[English Translation]

September 21, 2011

To whom it may concern:


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| Corporate Name: | NKSJ Holdings, Inc. |
| Name of the Representative: | Makoto Hyodo Chairman & Co-CEO |
| Name of the Representative: | Masatoshi Sato President & Co-CEO |

(Securities Code: 8630 TSE, OSE)


# Revision of NKSJ Group Management Plan
## - Further Refinement of the Business Integration Model -

NKSJ Holdings, Inc. has revised the five-year NKSJ Group management plan starting FY2010, which was announced in May 2010. The plan was revised in light of changes in the operating environment following the plan's announcement, as well as the impact of the Great East Japan Earthquake and other factors.

Under the initial plan, the Company has worked to increase Group-wide earnings by capturing integration synergies as early as possible and strategically investing resources in growth areas, with the aim of achieving sustainable growth and further improvement of its corporate value.

In view of changes in the surrounding operating environment, the Company under the newly revised management plan will work to build a new business integration model for its domestic P&C insurance business, delineated by an ultimate one-platform, two-brands structure, with an eye to enhance profitability. The Company aims to win the support of all its stakeholders and take Group-wide initiatives aiming to establish a new company which can compete effectively on the global stage.

## 1. Events Leading Up to the Revised Management Plan

On May 31, 2010, NKSJ Holdings, Inc. announced its five-year NKSJ Group Management Plan starting FY2010. Since then, the Company has seen a drastic change in operating environment in the domestic P&C insurance business. For example, profitability has declined due to an increase in auto accidents and other factors. The Great East Japan Earthquake has had a negative impact on systems integration. On the other hand, in the domestic life insurance business, a growing field, the Company has outperformed its initial growth forecasts. In the overseas insurance business, the yen's continuing appreciation has created prime overseas investment opportunities.

Against this backdrop, the Company has fundamentally revised its management plan with two primary goals. The first goal is to enhance the operating structure of the domestic P&C business so that it can generate earnings even under low-growth conditions. The second goal is to accelerate growth strategies in the domestic life insurance business and the overseas insurance business.

## 2. Policy of the New Management Plan—Further Refining the Business Integration Model

Under the newly revised management plan, the Company will work to build a new business integration model for its domestic P&C insurance business, delineated by an ultimate one-platform, two-brands structure, with an eye to enhance profitability. The Company aims to win the support of all its stakeholders and take Group-wide initiatives aiming to establish a new company which can compete effectively on the global stage.

To realize an ultimate one-platform, two-brands structure, the Company will standardize or harmonize the strategies and management measures of its major P&C subsidiaries, namely Sompo Japan Insurance Inc. and Nipponkoa Insurance Co., Ltd. (hereinafter "the two P&C insurance companies"), thereby utilizing both companies' strengths in enhancing integration synergies.

To make certain that NKSJ achieves the goals of the new business plan with a sense of speed, the Company will establish in October 2011 a joint promotion framework co-chaired by Kengo Sakurada, president of Sompo Japan Insurance Inc., and Masaya Futamiya, president of Nipponkoa Insurance Co., Ltd.

The main points of the new management plan are as follows (see Attachment 1 for further details):

(1) Standardize and unify business strategies and various measures of the two P&C insurance companies

(i) In the domestic P&C insurance business, Head Office functions of the two P&C insurance companies will co-locate by each department. Having personnel perform concurrent duties or exchanging personnel, Head Office functions will be standardized and streamlined as a joint Head Office. In so doing, the Company combines their expertise, and business strategies and various measures will be standardized or harmonized.

(ii) The two P&C insurance companies will integrate their Head Office functions for promoting and supporting the domestic life insurance business, the overseas insurance business, and financial and other services, and unify business strategies and various measures.

(2) Enhance efficiency by sharing the business platform of the domestic P&C insurance business

(i) From FY2011 onward, the Company will phase in the standardization of the two P&C insurance companies' sales and claim offices, which are interfaces with customer and sales channels for both companies, after co-locating personnel from both companies at the same centers in each region. By doing so, most sales offices and claim offices will be operated by personnel with concurrent duties of the two P&C insurance companies, by the end of FY2013 and by the end of FY2014, respectively.

(ii) The system integration plans for the two P&C insurance companies will be revised. The plan will give top priority to the integration of all systems, and completion of system integration is planned for April 2014.

(iii) Human resources will be utilized strategically and jointly, through such means as conducting joint recruitment of April 2014 new entrants and onwards.

Through the above measures, the Company aims to reduce company expenses on insurance operations by approximately ¥60 billion in FY2015 (versus FY2010) and achieve a combined ratio (excluding compulsory automobile liability insurance) of 95%.

(3) Accelerate growth in the domestic life insurance business, the overseas insurance business, and financial and other services

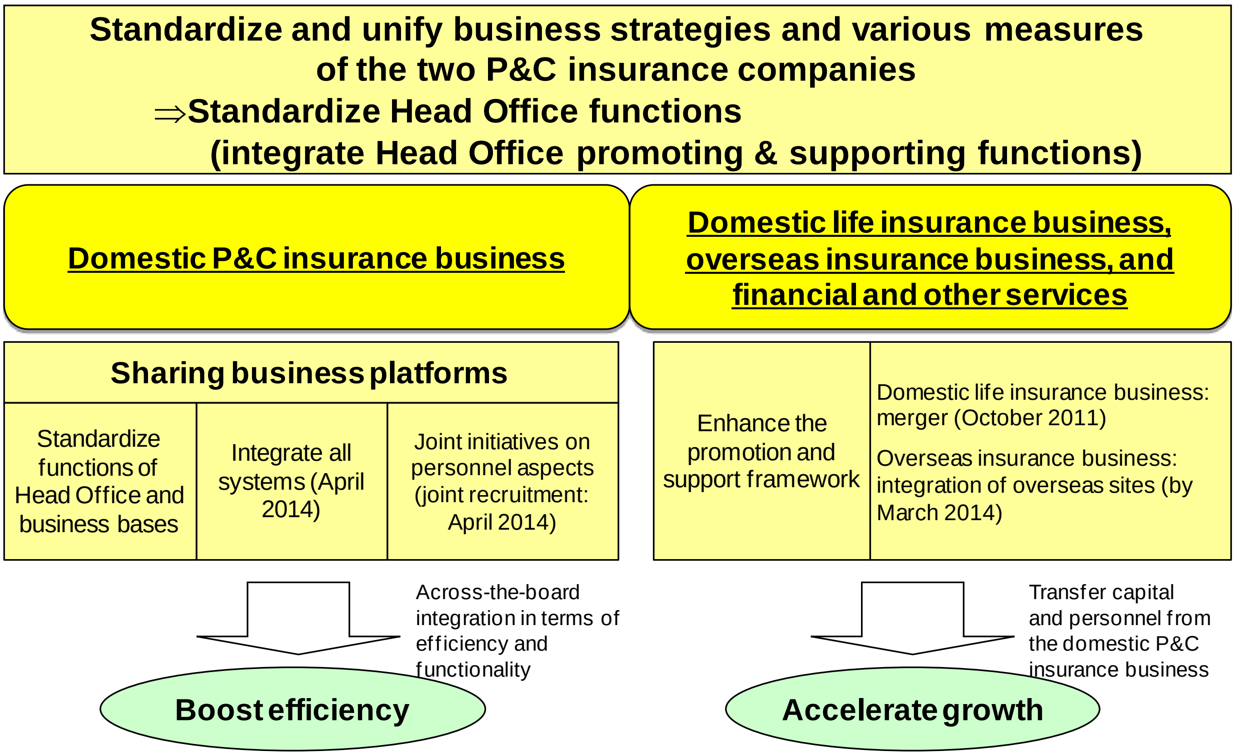
Considering the growth rate of the domestic life insurance business, and the growth potential of the overseas insurance business, growth will be accelerated by expediting the allocation of resources to these expanding businesses.

In the domestic life insurance business, NKSJ Himawari Life Insurance, Inc. will be created through a merger of the group life insurance subsidiaries in October 2011. The Company also intends to realign and integrate its overseas bases in each country by the end of FY2013.

<Overview of an ultimate one platform, two brands structure>

In the new management plan, the business integration model will be further refined.

**Further Refining the NKSJ Group Integration Model**




With the new management plan, the Company, under a slogan of “No.1 Group for ‘Growth’ and ‘Customers’ Trust’, will enhance its corporate value by providing customers with absolute peace of mind and the highest quality services through the domestic P&C insurance business, the domestic life insurance business, and the overseas insurance business.

### 3. NKSJ Group's Numerical Management Targets

The table below provides the NKSJ Group's numerical management targets (adjusted consolidated profit basis).

The final fiscal year of the plan shall be pushed back one year to FY2015. On a Group-wide basis, NKSJ is targeting adjusted consolidated profit of ¥160 billion in FY2015.

* Please see Attachment 2 for details on the numerical targets and the calculation method for adjusted profit, among other matters.

(Billions of Yen)

| | FY2010(A) | FY2011(E) | FY2015(Target) | Reference: Initial plan* FY2014(Target) |
|---|---|---|---|---|
| Adjusted consolidated profit | 80.7 | 41.2 | 160 (100%) | 160 (100%) |
| Domestic P&C insurance | 21.3 | 10.1 | 81 (51%) | 90 (56%) |
| Domestic life insurance | 59.8 | 30.0 | 55 (34%) | 50 (31%) |
| Overseas insurance | 2.4 | 5.4 | 20 (13%) | 16 (10%) |
| Financial and other services | -2.7 | -4.2 | 4 (2%) | 4 (3%) |
| Adjusted consolidated ROE | 4.2% | 2.2% | 7% or more | 7% or more |

*Initial plan was announced on May 31, 2010.

[Attachment 1] An ultimate one platform, two brands structure — Main differences with the plan announced in May 2010

| | Initial plan announced in May 2010 | Revised plan |
|---|---|---|
| Business strategies and various other measures of the two P&C insurance companies | Share information and the two P&C insurance companies' expertise, etc. | Standardize or harmonize business strategies and various measures |
| Standardize functions of Head Office and business bases | (1) Two P&C insurance companies<br>- Not applicable<br>(2) Joint use of certain call centers | (1) Two P&C insurance companies<br>- Joint Head Office from FY2012 (standardize Head Office functions)<br>- Co-locate sales bases by the end of FY2012<br>- Standardize sales operations and co-locate claim office bases by the end of FY2013<br>- Standardize claim office operations by the end of FY2014<br>(2) Integrate call center functions |
| Systems integration | (1) Product and administration systems<br>- Integrate systems for automobile and fire insurance by October 2012 and for other insurance lines by April 2014 | Integrate systems in all fields by April 2014<br>(1) Product and administration systems<br>- Integrate systems for all insurance lines<br>(2) Other systems<br>- Integrate all systems, including insurance payment systems, as well as personnel and accounting systems, etc. |
| Personnel | Not applicable | (1) Joint recruitment of April 2014 new entrants and onwards<br>(2) Jointly implement strategic human resources utilization, including seconding personnel within and outside the Group |
| Promotion framework for domestic life insurance business, overseas insurance business and financial and other services | Share information and expertise of the two P&C insurance companies, etc. | - Enhance the promotion and support framework by integrating Head Office functions of the two P&C insurance companies (by April 2012)<br>- Major initiatives to accelerate each business domain<br>a. Enhance sales efficiency of domestic life insurance<br>b. Unify functions for exploring overseas M&As, and integrate overseas bases, in principle, by the end of FY2013<br>c. Unify functions of exploring new domestic business |

[Attachment 2] Revised numerical targets of NKSJ Group

(Billions of Yen)

| | | | FY2010(A) | FY2011(E) | FY2015(Target) |
|---|---|---|---|---|---|
| Domestic P&C insurance | Net premiums written | | 1,877.3 | 1,903.1 | 1,984 |
| | | Excl. CALI*[1] | 1,636.2 | 1,649.1 | 1,692 |
| | Loss ratio | | 71.5% | 77.6% | 65.3% |
| | | Excl. CALI/Fin. guarantee | 64.5% | 74.3% | 62.4% |
| | Expense ratio | | 34.4% | 33.8% | 30.6% |
| | | Excl. CALI | 35.6% | 35.4% | 32.4% |
| | Combined ratio | | 105.9% | 111.5% | 95.8% |
| | | Excl. CALI/Fin. guarantee | 100.1% | 109.7% | 94.8% |
| | Adjusted profit | | 21.3 | 10.1 | 81 |
| Domestic life insurance | Increase in adjusted EV | | 59.8 | 30.0 | 55 |
| Overseas insurance | Net income as reported in financial statements | | 2.4 | 5.4 | 20 |
| Financial and other services | Net income as reported in financial statements | | -2.7 | -4.2 | 4 |
| Group total | Adjusted consolidated profit | | 80.7 | 41.2 | 160 |

| | | | |
|---|---|---|---|
| Adjusted consolidated ROE | 4.2% | 2.2% | 7% or more |

*1 CALI: Compulsory automobile liability insurance

Definition of business, calculation of adjusted profit, and calculation of adjusted consolidated ROE are as follows.

<Definition of business>

- Domestic P&C insurance: Sum of Sompo Japan and Nipponkoa (non-consolidated)
- Domestic life insurance: NKSJ Himawari Life (non-consolidated)
  (sum of Sompo Japan Himawari Life and Nipponkoa Life until the end of September 2011)
- Overseas insurance: Overseas subsidiaries of Sompo Japan and Nipponkoa
- Financial and other services: Saison Automobile and Fire, Sonpo 24, Sompo Japan DIY, financial services, healthcare, etc.

<Calculation of adjusted profit>

- Domestic P&C insurance
  Net income + provisions to catastrophic loss reserve (after tax) + provisions to price fluctuation reserve (after tax) - gains/losses on securities sales and securities impairment losses (after tax) - extraordinary items
- Domestic life insurance
  Growth in embedded value (EV) net of capital account transactions - changes in EV attributable to interest rate movements
- Overseas, financial and other services
  Net income as reported in financial statements

<Calculation of adjusted consolidated ROE>

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

*All values in the denominator are the average of the fiscal-year opening and closing balances