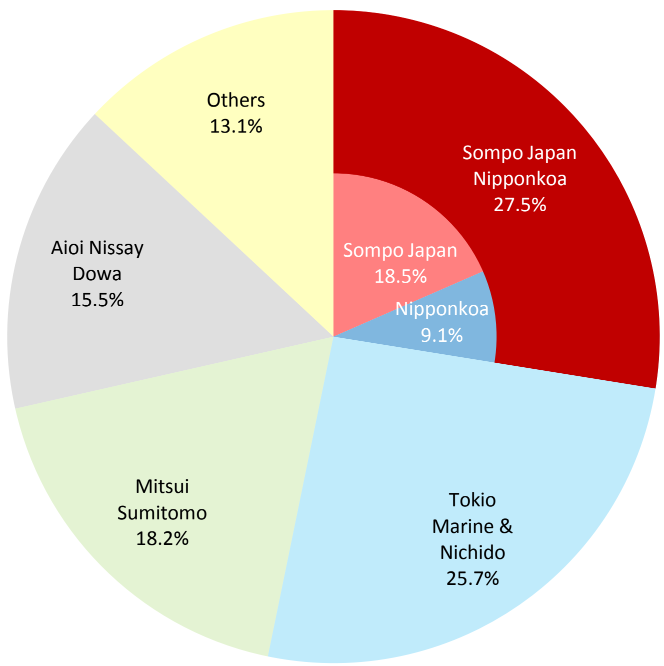
Size of P&C Insurance Market by Country[1] (FY2011)



Historical Premiums in the Japanese P&C Insurance Market[2]



Market Share in the Japanese P&C Insurance Market[2] (FY2011)



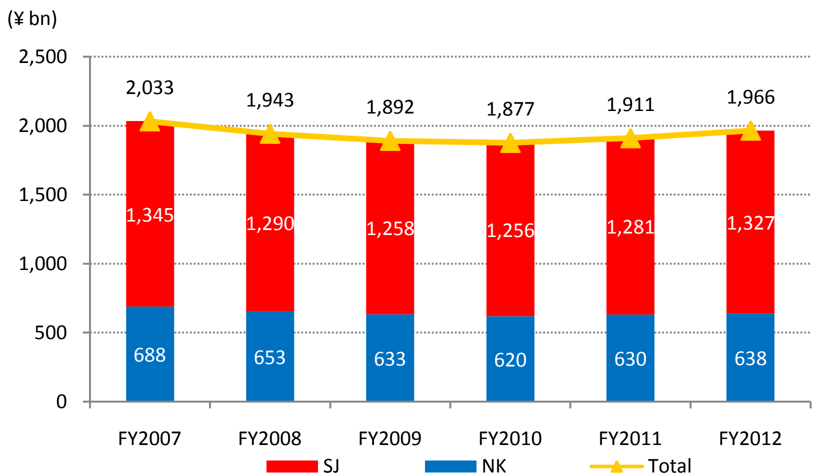
Source: Swiss Re "Sigma Report", Hoken Kenkyujo "Insurance", company disclosures
1. Gross written premiums, including reinsurance premiums
2. Based on net premiums written of P&C insurers in Japan excluding reinsurance companies

NKSJ HOLDINGS

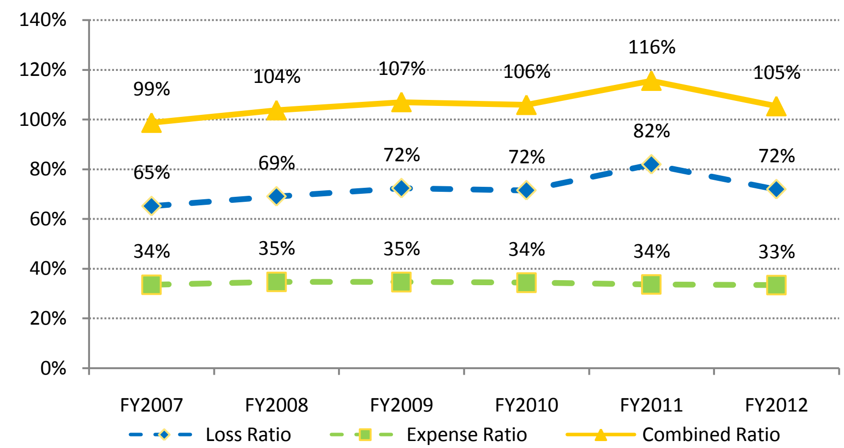
Historical Performance and Financial Strength (SJ and NK)

- Net Premium income of Sompo Japan and Nipponkoa have been stable and started recovering as a result of premium rate revisions and other efforts. Combined ratio lowered in FY2012 due to various initiatives to improve loss ratio and expense ratio.
- SJ and NK's financial soundness are high with a strong capital and credit rating.

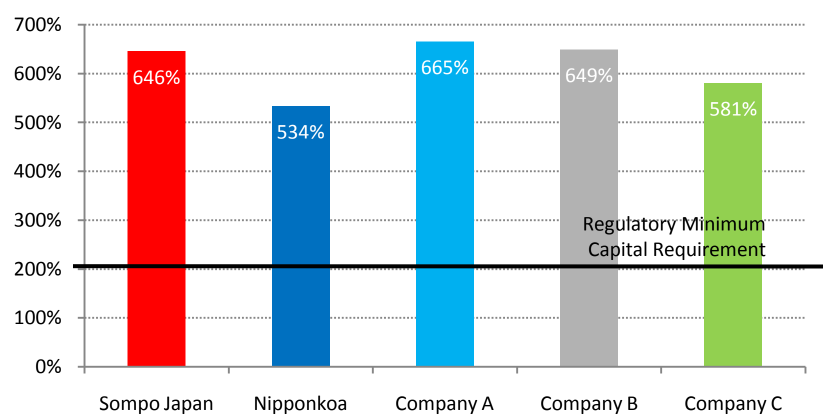
Net Premiums Written (Sum of SJ and NK)



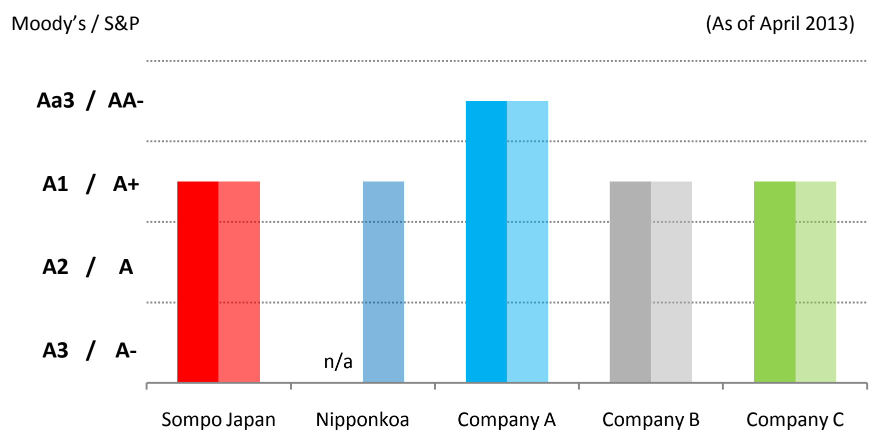
Combined Ratio (Sum of SJ and NK)



Solvency Margine Ratio (FY 2012, Regulatory Base)



Credit Ratings of Major P&C Insurance Companies



NKSJ HOLDINGS

Main points of Management Plan

NKSJ HOLDINGS

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

Main points of strategies

Domestic P&C insurance business

- Achieve the industry's highest level of business efficiency and profitability through the merger
- Strengthen measures to enhance profitability primarily in the mainstay automobile insurance business

Domestic life insurance business

- Allocate management resources to this business - the largest engine of growth
- Conduct management with emphasis on MCEV, a highly reliable and transparent indicator

Overseas insurance business

- Accelerate the integration of overseas sites
- Steadily increase profits by continuing to execute carefully selected investments

Capital management policy

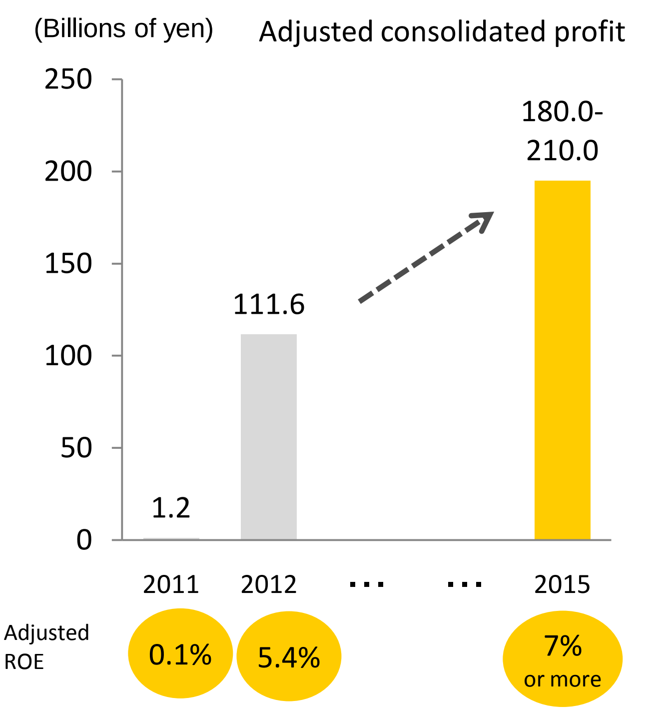
- Enhance capital efficiency while controlling risk
- Conduct flexible stock buybacks under the basic policy of maintaining a stable dividend

NKSJ HOLDINGS

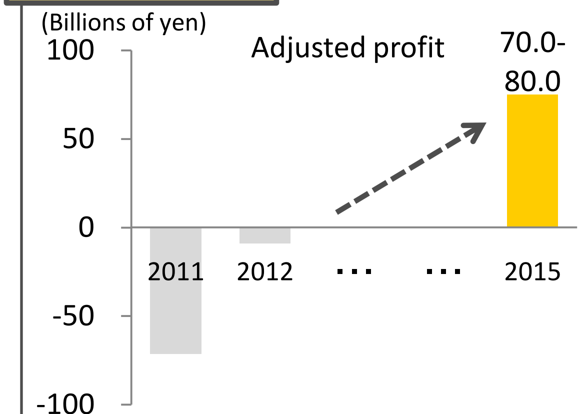
Main points of numerical management targets of the group

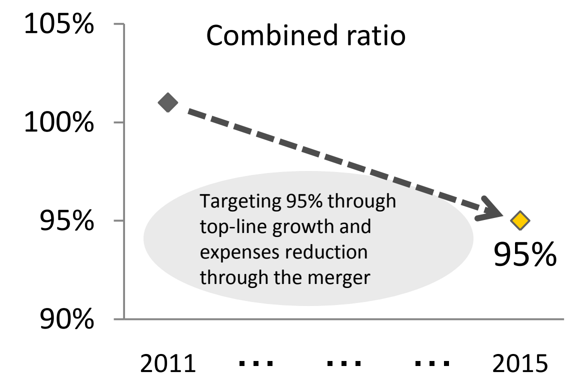
- Aiming adjusted consolidated profit of ¥180 - ¥210 billion and Adjusted ROE of 7% or more in FY2015.
- The domestic P&C insurance achieves a dramatic improvement in earnings by leveraging the merger of the two P&C insurance companies. The targeted combined ratio is 95%.

Group total

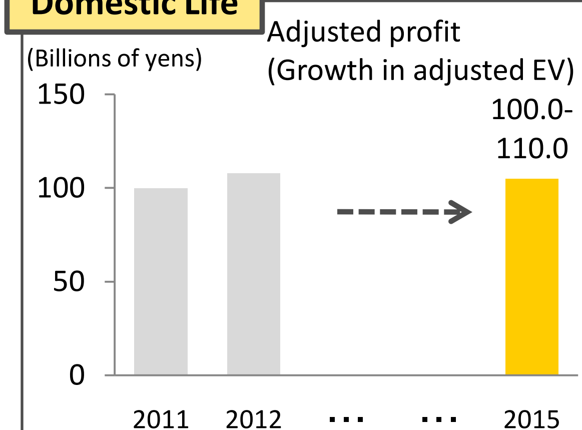


Domestic P&C

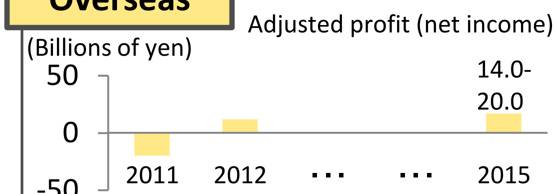




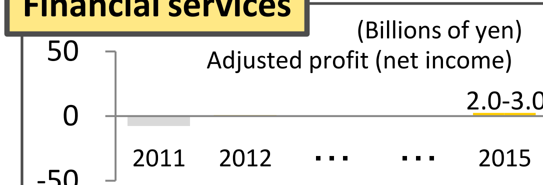
Domestic Life



Overseas



Financial services

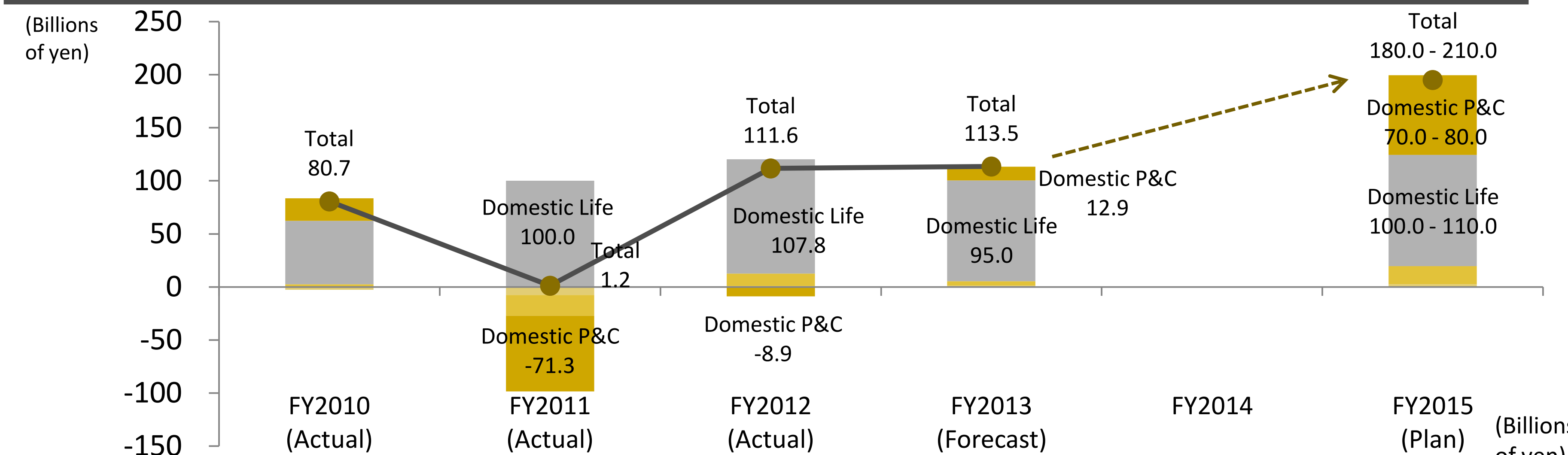


*1 Definition of each business, adjusted profit and adjusted ROE are shown on page 62.
*2 Combined ratio for domestic P&C insurance excludes CALI.

Adjusted Consolidated Profit

NKSJ HOLDINGS

- Thanks to Domestic P&C's rapid recovery (though it is still in red), adjusted consolidated profit went over ¥100 billion for FY2012.
- Domestic P&C continues to recover in FY2013, proceeding steadily toward FY2015 target.



(Billions of yen)

	FY2010 (Actual)	FY2011 (Actual)	FY2012 (Actual)	FY2013 (Forecast)	FY2014	FY2015 (Plan)
Domestic P&C	21.3	-71.3	-8.9	12.9	･･･	70.0 - 80.0
Domestic Life	59.8	100.0	107.8	95.0	･･･	100.0 - 110.0
Overseas	2.4	-19.7	11.8	4.3	･･･	14.0 - 20.0
Financial services	-2.7	-7.6	0.7	1.1	･･･	2.0 - 3.0
Total (Adjusted consolidated profit)	80.7	1.2	111.6	113.5	･･･	180.0 - 210.0
Adjusted consolidated ROE	4.2%	0.1%	5.4%	4.9%	･･･	7% or more

*One-time costs arising from the merger are excluded as special factors to compute adjusted profit. The amount are ¥30.8 billion (merger cost of ¥24.8 billion and other cost of ¥6.0 billion) in FY2012, ¥13.9 billion in FY2013, and ¥5.0 billion in FY2015.

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

*Definition of each business, adjusted profit and adjusted ROE are shown on page 62.

Sompo Japan Nipponkoa - Effect the merger

NKSJ HOLDINGS

◆ Promote the Joint Head Office system, co-location of sales offices and standardization and streamlining of operations prior to the merger of the two P&C insurance companies.

Items	Measures implemented/decided
Number of employees	■ Voluntary early retirement (468 employees at end Mar. 2013, offering another 200 for Mar. 2014)
Joint Head Office	■ Transform all departments into integrated departments, and commence the joint Head Office system. (April 2013)
Unification of officers of both companies	■ Unified officers of both companies by having officers holding concurrent posts at the two P&C insurance companies. (April 2013)
Sales office sites and claims payment office site	■ Co-located sites (September 2013) ■ Unified the organization at the department and branch level (April 2013) ■ Unified all department and branch general manager posts, in principle (October 2013)
Business performance evaluation	■ Began evaluating business performance using aggregate results for the two P&C insurance companies (April 2013)
Personnel-related	■ Joint recruitment activities ■ Establishing a new overseas training base in Singapore

Aims of the effective merger

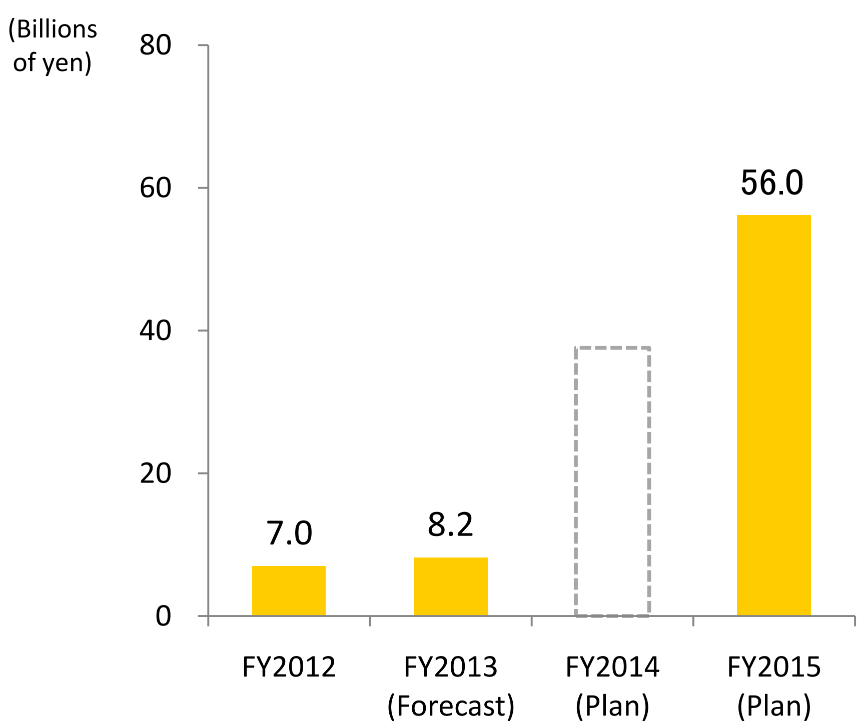
- Faster decision-making
- Capture merger synergies ahead of schedule
- Smoothly transition to the official merger

Merger synergies and one-time costs

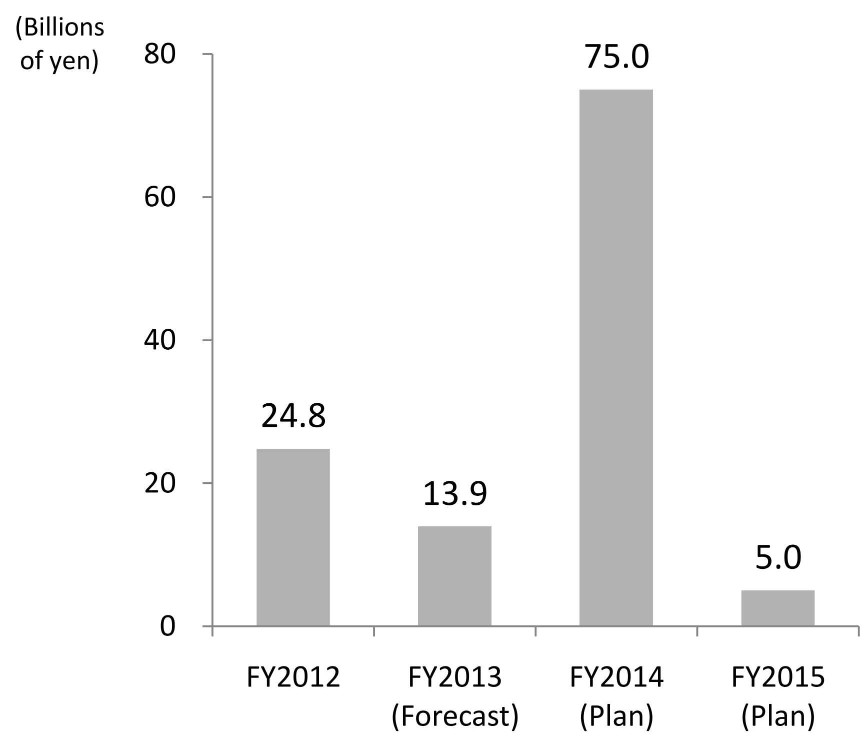
NKSJ HOLDINGS

◆ ¥56 billion of merger synergies expected in FY2015 ※See page 6 for breakdown of the synergies

Merger synergies



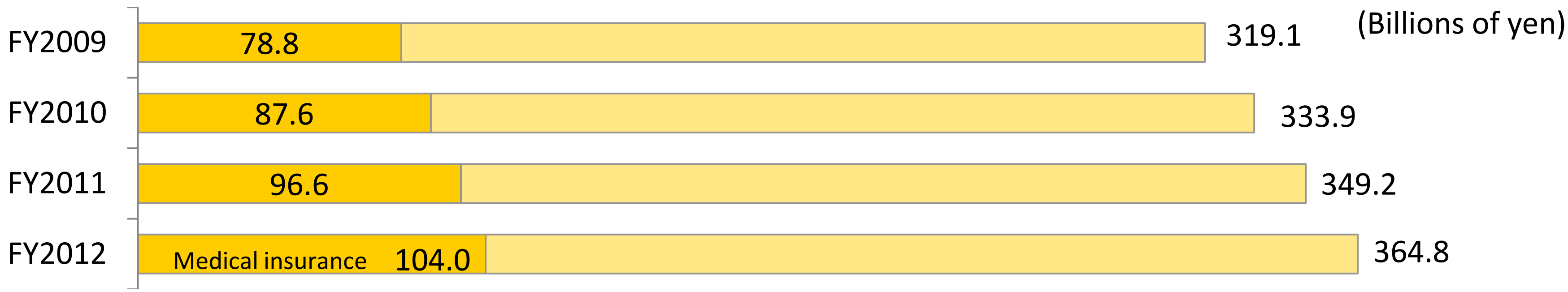
One-time merger costs



Domestic Life Insurance Business – A.P. in force, Trends of MCEV

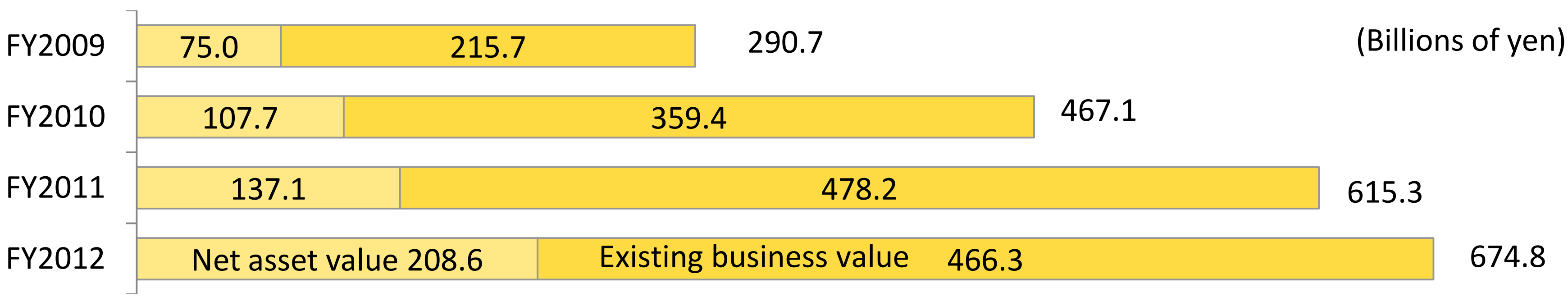
- In the contracting domestic life insurance market, grow steadily leveraging the strengths of having P&C distribution channels in the Group
- MCEV is expanding due to growth in highly profitable protection-type products (medical insurance, etc.)

Trends of annualized premium in force



*Sum of Sompo Japan Himawari Life and Nipponkoa Life for FY2009 and FY2010. NKSJ Himawari Life for FY2011 and FY2012.

Trends of MCEV

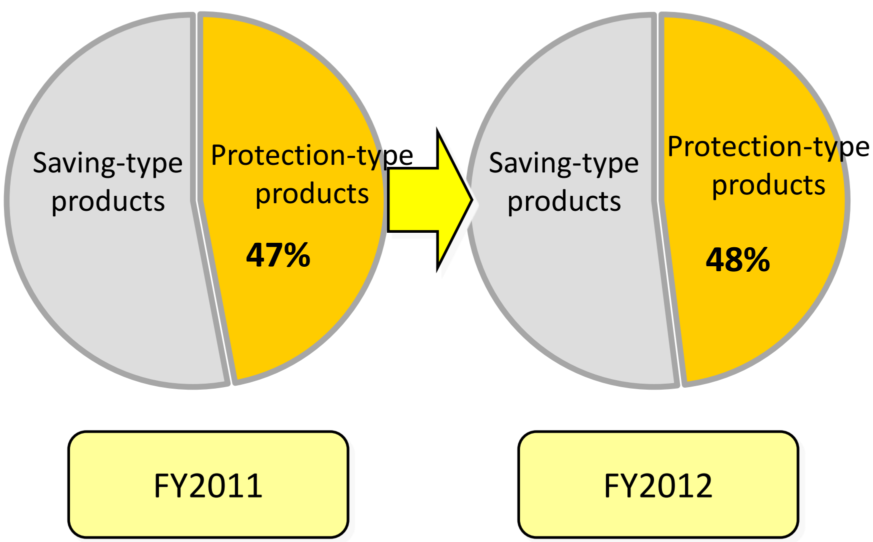


•Sompo Japan Himawari Life for FY2009. Sum of Sompo Japan Himawari Life and Nipponkoa Life for FY2010. NKSJ Himawari Life for FY2011 and FY2012. Nipponkoa Life disclosed its TEV at the time of announcement of financial results for fiscal 2010 however its figures shown above are MCEV which was provisionally calculated afterward.

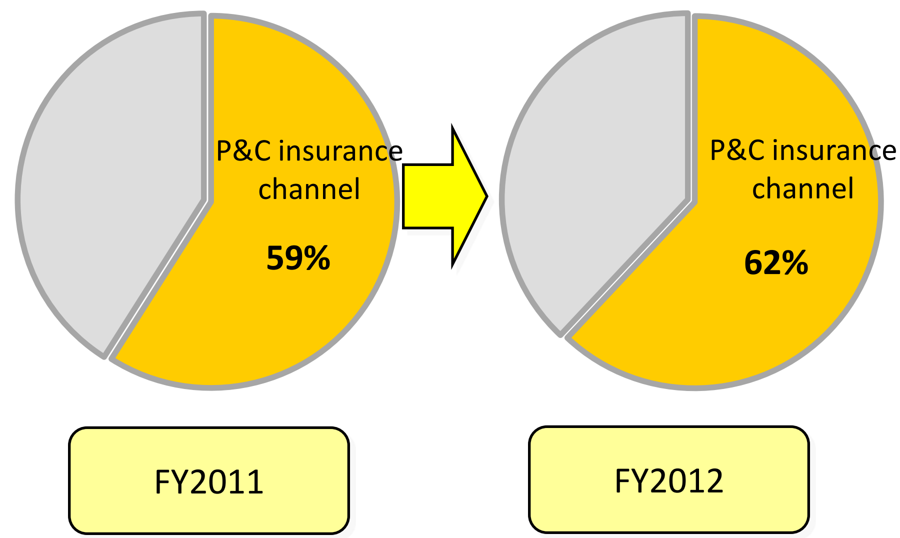
Domestic Life Insurance Business – Weight of Products & Channel

- The weight of protection-type products has reached almost half of all products in terms of annualized premium in-force.
- P&C channel weight has increased as the activities of sales representatives centered on P&C insurance professionals expanded.

Weight of protection type products (Annualized premium in force)



Weight of P&C insurance channel (Annualized new premium)



Overseas Insurance Business Strategy

◆ Execute selective and disciplined investment by establishing targeted investment markets among countries the Group has already entered, achieving both sustained growth and shareholder value enhancement.

Market		Current	Directions	
US Europe	Commercial (Specialty)	Writing commercial lines, mainly Japanese corporate clients (Consolidating subsidiaries of Sompo Japan and Nipponkoa in the US and Europe)	Contribute to stable earnings in specialty market	
Brazil	Personal	Yasuda Seguros (established in 1958) and Maritima, acquired in 2009, are 10th in total in the market.	Key regions	Aim to be a major player
Turkey		Sompo Japan Sigorta, acquired in 2010, is 11th in the market.		
Malaysia		Berjaya Sompo, acquired in 2011, is 12th in the market.		
Thailand		Sompo Japan Nipponkoa Thailand	Business platform development regions	Anticipating future growth
Indonesia		Merged Sompo Japan Indonesia and Nipponkoa Indonesia .		
India		Universal Sompo (A joint venture established in 2007)		
China		Merging Sompo Japan China and Nipponkoa China .		

*Rank in the market is based on Gross premium

Overseas assumed reinsurance business

NKSJ HOLDINGS

- To diversify global risk exposures, continue to develop the overseas reinsurance business
- Based on rigorous risk management, expand businesses with profit. Progressed steadily in FY2012.

Mid-term vision and its progress

	FY 2011 (actual)	FY2012 (actual)	FY2015 (Plan)
Overseas assumed reinsurance net premiums written	¥23.7 billion	¥34.0 billion	¥60.0 billion
(vs. total net premium written)	(1.4%)	(2.0%)	(3.4%)

- CALI is excluded from total net premium written.
- Overseas assumed reinsurance net premium written is included in the domestic P&C insurance business for the management numerical targets.

Prioritized categories

General risk in Asia

- Markets with high growth potential
- In Hong Kong, etc. Over 20 years track record

General risk in western countries

- Huge markets centered on developed countries
- Highly stable earnings

Risk of overseas natural disasters

- Risk of natural disasters mainly in Europe and the U.S.
- Conduct quantitative assessments and analysis using the latest technology

Capital management policy

NKSJ HOLDINGS

◆ The NKSJ Group will balance three imperatives, namely "maintaining financial soundness," "improving capital efficiency," and "increasing shareholder returns," while aiming to increase corporate value.

Maintaining financial soundness

- Conduct integrated risk and capital management on a Group-wide basis, with a **target credit rating of AA**
- Continuously reduce strategic-holding stocks

Improving capital efficiency

- Aim to achieve adjusted consolidated **ROE of 7% or more** in fiscal 2015 by increasing adjusted profit
- Allocate part of capital buffer generated by reduction in strategic-holding stocks to growth business investments such as overseas M&As

Increasing shareholder returns

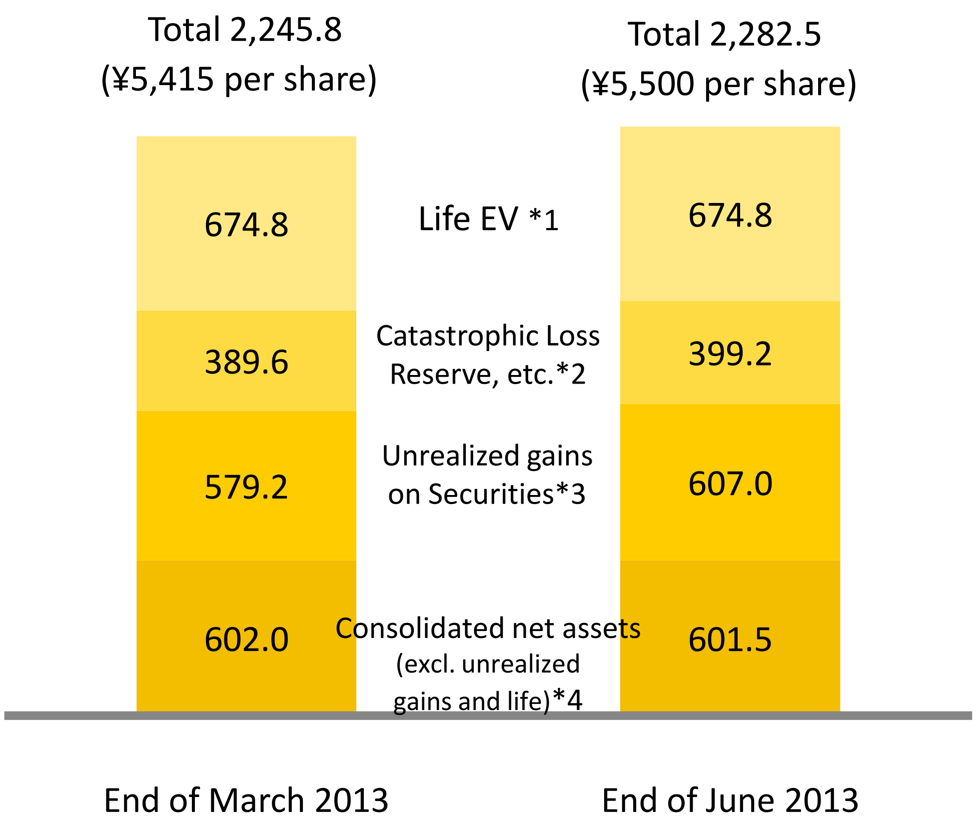
- Pay a stable dividend, supplemented by the option of stock buybacks where depending on the capital conditions
- A medium-term target for the **total payout ratio of 50%** of adjusted consolidated profit (excluding the domestic life insurance business)

Adjusted consolidated net assets

- No big change from the end of the previous FY in both total amount and breakdown.
- Adjusted consolidated net asses per share is ¥5,500.

Adjusted consolidated net assets

(Billions of yen)



*1 Life insurance EV is the nominal price before deduction of changes in EV attributable to interest rate movements. However, in the case of adjusted profit, which is the subject of the management plan, the growth in EV is the value after deduction of changes in EV attributable to interest rate movements. As EV is calculated annually, the figure as of the end of June 2013 is the same as of the end of March 2013.

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

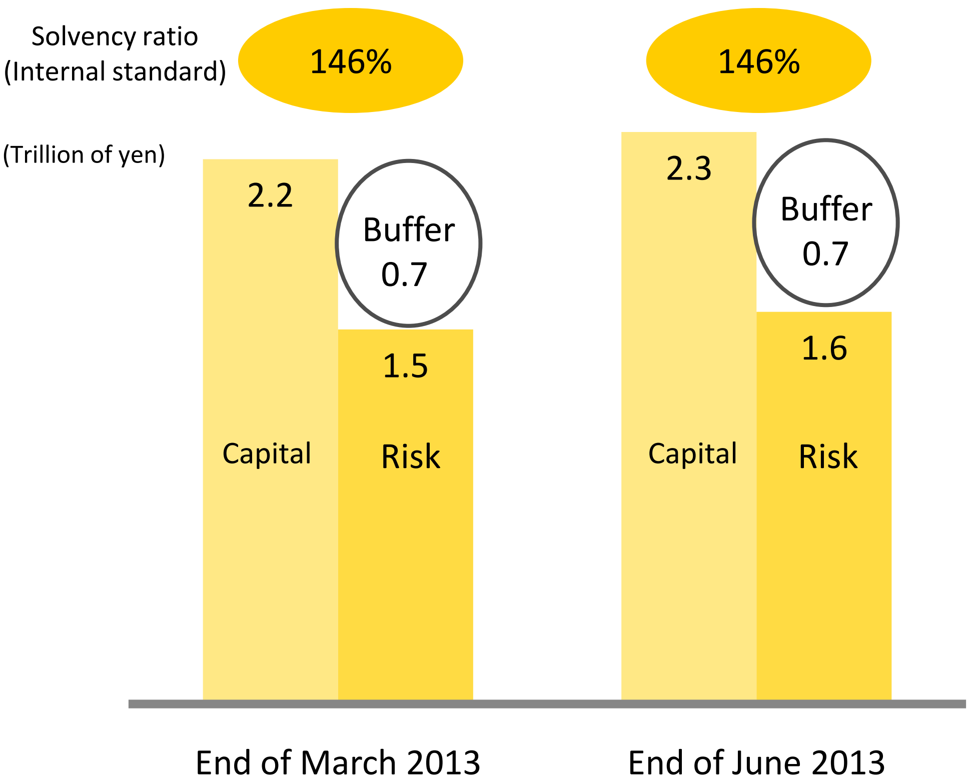
*3 Unrealized gains/losses on securities is after tax.

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

Financial soundness – Internal standard

NKSJ HOLDINGS

◆ Solvency ratio and capital buffer are maintained at the same level as the end of the previous FY.



Financial market fluctuation sensitivity
(End of June 2013)

	Capital (Billions of yen)	Solvency ratio
Change in stock price by 30% increase	+308.5	+8.2pt
Change in stock price by 30% decrease	-308.5	-10.8pt
10% depreciation in yen exchange rate	+63.0	+2.8pt
10% appreciation in yen exchange rate	-63.0	-2.9pt
50bps increase in interest rates	+28.3	+1.5pt
50bps decrease in interest rates	-42.0	-3.8pt

Definition, etc.

- Risk: 1 year holding period, 99.95% VaR (AA equivalent confidence level)
- Capital: Sum of net assets on the balance sheet, subordinated debt, catastrophic loss reserve, reserve for price fluctuations, etc.
- After-tax basis (calculated according to European Solvency II)
- Solvency ratio: Ratio of capital / risk

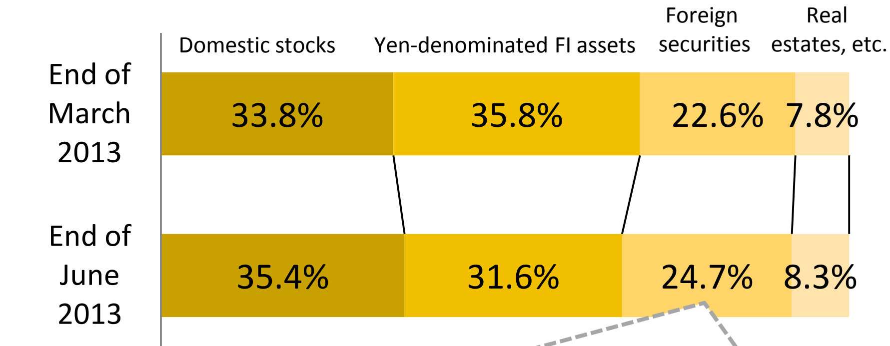
Asset Portfolio – Domestic P&C Insurance

- The general account is managed with diversified investments, while the saving type account utilizes portfolio management based on ALM.
- The proportion of domestic stocks (=strategic holding stocks) increased 1.6 points to 35.4% compared to the end of March by rally in stock market.

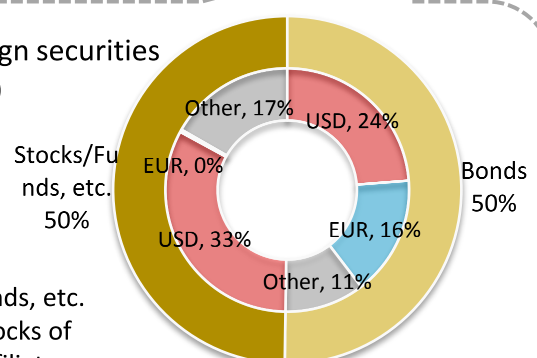
Amount of investment asset : ¥6.3 trillion* * Sum of Sompo Japan and Nipponkoa

End of June 2013 | General account : ¥4.7 trillion | Savings-type account ¥1.5 trillion

Asset Portfolio - General account

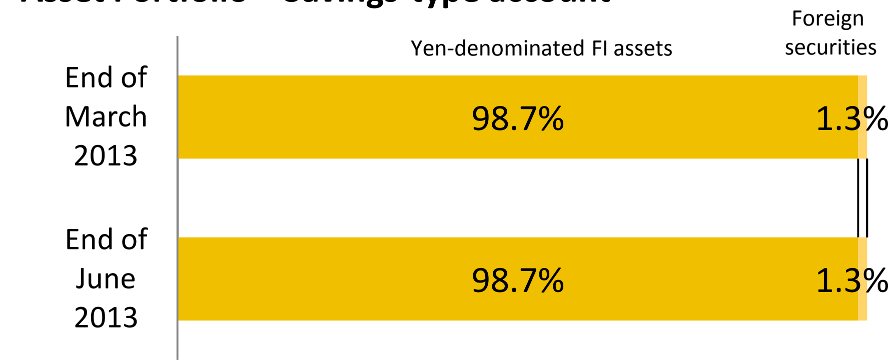


Breakdown of foreign securities (foreign currencies) (End of June 2013)



* 50% of Stocks/Funds, etc. includes 21% of stocks of subsidiaries and affiliates.

Asset Portfolio – Savings-type account

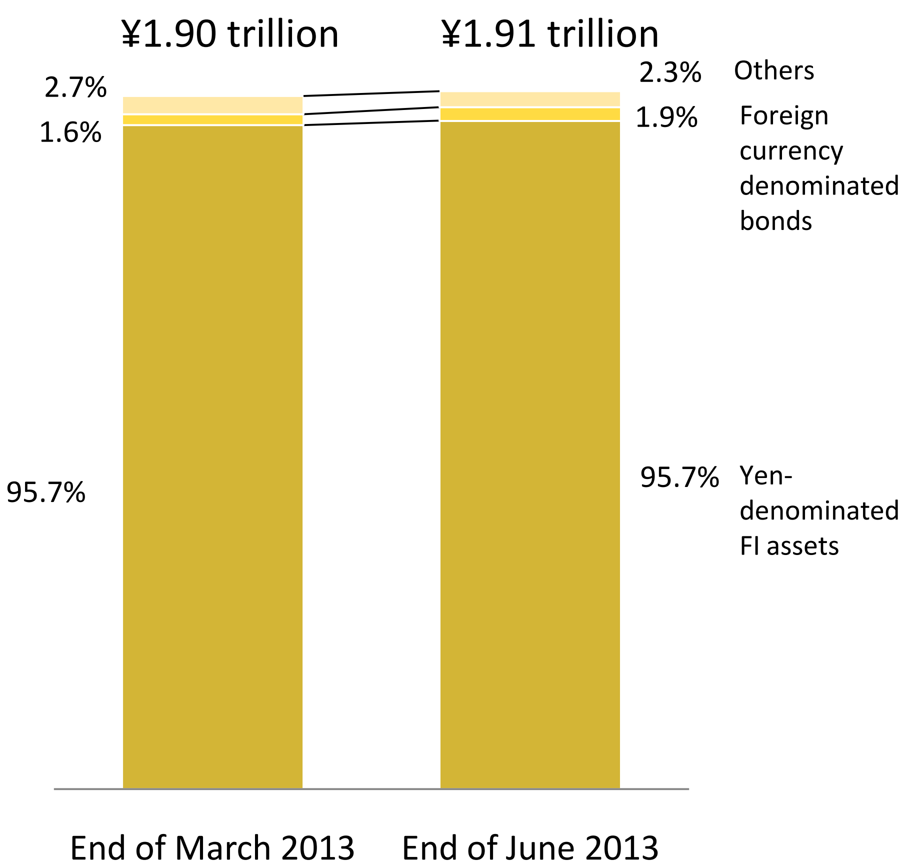


Duration of Savings-type account	End of March 2013	End of June 2013
Assets	Approx 5 years	Approx 5 years
Liabilities	Approx 6 years	Approx 6 years

Asset Portfolio – Domestic Life Insurance

◆ Managing asset portfolio conservatively, reflecting the high profitability of life insurance products.

Amount of investment asset * NKSJ Himawari Life



Assets/Liabilities Duration

	End of March 2013	End of June 2013
Assets	Approx 12 years	Approx 12years
Liabilities	Approx 16 years	Approx 15 years

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

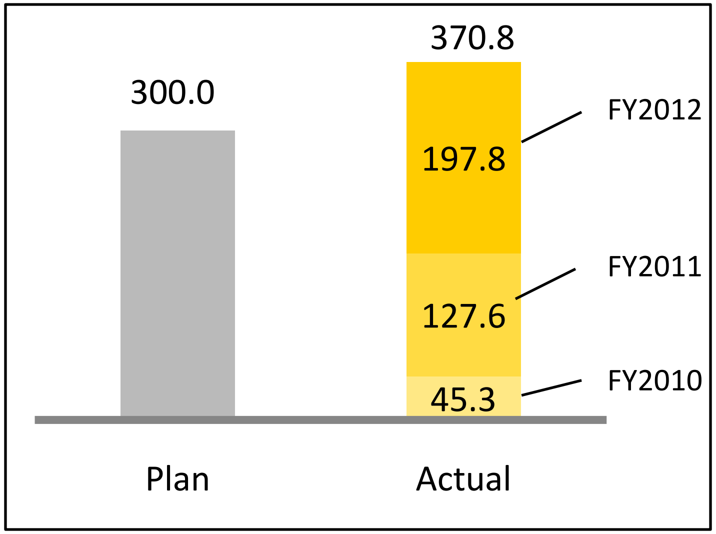
Reducing strategic holding stocks

NKSJ HOLDINGS

- Reduced strategic-holding stocks by ¥197.8 billion in FY2012 against a ¥127.1 billion target.
- Continue to reduce strategic-holding stocks in FY2013 in line with the new plan.
- Under our current business plan, we are assuming a Nikkei 225 of just over ¥10,000. By selling strategic-holding stocks at stock price levels higher than this assumption, we aim to build up a significant amount of capital.

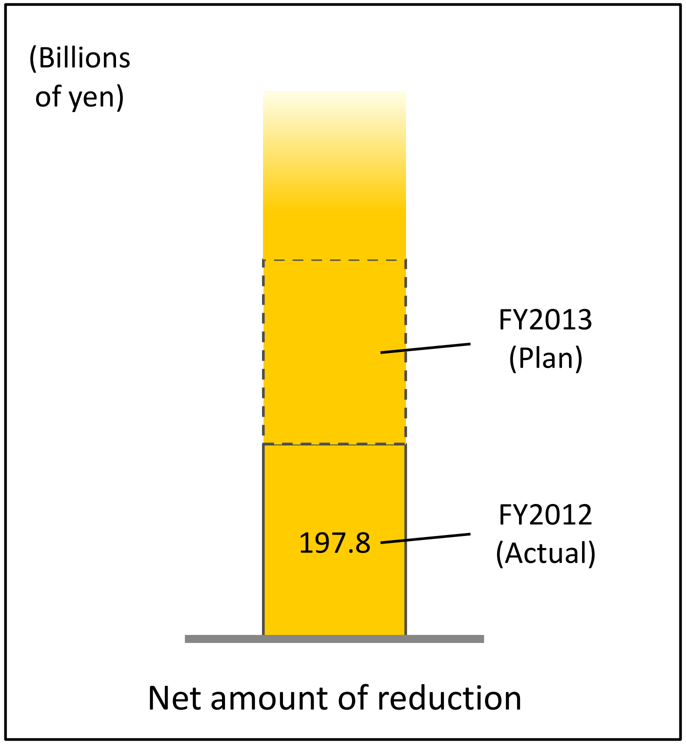
Previous plan (FY2010 -2012)

Net reduction amount for FY2012	Plan	Actual
Aggregation of two P&C companies	¥127.1 billion	¥197.8 billion



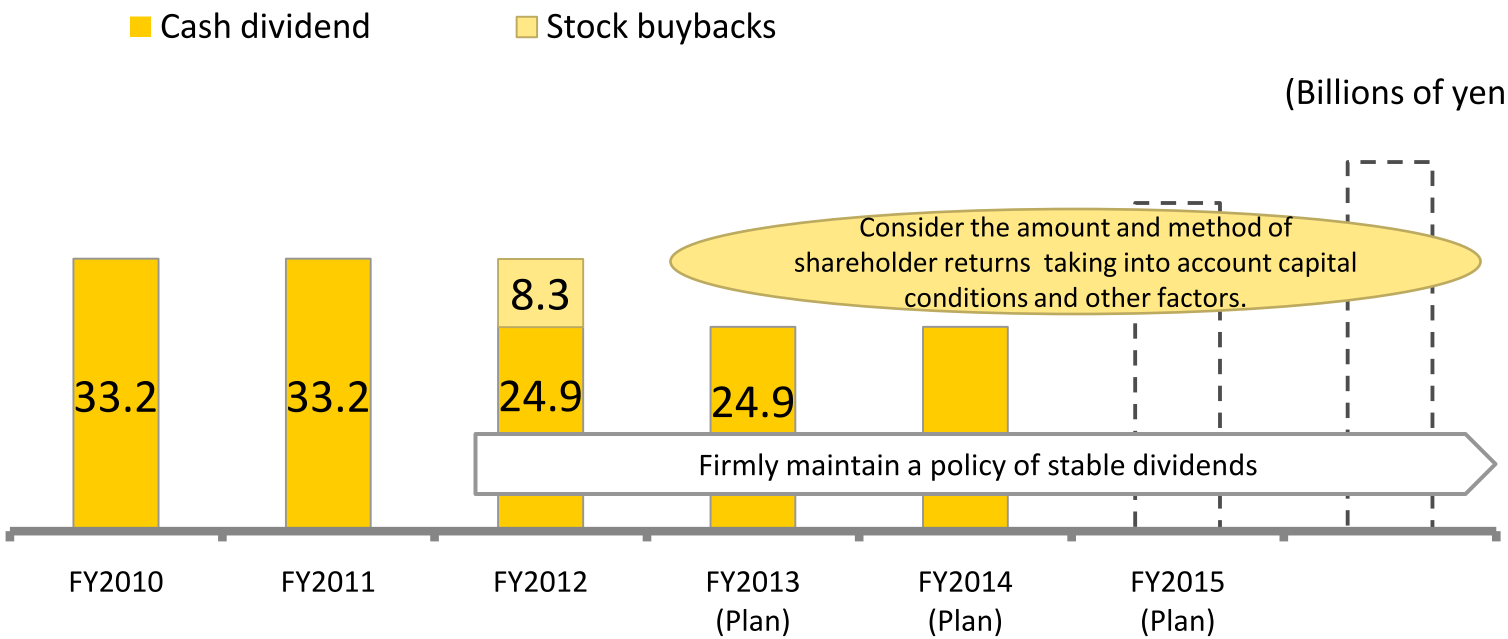
*Net reduction = Market value of sales – Market value of purchase

New plan (FY2012-2015)



Shareholder returns

- We reduced the annual dividend for FY2012 from ¥80 per share to ¥60 per share. However, we maintained the total amount of shareholder returns by buying back our own stock. The amount was nearly equivalent to that of the dividend reduction.
- From FY2013, we will decide on the amount of total shareholder returns including stock buybacks, taking into account capital conditions and other factors, while maintaining stable dividends of ¥60 per share at the very least.
- We will begin paying interim dividends of ¥30 per share from FY2013.



*Stock buybacks for fiscal year 2012 was conducted in fiscal year 2013.

NKSJ HOLDINGS

Summary

- The top line of domestic P&C has continued to grow. - Positive impact of premium rate revisions of automobile insurance, etc.
- Improving trend of the profitability of automobile insurance is becoming apparent.
- Natural disasters were limited.
- Domestic life and overseas have been progressed in line.
- Capital level and capital buffer are maintained at the same level as the end of the previous fiscal year.
- Investment profit was within the scope of assumption. Reduction of strategic holding stocks progressed just below 40% of annual reduction in the previous FY (including stock future sales).
- There are no changes in the full year business forecasts.

Overview of 1Q FY2013 Results - NKSJ Consolidated

NKSJ HOLDINGS

- The top line has continued to grow steadily.
- Ordinary profit and net income in consolidated basis increased significantly.

(Billions of yen)	Apr-Jun FY2012	Apr-Jun FY2013	Change	(Announced on May 20, 2013) Business forecasts FY2013
Ordinary income (NKSJHD consolidated)	691.8	705.6	+13.8(+2.0%)	2,860.0
Net premiums written (P&C)	525.9	542.6	+16.7(+3.2%)	
Life insurance premiums	58.6	62.4	+3.7(+6.3%)	
Ordinary profit (NKSJHD consolidated)	-44.5	11.6	+56.1	81.0
Sompo Japan + Nipponkoa	-14.8	13.6	+28.4	
NKSJ Himawari Life	1.3	1.6	+0.3	
Overseas insurance subsidaries	0.3	4.0	+3.6	
Consolidated adjustment*1/Others	-31.3	-7.6	+23.7	
Net income (NKSJHD consolidated)	-34.3	3.1	+37.4	34.0
Sompo Japan + Nipponkoa	-12.0	5.1	+17.1	
NKSJ Himawari Life	0.7	1.0	+0.2	
Overseas insurance subsidaries	-0.2	3.5	+3.8	
Consolidated adjustment*1/Others	-22.7	-6.6	+16.1	

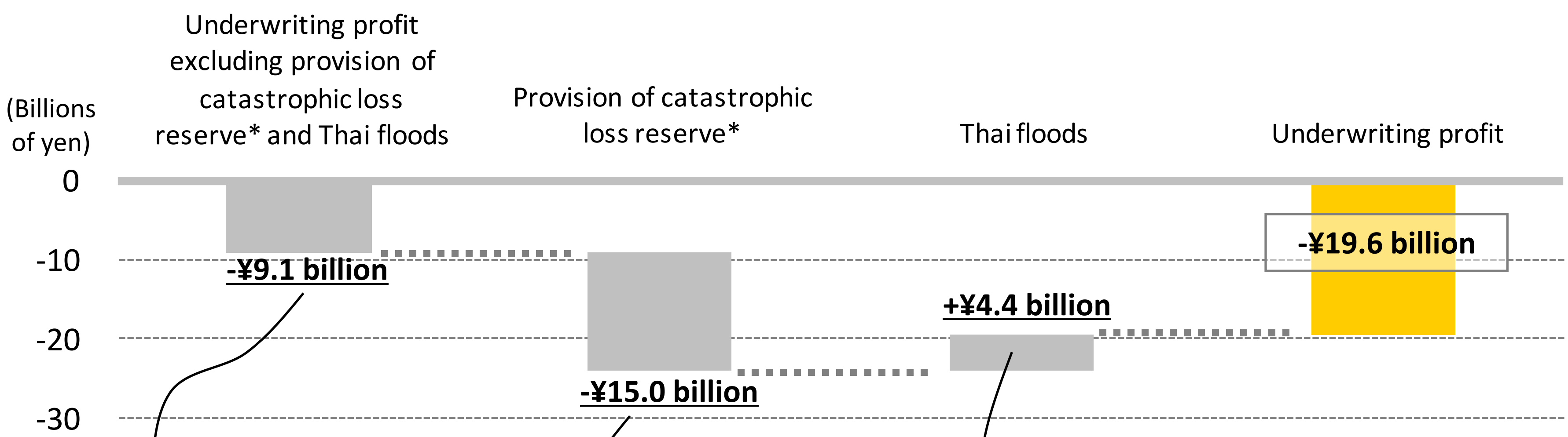
*1”Purchase method” accountings was adopted in establishing NKSJ Holdings. In NKSJ consolidated financial statements, assets and liabilities of Nipponkoa are booked at the market value as of the completion of business integration. Therefore, book value used in Nipponkoa’s statements and that used in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

Main points of Results for the 1Q FY2013 - Underwriting profit

NKSJ HOLDINGS

- Underwriting balance improved steadily due to the premium growth and the decrease of claims payment.
- However, posted underwriting loss due to the negative impact from the provision of the catastrophic loss reserve, etc.

Breakdown of underwriting profit (Sompo Japan + Nipponkoa)



Profitability is in an improving trend (-¥25.9 billion in 1Q FY2012 and -¥9.1 billion in 1QFY2013). However still in the red due to the underwriting loss for the mainstay automobile insurance

Negative impact from the provision of the catastrophic loss reserve mainly for fire and allied lines.

Impact from the reversal of the catastrophic loss reserve in step with the progress with the payment of claims.

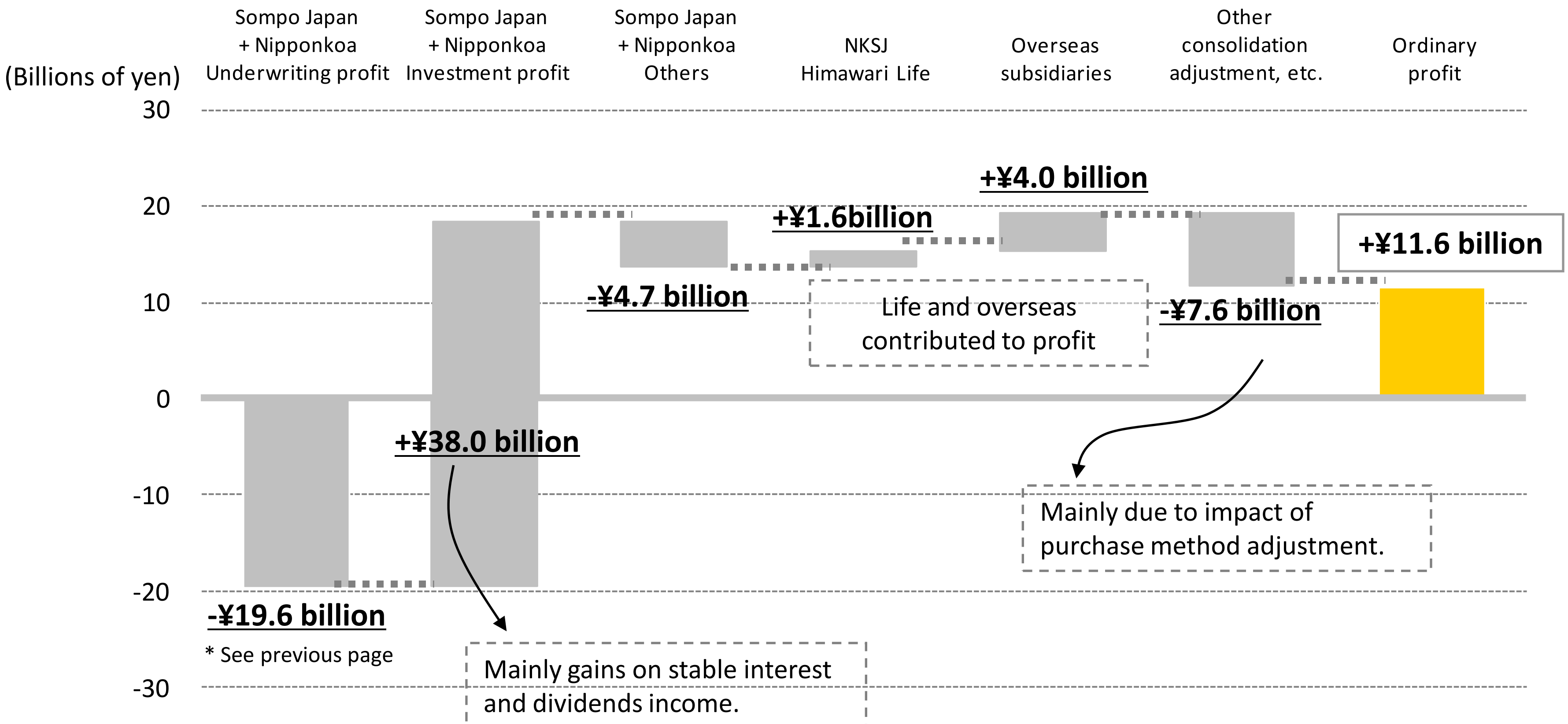
* Provision of the catastrophic loss reserve does not include the reserve related to the flooding in Thailand.

Main points of Consolidated Results for the 1Q FY2013 - Ordinary profit

NKSJ HOLDINGS

- Consolidated ordinary profit was ¥11.6 billion.
- Investment profit of domestic P&C insurance as well as life and overseas contributed to profit.

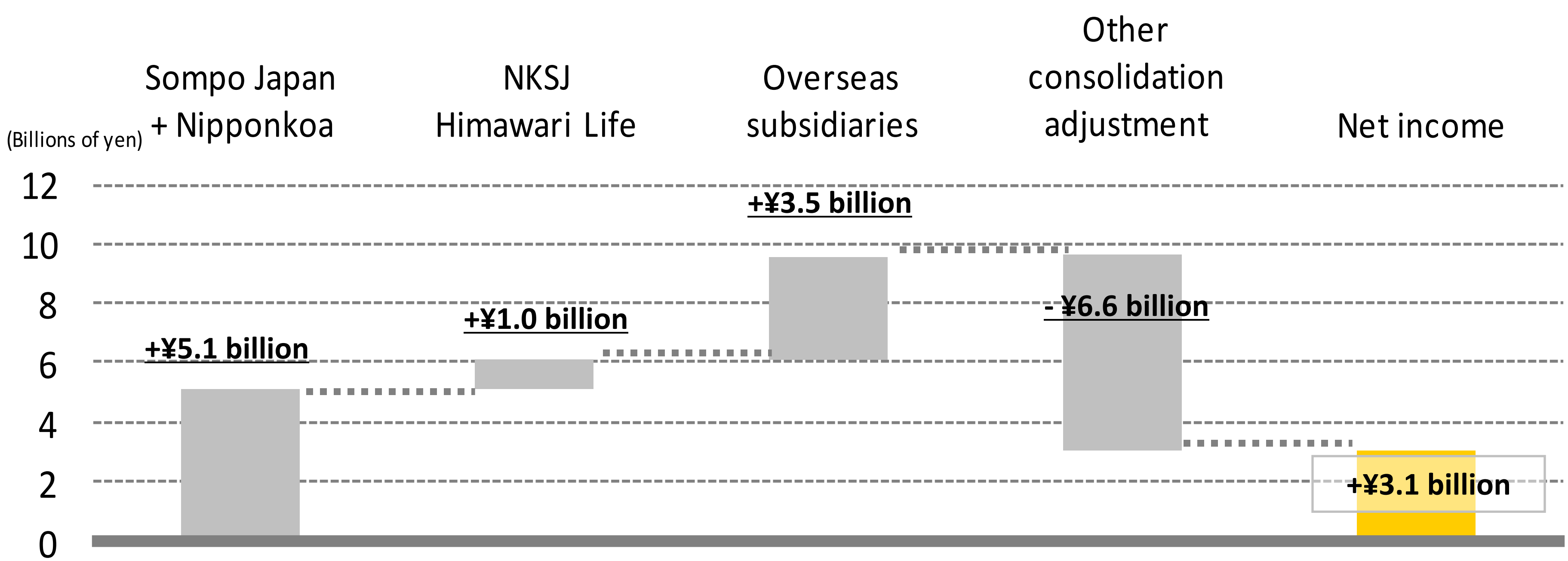
Breakdown of ordinary profit



Main points of Consolidated Results for the 1Q FY2013 - Net income

◆ Net income was ¥3.1 billion with Sompo Japan, Nipponkoa, NKSJ Himawari Life and overseas subsidiaries contributing to profit.

Breakdown of net income



Domestic P&C Insurance Business (1) Overview of 1Q FY2013 Results

NKSJ HOLDINGS

- ◆ Underwriting profit decreased due to a technical factor (increase in provision of the catastrophic loss reserve due to the decrease of natural disasters) though combined ratio improved drastically.
- ◆ Investment profit increased mainly due to the recovery of the stock market, boosting ordinary profit and net income substantially.

(Billions of yen)	Sum of two companies			Sompo Japan		Nipponkoa	
	Apr-Jun 2012	Apr-Jun 2013	Change	Apr-Jun 2013	Change	Apr-Jun 2013	Change
Net premiums written	501.5	512.2	+10.6(+2.1%)	347.3	+7.5(+2.2%)	164.8	+3.1(+2.0%)
excl. CALI	438.3	450.7	+12.4(+2.8%)	304.9	+8.7(+3.0%)	145.7	+3.6(+2.6%)
Loss Ratio	71.2%	63.6%	-7.6pt	62.2%	-6.7pt	66.4%	-9.5pt
excl. CALI	67.1%	59.0%	-8.1pt	57.4%	-7.2pt	62.4%	-10.0pt
Expense Ratio	33.3%	32.8%	-0.5pt	31.8%	-0.5pt	34.9%	-0.5pt
excl. CALI	34.6%	34.0%	-0.6pt	32.7%	-0.7pt	36.6%	-0.4pt
Combined Ratio	104.5%	96.4%	-8.1pt	94.0%	-7.2pt	101.3%	-10.0pt
excl. financial guarantee losses and CALI	101.7%	93.0%	-8.7pt	90.1%	-7.9pt	99.1%	-10.4pt
Underwriting profit	-2.6	-19.6	-17.0	-15.1	-9.7	-4.5	-7.3
Investment profit	-8.9	38.0	+46.9	17.6	+40.1	20.4	+6.8
Ordinary profit	-14.8	13.6	+28.4	-2.4	+28.6	16.0	-0.1
Net income	-12.0	5.1	+17.1	-3.0	+19.1	8.1	-1.9
【reference】Adjusted profit							
Net income	-12.0	5.1	+17.1	-3.0	+19.1	8.1	-1.9
+Provisions for catastrophic loss reserve (after tax)	-12.7	8.2	+20.9	7.6	+11.1	0.5	+9.8
+Provisions for reserve for price fluctuation (after tax)	-8.3	1.3	+9.6	0.8	+9.6	0.4	-0
-Gains/losses on sales of securities and impairment losses on securities (after tax)	-22.2	8.8	+31.0	1.9	+25.3	6.8	+5.7
-Special factors (after tax)*1	-	-1.5	-1.5	-1.0	-1.0	-0.4	-0.4
Adjusted profit	-10.8	7.3	+18.2	4.6	+15.6	2.7	+2.5

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

Domestic P&C Insurance Business (2) Net Premiums Written

NKSJ HOLDINGS

- Top line has continued to grow.
- Premium growth on automobile insurance mainly because of positive impact from premium rate revision.

(Billions of yen)

	Sum of two companies		Sompo Japan		Nipponkoa	
	Amount	Change	Amount	Change	Amount	Change
Fire & Allied lines	55.0	+0.5 (+1.1%)	35.1	-0.9 (-2.6%)	19.8	+1.5 (+8.3%)
Marine	11.0	+1.8 (+19.7%)	7.3	+1.2 (+20.3%)	3.6	+0.5 (+18.4%)
Personal Accident	52.6	+0.7 (+1.5%)	37.7	+0.4 (+1.3%)	14.9	+0.2 (+1.9%)
Voluntary Automobile	255.9	+5.8 (+2.3%)	173.0	+5.3 (+3.2%)	82.9	+0.4 (+0.5%)
CALI	61.5	-1.7(-2.7%)	42.4	-1.2 (-2.9%)	19.0	-0.4 (-2.4%)
Other	76.0	3.4(4.8%)	51.7	+2.5(+5.3%)	24.2	+0.8(+3.6%)
of which, liability	50.4	2.3 (+4.9%)	36.5	+1.9 (+5.5%)	13.8	+0.4 (+3.3%)
Total	512.2	+10.6 (+2.1%)	347.3	+7.5 (+2.2%)	164.8	+3.1 (+2.0%)
Total (excl. CALI)	450.7	+12.4 (+2.8%)	304.9	+8.7 (+3.0%)	145.7	+3.6 (+2.6%)

Domestic P&C Insurance Business (3) Loss Ratio (written paid basis)

NKSJ HOLDINGS

- ◆The loss ratio for fire & allied lines dropped due to the decrease of domestic natural disasters.
- ◆The loss ratio for voluntary automobile dropped due to the positive impact of premium rate revision, etc.

(Billions of yen)

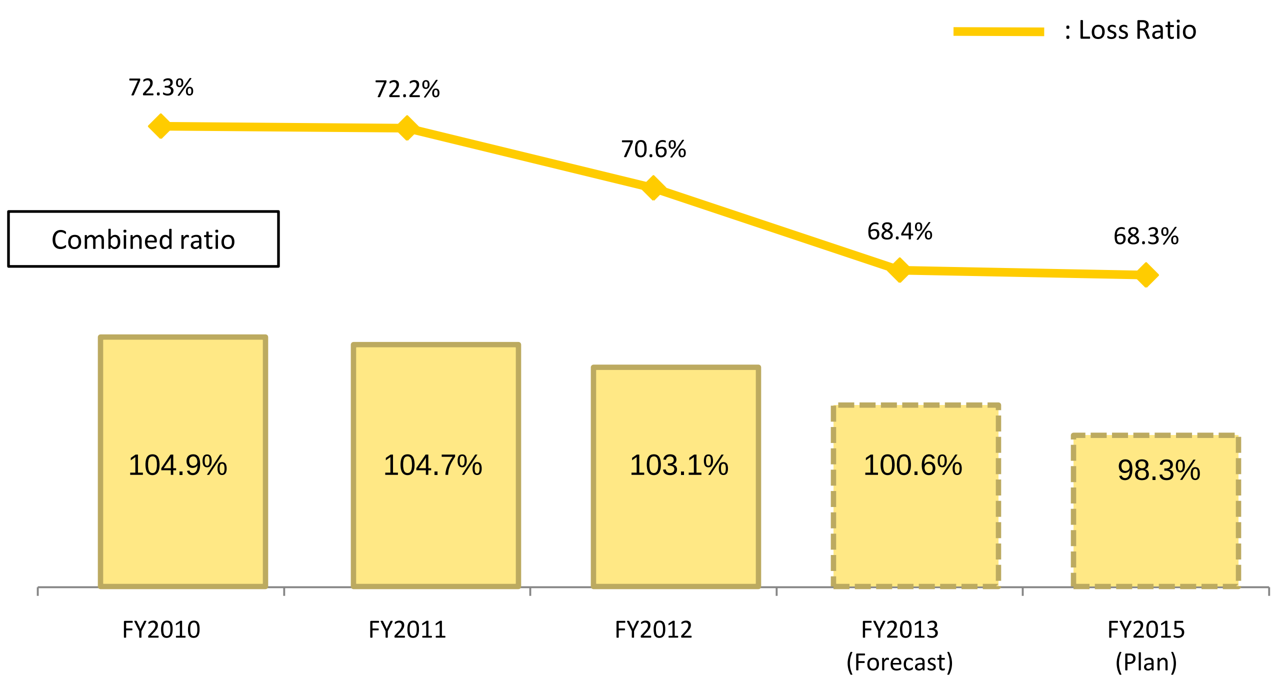
	Sum of two companies				Sompo Japan		Nipponkoa	
	Net claims paid		Loss Ratio		Loss Ratio		Loss Ratio	
		Change		Change		Change		Change
Fire & Allied lines	36.4	-21.5	69.0%	-41.4pt	59.7%	-36.2pt	85.3%	-53.6pt
excl. the Great East Japan Earthquake and Thai floods	33.7	-19.7	61.3%	-36.9pt	55.8%	-31.5pt	70.9%	-48.6pt
Marine	5.2	+0.6	50.3%	-2.9pt	55.5%	+0.8pt	39.9%	-10.2pt
Personal Accident	25.1	+1.0	52.7%	+1.8pt	53.9%	+2.5pt	49.9%	+0.2pt
Voluntary Automobile	142.4	-9.0	63.7%	-5.0pt	63.3%	-5.1pt	64.3%	-4.8pt
CALI	54.2	-3.4	96.5%	-2.7pt	96.6%	-1.9pt	96.3%	-4.7pt
Other	29.4	+0.8	42.1%	-0.8pt	39.1%	-0.8pt	48.4%	-0.6pt
of which, Liability	17.3	+0.4	37.4%	-0.6pt	35.8%	-0.8pt	41.7%	-0.1pt
Total	292.8	-31.4	63.6%	-7.6pt	62.2%	-6.7pt	66.4%	-9.5pt
Total (excl. CALI, the Great East Japan Earthquake, and Thai floods)	262.0	-25.3	58.1%	-7.4pt	57.0%	-6.7pt	60.6%	-8.9pt

Domestic P&C Insurance Business (4) Automobile insurance – Profitability

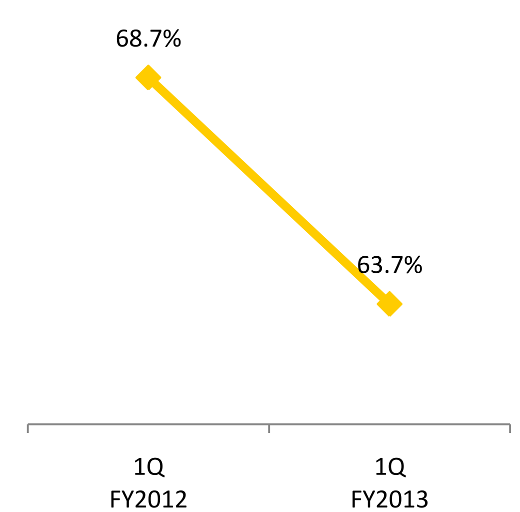
NKSJ HOLDINGS

◆Loss ratio is on a downward trend.

- Positive impact of rate revision has appeared.
- Decreasing trend of the number of reported claims is on going. (See next page)
- On the one hand, increasing trend of unit repair costs continues.



Trends of Loss Ratio for 1Q

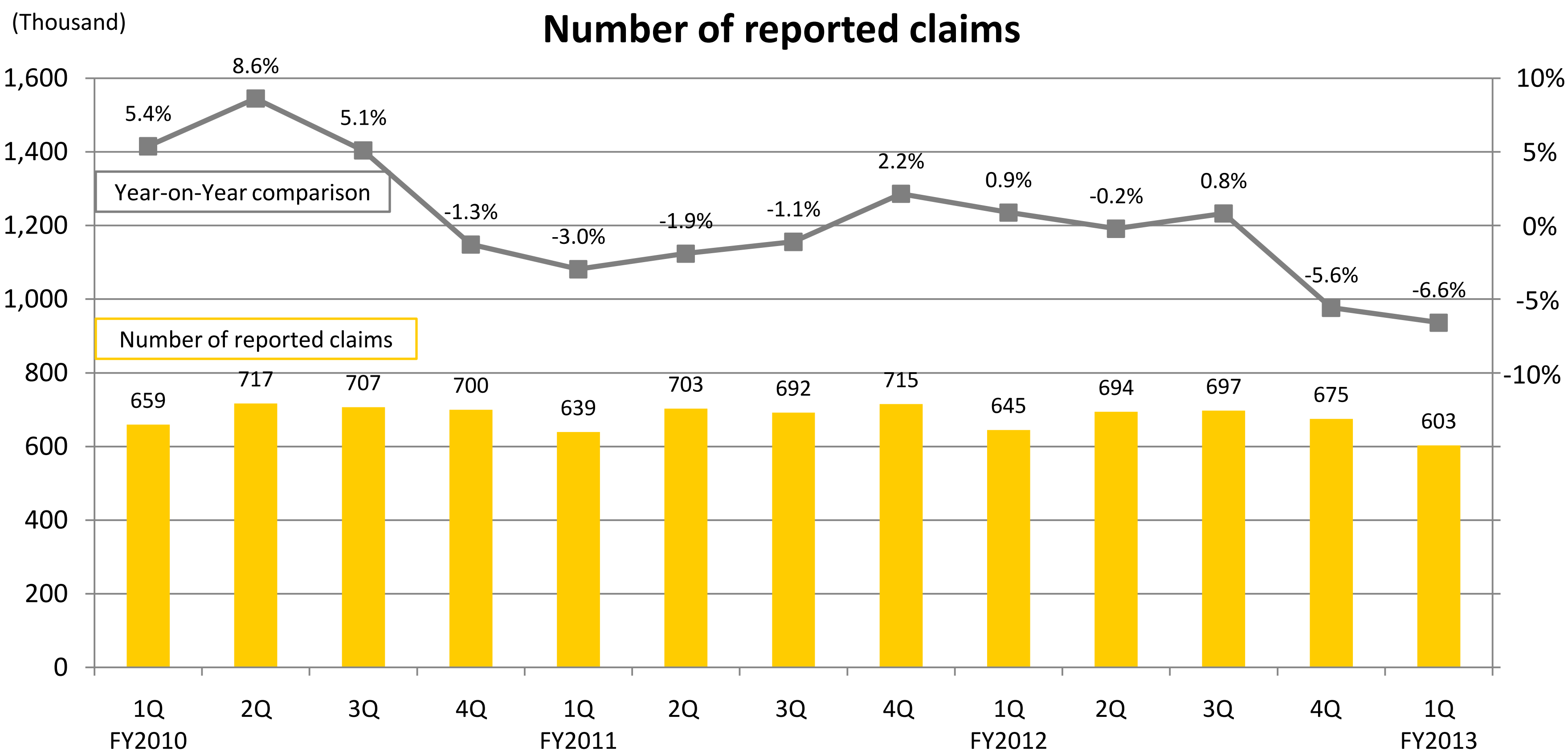


* Sum of Sompo Japan and Nipponkoa
* Loss Ratio includes loss adjustment expenses.

Domestic P&C Insurance Business (5) Automobile Insurance – No. of claims

NKSJ HOLDINGS

◆ Decreasing trend is obvious since 4Q FY2012.



* Year-on Year comparison is adjusted based on calendar.
* Special factors in each fiscal year (The Great East Japan Earthquake, typhoon No.12 and 15 in fiscal 2011, and the severe storm in April 2012) are excluded.

Domestic P&C Insurance Business (6) Impact of domestic natural disasters

NKSJ HOLDINGS

◆ Net claims paid decreased greatly from the previous year because there were no major natural disasters.

(Billions of yen)

Net claims paid	Sum of two companies			Sompo Japan		Nipponkoa	
	Apr-Jun 2012	Apr-Jun 2013	Change	Apr-Jun 2013	Change	Apr-Jun 2013	Change
Fire & Allied lines	14.3	1.9	-12.3	0.9	-7.1	1.0	-5.1
Marine	0	0	-0	-	-	-	-0
Personal Accident	0	0	-0	0	-0	0	-0
Voluntary Automobile	2.4	0.2	-2.1	0.1	-1.5	0	-0.6
Other	0.3	0	-0.2	0	-0	0	-0.1
Total	17.1	2.3	-14.8	1.1	-8.7	1.2	-6.0

Of which ¥14.0 billion of the severe storm in April 2012.

* Net claims paid for full fiscal year 2012 arising from the severe storm above is ¥19.3 billion.

Assumption of full FY forecasts

¥38.0 billion
(Sum of two companies)

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

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

(Reference) Flooding in Thailand

NKSJ HOLDINGS

◆ Posted ¥5.8 billion profit due to reversal of catastrophic loss reserve etc. (of which, ¥4.4 billion posted by two domestic P&C insurance companies.)

(Billions of yen)

	Cumulative Total by FY2012	April – June 2013				Cumulative Total
	Group Total	Group Total	Sompo Japan	Nipponkoa	Overseas subsidiaries	Group Total
Paid claims	51.2	6.1	1.3	2.7	2.1	57.4
Provision of outstanding loss reserve	36.0	-9.3	-0.7	-5.0	-3.5	26.7
Net loss occurred*	87.3	-3.1	0.5	-2.3	-1.3	84.1
Provision of catastrophic loss reserve	-42.8	-2.7	-	-2.7	-	-45.5
Impact on ordinary profit*	-44.4	5.8	-0.5	5.0	1.3	-38.6
(Ref.) Payment progress rate	59%					68%

* Impairment losses on stocks of a non-consolidated subsidiary of ¥7 billion in fiscal year 2011 is not included.

Sum of two domestic P&C insurance companies were ¥4.4 billion.

Domestic P&C Insurance Business (7) Net Expense Ratio

NKSJ HOLDINGS

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

Net expense ratio

(Billions of yen)

	Sum of two companies				Sompo Japan				Nipponkoa			
	Amount		Net expense ratio		Amount		Net expense ratio		Amount		Net expense ratio	
		Change		Change		Change		Change		Change		Change
Net commissions and brokerage fee	91.1	+3.8	17.8%	+0.4pt	60.4	+1.9	17.4%	+0.2pt	30.6	+1.8	18.6%	+0.8pt
Operating, general and administrative expenses *	76.8	-2.6	15.0%	-0.9pt	49.9	-1.1	14.4%	-0.6pt	26.8	-1.5	16.3%	-1.3pt
Total	167.9	+1.1	32.8%	-0.5pt	110.3	+0.8	31.8%	-0.5pt	57.5	+0.2	34.9%	-0.5pt

* Only for underwriting

Company expenses

(Billions of yen)

	Sum of two companies				Sompo Japan				Nipponkoa			
	Amount		% of net premium		Amount		% of net premium		Amount		% of net premium	
		Change		Change		Change		Change		Change		Change
Personnel expenses	60.2	-1.9	11.8%	-0.6pt	39.2	-1.0	11.3%	-0.6pt	20.9	-0.9	12.7%	-0.8pt
Non-Personnel expenses	45.9	-1.8	9.0%	-0.6pt	30.8	-0.8	8.9%	-0.4pt	15.0	-1.0	9.1%	-0.8pt
Tax and contributions	6.8	+0.1	1.3%	+0.0pt	5.0	+0.1	1.5%	+0.0pt	1.7	+0	1.1%	-0.0pt
Total	113.0	-3.6	22.1%	-1.2pt	75.2	-1.7	21.7%	-1.0pt	37.8	-1.9	23.0%	-1.6pt

Domestic Life Insurance Business

NKSJ HOLDINGS

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

(Billions of yen)

	1QFY2012	1QFY2013	Change	Change%
Amount of new business	654.2	617.3	- 36.9	- 5.6%
Annualized new premium	7.9	7.2	- 0.7	- 8.8%
Premium and other income	85.4	88.2	+ 2.7	+ 3.2%
(excl. lump-sum payment)	84.6	87.2	+ 2.6	+ 3.1%
Ordinary profit	2.2	2.8	+0.5	+ 24.4 %
Net income	0.7	1.0	+0.2	+ 35.6 %

(Billions of yen)

	End of FY2012	End of 1QFY2013	Change	Change%
Amount of business in force	19,164.7	19,392.6	+ 227.9	+ 1.2%
Annualized premium in force	300.5	302.0	+ 1.5	+ 0.5%

(Billions of yen)

	Change
Protection-type	+ 1.7
Saving-type	- 0.9
Total	+ 0.7

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

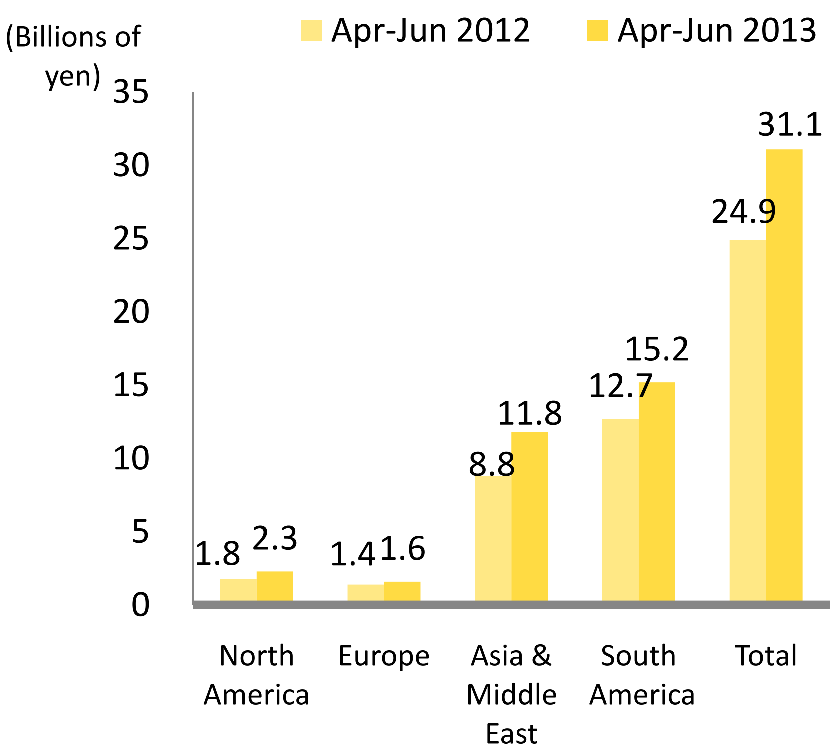
* As the figures in the table on the right show annualized premium in force based on in-house standard, the total figures do not coincide with the figures in the table on the left.

Overseas Insurance Business

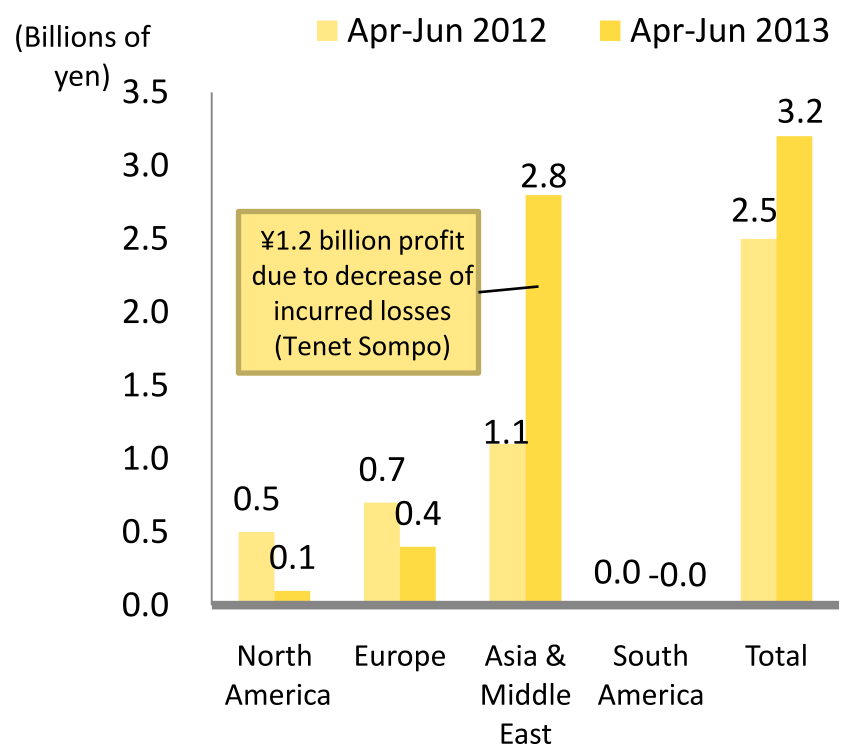
NKSJ HOLDINGS

◆ Increased in both top-line and net income.

Net premium written



Net income



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

*Net income reflects holding shares of each subsidiary and affiliate, and figures are before consolidation adjustments excluding Tenet Sompo (former SJ Singapore) and SJNK Europe (former SJ Europe) for FY2012 .

Investment profit and loss - Domestic P&C Insurance

NKSJ HOLDINGS

- Net interest and dividend income remained steady.
- Investment profit increased significantly mainly due to the decrease of the valuation losses resulting from the stock market recovery.

(Billions of yen)

		Sum of two companies			Sompo Japan		Nipponkoa	
		Apr-Jun 2012	Apr-Jun 2013	Change	Apr-Jun 2013	Change	Apr-Jun 2013	Change
Interest and dividend income		33.7	33.6	-0.1	20.5	-0.2	13.1	+0.1
Net interest and dividend income	1	20.4	21.1	+0.7	12.3	+0.3	8.7	+0.3
Realized gain on securities	2	10.7	13.7	+2.9	3.2	-2.5	10.5	+5.4
Of which, realized gain on domestic stock sales		2.2	3.8	+1.6	1.7	+1.1	2.1	+0.5
Impairment losses on securities	3	-44.0	-0.4	+43.5	-0.2	+40.4	-0.1	+3.0
of which, impairment losses on domestic stocks		-43.9	-0.1	+43.8	-0	+40.6	-0	+3.1
Gain on derivative products	4	6.4	0	-6.4	-0.8	-2.7	0.8	-3.6
Other investment income	5	-2.5	3.6	+6.2	3.1	+4.6	0.4	+1.5
Investment profit	1+2+3+4+5	-8.9	38.0	+46.9	17.6	+40.1	20.4	+6.8

Assumption of full FY forecasts
¥146.0 billion (Sum of two companies)

Reducing strategic holding stocks

NKSJ HOLDINGS

- In FY2013, intend to reduce strategic-holding stocks close to the amount reduced in the previous FY (¥197.8 billion). (However it depends on the level of the stock market)
- Net reduction in April - June was ¥75.8 billion including futures short positions. It was equivalent to 40% of annual reduction in the previous FY.

Net reduction *1

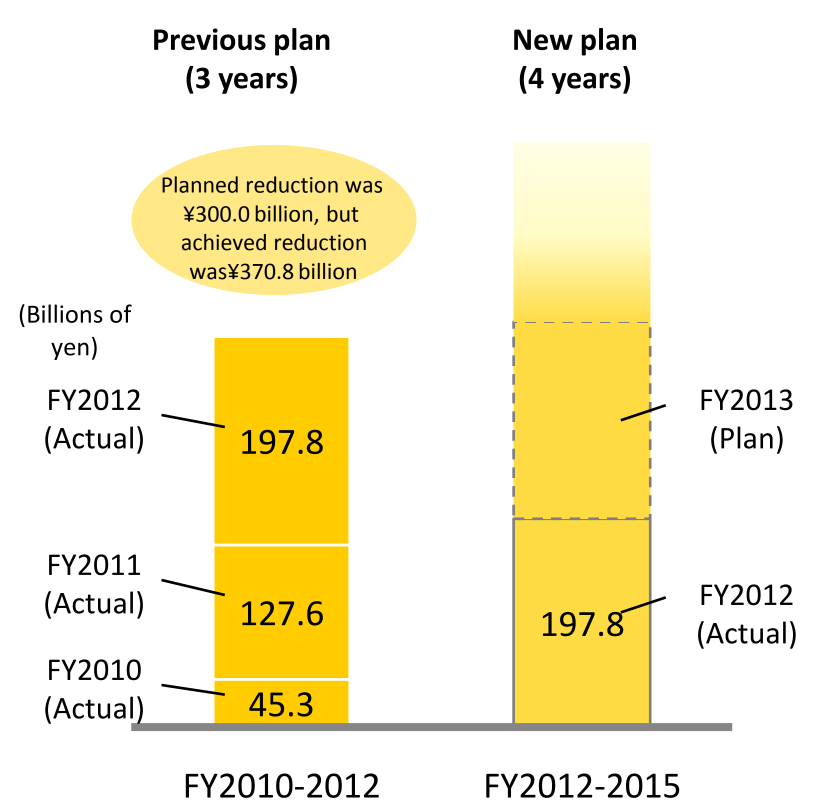
(Billions of yen)

	April – June 2013 Actual		
	Actual	Stock future *2	Total
Sompo Japan	7.7	37.6	45.3
Nipponkoa	4.2	26.1	30.4
Sum of two companies	11.9	63.8	75.8

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

*2 Short position of Nikkei 225 Futures.
Average price of the positions exceeded the level of Nikkei225 as of the end of the previous fiscal year.

Strategic holding stocks reducing plan



Summary of Business Forecasts – NKSJ Consolidated

NKSJ HOLDINGS

◆ Projecting net income of ¥34 billion, assuming continued top-line growth.

(Billions of yen)	FY2012 Actual	FY2013 Forecasts	Change	
Ordinary income (NKSJ consolidated)	2,843.2	2,860.0	+16.7	(+0.6%)
P&C net premium written	2,062.6	2,227.0	+164.3	(+8.0%)
Life insurance premiums	264.7	269.5	+4.7	(+1.8%)
Ordinary profit (NKSJ consolidated)	104.7	81.0	-23.7	
Sompo Japan + Nipponkoa	129.6	114.9	-14.7	
NKSJ Himawari Life	8.0	10.0	+1.9	
Consolidated adjustment*/others	-32.8	-43.9	-11.0	
Net Income (NKSJ consolidated)	43.6	34.0	-9.6	
Sompo Japan + Nipponkoa	62.4	63.0	+0.5	
NKSJ Himawari Life	4.4	6.0	+1.6	
Consolidated adjustment*/others	-23.2	-35.0	-11.7	

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

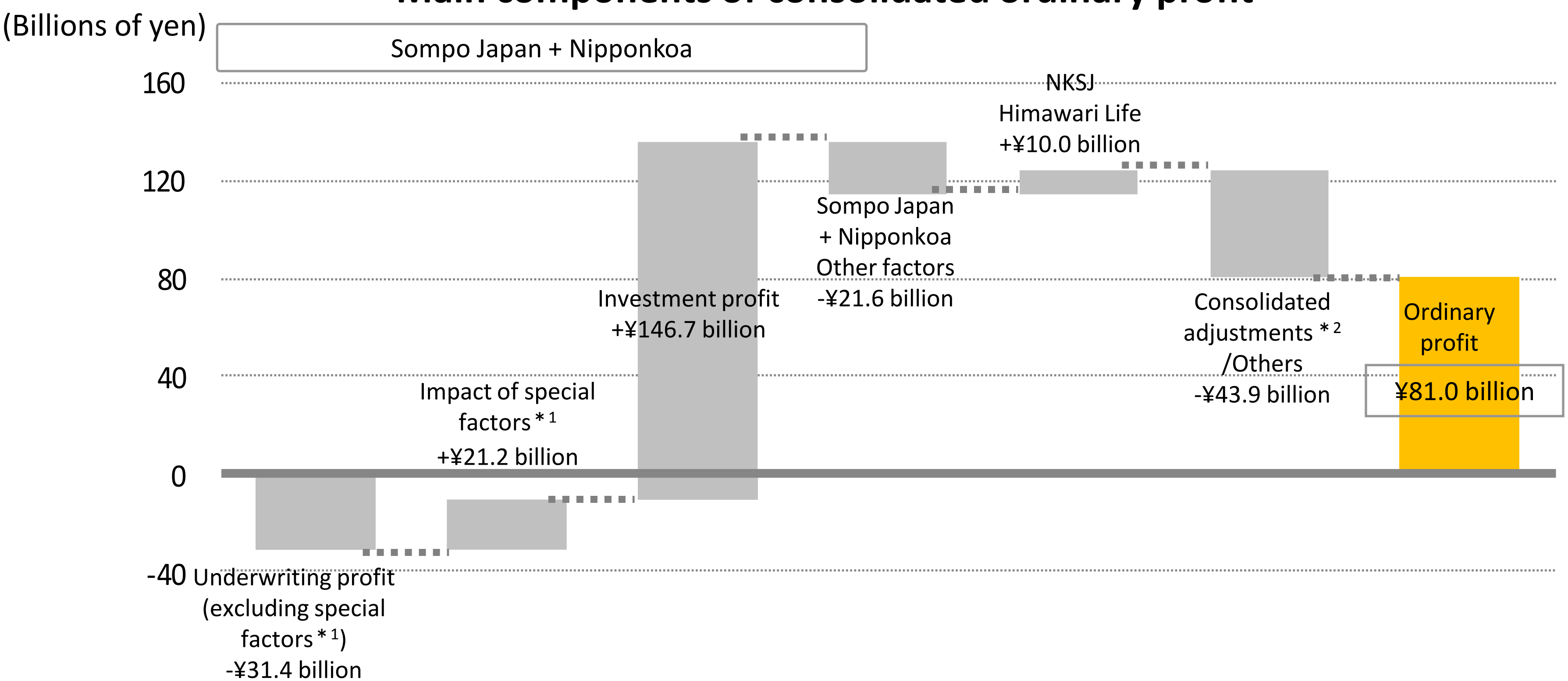
Main points of Business Forecasts - Ordinary profit (NKSJ consolidated)

NKSJ HOLDINGS

◆ Consolidated ordinary profit is projected to be ¥81 billion.

- Underwriting profit: Profitability of automobile insurance is improving, and steady progress is expected due to products and premium rate revisions, etc.
- Investment profit : Stable interest and dividends income and gains on sales of securities contribute.
- Himawari Life: ¥10 billion profit contribution

Main components of consolidated ordinary profit



*1 Special factors are the Great East Japan Earthquake and Flooding in Thailand

*2 Consolidated adjustments are mainly purchase method adjustments.(-¥36.8 billion)

Business Forecasts - Domestic P&C Insurance Business

NKSJ HOLDINGS

(Billions of yen)	FY2012 Actual	FY2013 Forecasts	Change
Net premiums written	1,966.2	2,035.0	+68.8 (+3.5%)
(Excl. CALI)	1,691.7	1,742.6	+50.8 (+3.0%)
Loss Ratio	72.0%	68.0%	-4.0pt
(Excl. financial guarantee and CALI)	68.8%	64.8%	-4.0pt
(Excl. financial guarantee, CALI, Great East Japan Earthquake and Thai Floods)	67.2%	63.3%	-4.0pt
EI Loss Ratio (excl. CALI and household earthquake insurance)	67.8%	64.6%	-3.2pt
(Excl. financial guarantee, the Great East Japan Earthquake and Thai Floods)	68.2%	64.3%	-3.9pt
Net Expense Ratio	33.4%	32.8%	-0.6pt
(Excl. CALI)	35.2%	34.9%	-0.3pt
Combined Ratio	105.4%	100.8%	-4.6pt
(Excl. financial guarantee and CALI)	104.1%	99.7%	-4.4pt
(Excl. financial guarantee, CALI, Great East Japan Earthquake and Thai Floods)	102.5%	98.2%	-4.3pt
Underwriting profit	-16.9	-10.2	+6.7 (—)
Investment profit	159.9	146.7	-13.1 (-8.2%)
Ordinary profit	129.6	114.9	-14.7 (-11.4%)
Net income	62.4	63.0	+0.5 (+0.9%)

*Sum of Sompo Japan and Nipponkoa

Assumption of Business Forecasts - Domestic P&C Insurance Business

NKSJ HOLDINGS

Losses from domestic natural disasters (occurring in the fiscal year)	¥38.0 billion
Flooding in Thailand	Net claims paid : ¥21.1billion *excluding the amount to be paid by overseas subsidiaries (Assuming that remaining amount ¥6.1 billion is paid in FY2014)
Catastrophic loss reserve	Net provision : ¥15.4 billion
Provision rate of Catastrophic loss reserve	Provision rate of fire group : Sompo Japan : 10.0%, Nipponkoa : 9.2% Provision rate of automobile group : Sompo japan : 5.5%、Nipponkoa : 6.2%
Market indicators	(Stock) Nikkei 225 : ¥12,397 (Interest yield) 10 y JGB : 0.55% (Foreign exchange) 1US$: ¥94.05, 1Euro : ¥120.73
Interest and dividend income	Gross ¥100.0 billion Net : ¥53.7 billion
Realized gains on securities	Realized gain on securities : ¥100.0 billion Impairment losses on securities : ¥3.0 billion
Reserve for price fluctuation	Net provision ¥7.6billion

*Sum of Sompo Japan and Nipponkoa

Business Forecasts - Domestic Life Insurance Business - EV

◆ A high level of growth in adjusted EV is expected to be sustained due to favorable sales of protection-type products.

(Billions of yen)

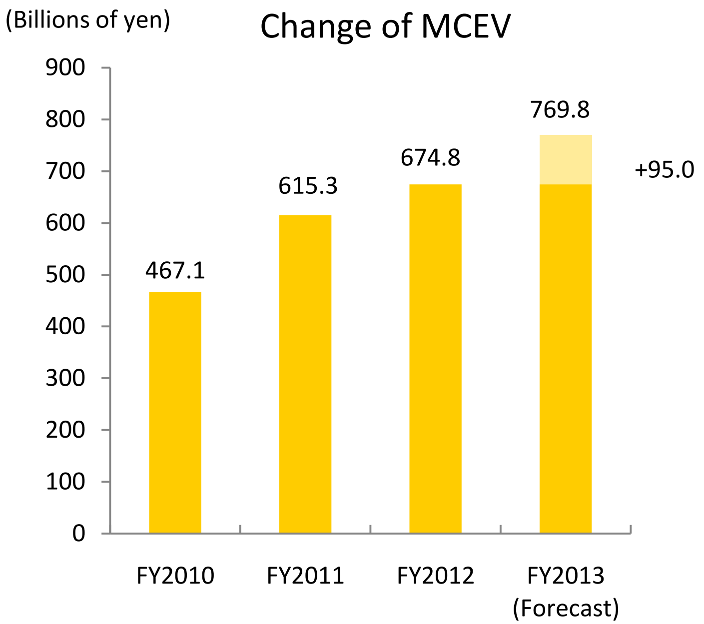
	FY2011 Actual	FY2012 Actual	FY2013 Forecast	Change
New Business Value *1	46.4	47.1	53.0	+ 5.9
Expected existing business contribution	25.7	33.8	39.0	+ 5.2
Sub-total	**72.1**	**80.9**	**92.0**	**+ 11.1**
Experience variances and assumption change	27.9	26.9	3.0	-23.9
Growth in adjusted EV	**100.0**	**107.8**	**95.0**	**-12.8**
Other operating/non-operating variances *2	64.0	-20.4	-	+ 20.4
Economic variances	-15.7	-28.0	-	+ 28.0
Change of EV amount	148.3	59.4	95.0	+ 35.6
EV as of the end of fisca year	**615.3**	**674.8**	**769.8**	**+ 95.0**

*1 Excludes the impact of a 6.4 billion yen corporate income tax reduction from the 52.8 billion yen shown in the MCEV disclosure materials for FY2011 reslults. (The excluded amount of 6.4 billion yen is included in other operating/non-operating variances of 64.0 billion yen.)

*2 Other operating/non-operating variances

a) FY2011: Corporate tax reduction, model elaboration, etc.

b) FY2012 : Change in surrender risk factor in non-hedgeabel risks, and consumption tax rate increase, etc.

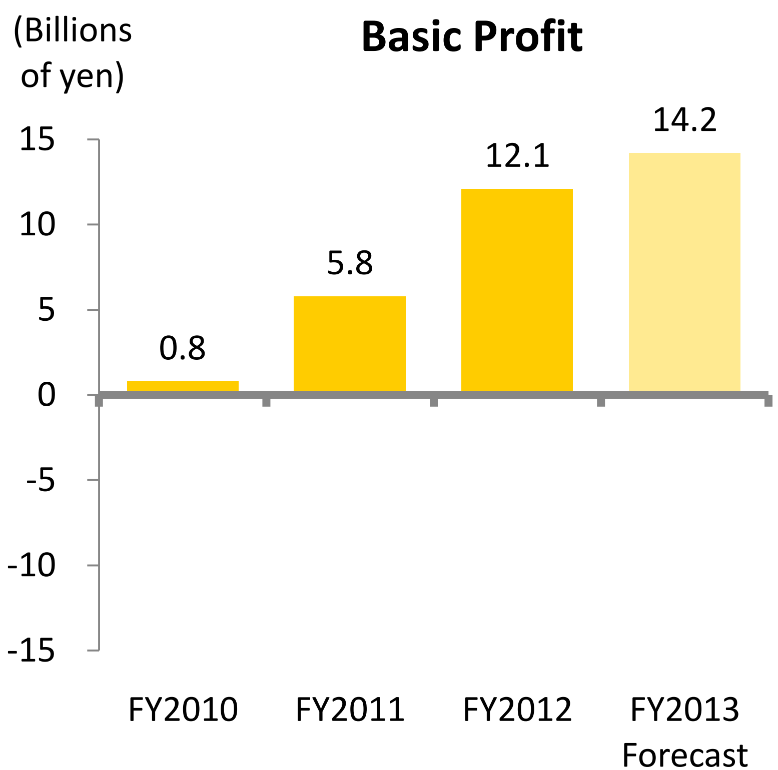


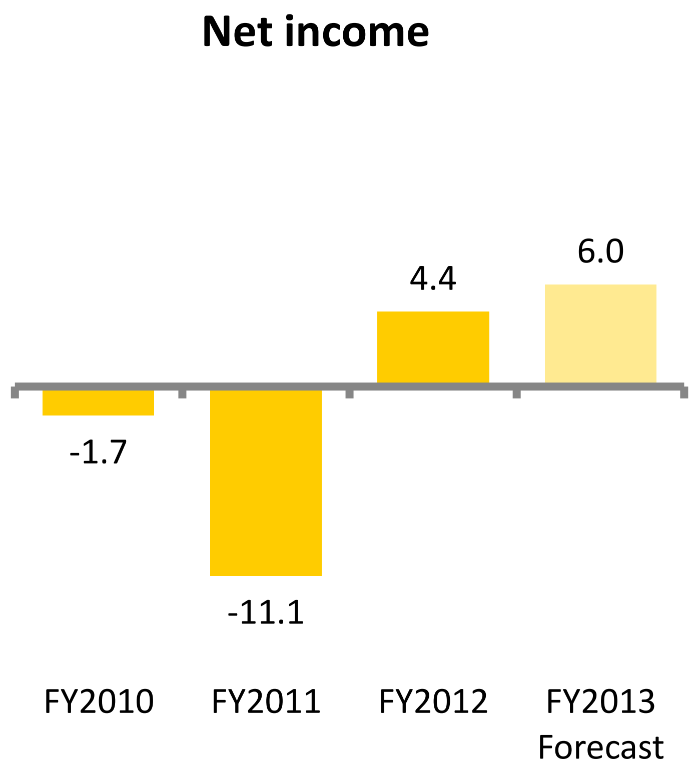
・Change of MCEV does not agree with growth in adjusted EV because there are economic variances and other operating/non-operating variances.

Business Forecasts - Domestic Life Insurance Business - Profit (J-GAPP)

NKSJ HOLDINGS

- Basic profit is expected to continue increasing due to the accumulation of business in force.
- Expects to record an increase in net income.





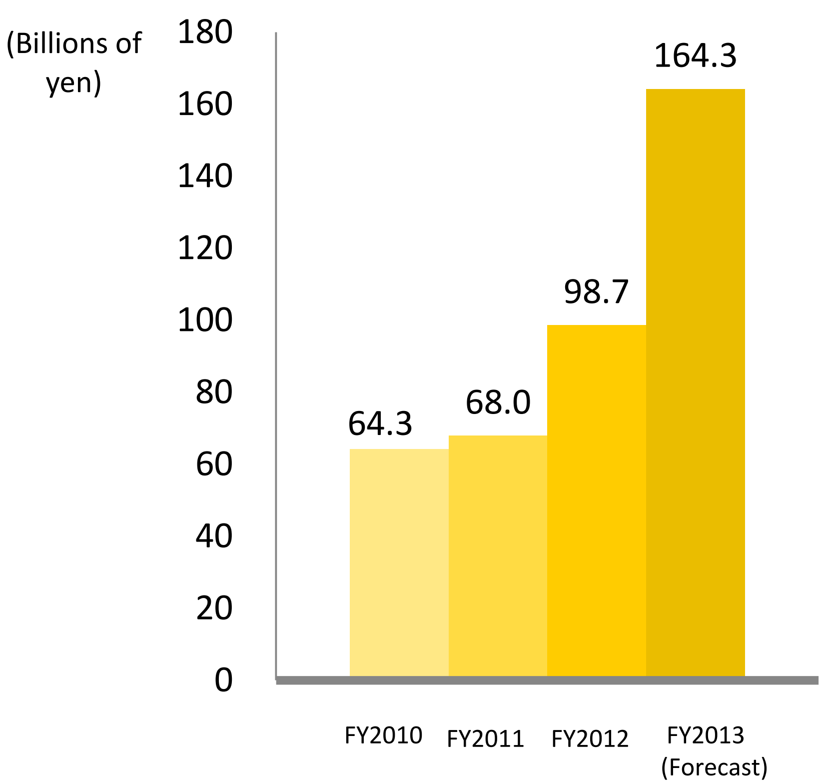
・Basic Profit
Akin to a general business corporation's operating profit or a bank's business profit, basic profit is after deduction of capital gain or loss, such as gain or loss on the sale of securities from recurring profit, and one-time gains or losses such as provision for contingency reserve.

Principal special factors in fiscal 2011
(1)Extraordinary loss related to merger -¥11.7 billion
(2)Impact of change in the corporate tax rate -¥3.6 billion

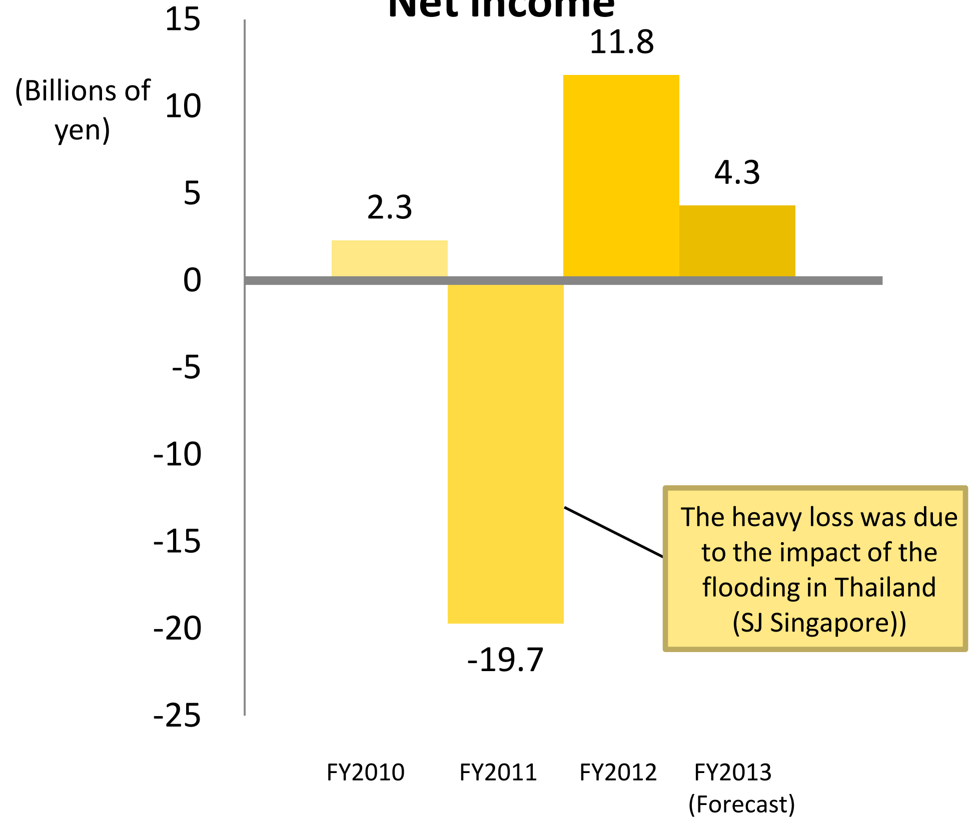
Overseas Insurance Business

◆ Increase steadily in top-line. Only halfway to generating stable earnings.

Net premium written



Net income



*Net premiums written of subsidiaries and affiliates reflect holding shares of each company. This treatment does not coincide with financial statements.
*Net income reflects holding shares of each subsidiary and affiliate, and figures are before consolidation adjustments excluding Tenet Sompo (former SJ Singapore) , SJNK Europe (former SJ Europe) and SJAH.
* SJ Singapore merged with Tenet in January 2013 and became Tenet Sompo.

Overseas Insurance Business – Breakdown by Country & Region

NKSJ HOLDINGS

Millions of yen

		Net premium written					Net income				
	Companies	FY2011	FY2012	Change	2013(E)	Change	FY2011	FY2012	Change	FY2013(E)	Change
North America	SJ America	6,468	9,061	+ 2,593	11,582	+ 2,521	1,095	1,663	+ 568	1,181	- 481
	Other				---	---				- 31	- 31
North America Total		6,468	9,061	+ 2,593	11,582	+ 2,521	1,095	1,663	+ 568	1,150	- 513
Europe	SJNK Europe	- 11,432	1,112	+ 12,544	3,283	+ 2,170	- 2,954	476	+ 3,430	- 196	- 672
	NK Europe	772	917	+ 145	1,620	+ 702	130	111	- 18	95	- 15
	Other	- 2	0	+ 2	---	+ 0	- 85	- 170	- 84	---	+ 170
Europe Total		- 10,662	2,030	+ 12,692	4,903	+ 2,873	- 2,909	417	+ 3,326	- 100	- 518
Turkey	SJ Sigorta	10,029	15,173	+ 5,144	20,095	+ 4,921	1,352	1,608	+ 255	1,485	- 122
Singapore	Tenet Sompo	3,702	4,106	+ 403	5,767	+ 1,660	- 20,879	6,268	+ 27,147	206	- 6,062
Malaysia	Berjaya Sompo	4,464	7,888	+ 3,423	9,690	+ 1,801	259	1,183	+ 924	1,463	+ 279
China	SJ China	4,406	5,575	+ 1,169	7,986	+ 2,410	79	- 536	- 615	2	+ 539
	NK China	352	534	+ 182	886	+ 352	- 71	- 51	+ 19	- 32	+ 19
Hongkong	SJNK Hongkong	1,570	2,387	+ 816	3,154	+ 766	190	140	- 49	314	+ 173
	NK Asia	657	792	+ 135	59	- 733	139	163	+ 23	102	- 61
Other		4,524	1,916	- 2,607	2,003	+ 86	- 51	- 99	- 48	- 121	- 21
Asia & Middle East Total		29,707	38,376	+ 8,668	49,642	+ 11,266	- 18,980	8,676	+ 27,656	3,420	- 5,255
Brazil	Yasuda Seguros	12,774	15,282	+ 2,507	23,487	+ 8,205	474	517	+ 42	440	- 77
	Other	29,721	34,018	+ 4,297	74,732	+ 40,713	572	582	+ 9	- 573	- 1,156
South America Total		42,496	49,301	+ 6,805	98,219	+ 48,918	1,047	1,100	+ 52	- 133	- 1,233
Total		68,009	98,769	+ 30,760	164,349	+ 65,579	- 19,747	11,857	+ 31,605	4,336	- 7,521

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

*2 Net income reflects holding shares of each subsidiaries and affiliates, and figures are before consolidation adjustments (except for SJNK Europe (former SJ Europe), Tenet Sompo (former SJ Singapore) and SJAH).

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

*4 Figures of Tenet Sompo for FY2011 and FY2012 are the sum of SJ Singapore and Tenet.

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

NKSJ HOLDINGS

Advisory Rating System in Japan

The advisory rating system functions as a profit stabilizer.

Premium Rates

Loading Premium Rates

- for expenses

Pure Premium Rates
(Advisory Pure Premium Rates)

- for claims

Advisory Pure Premium Rates

- Calculated for: fire insurance, personal accident insurance, automobile insurance, etc.
- Calculated by the NLIRO[1]
- The NLIRO collects large quantities of data from member insurance companies[2]
- The NLIRO uses statistical approach to calculate the advisory pure premium rates and present it to member insurance companies[1]
- Member insurance companies[1] can use the advisory pure premium rates with respect to the pure premium rates as a basis of calculating their own premium rates
- The NLIRO annually reviews whether the current advisory pure premium rates are at an appropriate level and reports the result to FSA. If they are judged to be inappropriate, the advisory rates are promptly recalculated

1. Non-Life Insurance Rating Organization of Japan
2. Member companies of the General Insurance Association of Japan

Definition of Adjusted Profit

NKSJ HOLDINGS

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

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

(Calculation Method for Adjusted Consolidated ROE)

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

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

Note Regarding Forward-looking Statements

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

Contacts

NKSJ Holdings, Inc.

Investor Relations Team, Corporate Planning Department

Telephone: +81-3-3349-3913

Fax: +81-3-3349-6545

E-Mail: ir@nksj-hd.co.jp

URL: http://www.nksj-hd.com/en/