

[English Translation]

January 27, 2012

Corporate Name: NKSJ Holdings, Inc.  
Name of the Representative: Makoto Hyodo,  
Chairman and CEO  
Name of the Representative: Masatoshi Sato,  
President and CEO  
(Securities Code: 8630 TSE, OSE)

### **Measures to Accelerate Group Strategy and to Improve Business Performance**

NKSJ Holdings, Inc. (“The Company”) today announced the downward revision of forecasts of consolidated financial results for the fiscal year ending March 31, 2012.

Although the revision of forecasts is mainly due to natural disasters, management of the Company has established a policy of making a collective effort to advance to the NKSJ Group’s next stage of growth, while reaffirming a shared sense of urgency with respect to changes it faces in the challenging business environment. The Company hereby announces the “Measures to Accelerate Group Strategy and to Improve Business Performance,” including changes in the Company’s management and governance structure.

In the announcement of its new management plan on September 21, 2011, the Company described its Group strategy as follows: “In view of changes in the surrounding operating environment, the Company will work under the newly revised management plan 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 enhancing profitability. The Company aims to win the support of all its stakeholders and take Group-wide initiatives to **establish a new company which can compete effectively on the global stage.**” The Company will now strive to further accelerate the implementation of this Group strategy.

## 1. Business environment

### <1> Downward revision of forecasts of consolidated financial results

Outline of the downward revision of forecasts of consolidated financial results for the fiscal year ending March 31, 2012, which the Company released today, is as follows.

\* Please refer to [Attachment 1](#) “Revision of Forecasts of Consolidated Financial Results for the Fiscal Year ending March 31, 2012” issued on January 27, 2012. In addition, [Attachment 2](#) “Impairment Losses on Securities for the three months ended December 31, 2011” is released on the same date.

#### (1) Outline of the revision of forecasts of full fiscal 2011 consolidated financial results

	(Billions of yen)		
	Ordinary income	Ordinary profit	Net income
Previous forecasts (A)	2,802.0	3.0	(12.0)
Revised forecasts (B)	2,808.0	(45.0)	(100.0)
Net change (B-A)	6.0	(48.0)	(88.0)

#### (2) Reasons for the revision

The following two factors are the major reasons for the revision.

##### (i) Increase of incurred losses from the flooding in Thailand

The forecast for incurred losses from the flooding in Thailand is increased from the previous forecast, to an estimated 100 billion yen, because of progress with our loss surveys.

##### (ii) A reversal of deferred tax assets generated as a result of newly promulgated laws related to reduction of the corporate income tax rate in Japan

A reversal of deferred tax assets of around 38 billion yen is expected.

### <2> Dividend policy

As shown above, the Company is forecasting a net loss for the fiscal year ending March 31, 2012. However, the Company expects to maintain a sound financial position. Given that the Company will improve its profitability over the medium and long terms by achieving the new management plan's goals, the Company plans to pay an annual dividend per share of ¥80.

### <3> Outlook

The Company has reduced its full-year consolidated business forecasts for the fiscal year ending March 31, 2012, mainly because of natural disasters. However, the Company recognizes that its business environment remains challenging on the whole. Against this backdrop, the Company will strive to rapidly revive its earnings to ensure that it achieves the numerical targets set forth in the new management plan. To this end, the Company will accelerate its Group strategy and execute measures to improve business performance as described in the following section.

## 2. Measures to Accelerate Group Strategy and to Improve Business Performance

### <Outline of Measures>

#### <1> Raise the efficiency of the domestic P&C insurance business

Accelerate discussions about “establishing a new company which can compete effectively on the global stage” by setting up the “Exploratory Committee for Establishing a New Company”. Conclusions of the committee will be announced by the end of March 2012.

#### <2> Accelerate growth in the domestic life insurance business, overseas insurance business, and financial and other services

(i) Entry of the NKSJ Group into the assistance services business through the establishment of a joint venture in April 2012

(ii) Newly establish unified organizations combining the functions of two P&C insurance companies, with the aim of promoting and supporting these business lines

#### <3> Change of management and governance structure

The Company will change the management and governance structure, as the role of the Company advances to the next stage. (“Change of representative directors” and “Abolishment of Co-CEO system and the position of CEO”)

#### <1> Raise the efficiency of the domestic P&C insurance business

##### (1) Establish “Exploratory Committee for Establishing a New Company”

The Company will establish an exploratory committee for “establishing a new company” in the domestic P&C insurance business, as announced in the new management plan. The Company will finalize and announce details by the end of March 2012.

### <Outline of the Exploratory Committee for Establishing a New Company>

#### (i) Purpose

The committee will discuss specific details for establishing a new company combining the NKSJ Group’s two core companies, Sompo Japan Insurance Inc. and Nipponkoa Insurance Co., Ltd. (hereinafter, the “two P&C insurance companies.”)

#### (ii) Items for discussion

After clarifying the objectives for the new company, the committee will determine specific details, such as the date of establishment, organizational realignment, and corporate governance structure by the end of March 2012.

#### (iii) Committee chair

Masaya Futamiya (Director of the Company, Representative Director, President of Nipponkoa)

Kengo Sakurada (Director of the Company, Representative Director, President of Sompo Japan) who will become the President of the Company on April 1, 2012 as shown in item “<3>” below, will participate in the committee from the standpoint of achieving optimization of the Group.

(2) Accelerate current measures

To ensure steady execution of the new management plan, the Company is working to “Standardize and unify business strategies and various measures” and “Share the business platform” of the two P&C insurance companies under the Management Plan Promotion Committee established in October 2011 and co-chaired by the presidents of the two P&C insurance companies. However, without waiting for the pending decisions set forth in the foregoing item (1), the Company will now further accelerate these measures with the aim of maximizing integration synergies at the earliest opportunity.

<2> Accelerate growth in the domestic P&C insurance business, the overseas insurance business and financial and other services

(1) Enter the assistance services business

The Company has decided to enter the assistance services business through the establishment in April 2012 of a joint venture with Prestige International Inc., Japan’s largest private-sector assistance services company. Going forward, the Company will consider the assistance services business to be central to the NKSJ Group’s new service business. By providing products and services that meet customers’ needs quickly and precisely without hindered by the restrictions of the insurance business, the Company aims to improve its corporate value.

\* Please refer to [Attachment 3](#), “Notice Regarding Entry into the Assistance Services Business” issued on January 27, 2012.

(2) Newly establish unified organizations for promoting Group-wide business

Under the new management plan, 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 other measures. These steps will further refine the business integration model.

Life Insurance Business Promotion Department was established in December 2011 as a promotion and support function for the domestic life insurance business. In addition to this department, the Company will establish the following three organizations:

Name of Organization	Primary Roles
Global Business Planning Department (from March 1, 2012)	Examine overseas M&A opportunities, and provide support, business promotion, administration and other functions to overseas Group companies
Marketing & Contact Center Planning Department (from March 1, 2012)	Develop and commercialize new projects in Japan, administer call centers and perform other duties
Group Business Planning Department (from April 1, 2012)	Provide support, business promotion, administration and other functions to the domestic Group companies of the two P&C insurance companies.

### <3> Change of management and governance structure of the Company

It is imperative for the Company to swiftly and boldly decide on and execute sweeping measures to achieve the new management plan in order to reinvigorate its business performance and corporate value toward a sustainable growth.

Meanwhile, during the two years since the establishment of the NKSJ Group, business integration among the Group has been evolved and the Company's management scope has been expanded. Notably, the Company has formulated a new business integration model in the domestic P&C insurance business and created a core company in domestic life insurance business, NKSJ Himawari Life Insurance, Inc. Accordingly, the Company will enter a new stage in the fiscal year ending March 31, 2013.

Considering such circumstances, from the next fiscal year, the Company has decided to entrust its management to the Presidents of the two P&C insurance companies who play key roles in implementing the new management plan. In so doing, the Company aims at steady achievement of the Group's new management plan by swift and bold decision, direction, execution and monitoring of measures in an integrated manner.

\*Please refer to [Attachment 4](#) "Announcement of Change of Representative Directors" issued on January 27, 2012.

#### (1) Change of Representative Directors

	(New Position)	(Name)	(Former Position)	(Date of Change)
(Newly nominated)	Representative Director Chairman and Executive Officer	Masaya Futamiya	Director	April 1, 2012
(Newly nominated)	Representative Director President and Executive Officer	Kengo Sakurada	Director	April 1, 2012
	Director	Makoto Hyodo	Representative Director Chairman and CEO	March 31, 2012
	Director	Masatoshi Sato	Representative Director President and CEO	March 31, 2012

#### (2) Abolishment of the Co-CEO system and the position of CEO

With the change of representative directors shown in the foregoing item (1), the Company will also abolish the Co-CEO system and the position of CEO as of March 31, 2012.

(end)

January 27, 2012

Corporate Name: NKSJ Holdings, Inc.  
 Representative Directors: Makoto Hyodo, Chairman & CEO  
 Masatoshi Sato, President & CEO  
 Securities Code: 8630, TSE, OSE

### Revision of Forecasts of Consolidated Financial Results for the Fiscal Year ending March 31, 2012

NKSJ Holdings, Inc. (the "NKSJ") revises forecasts of consolidated financial results for the fiscal year ending March 31, 2012 disclosed on November 18, 2011.

1. Revised forecasts of consolidated financial results for the fiscal year ending March 31, 2012 (April 1, 2011 to March 31, 2012)

(Billions of yen)

	Ordinary income	Ordinary profit	Net income	Net income per share (*)
Previous forecasts (A)	2,802.0	3.0	(12.0)	(28.91) yen
Revised forecasts (B)	2,808.0	(45.0)	(100.0)	(240.92) yen
Net change (B-A)	6.0	(48.0)	(88.0)	
Rate of change (%)	0.2	-	-	
(Reference) Results for the previous fiscal year	2,621.6	(6.4)	(12.9)	(31.11) yen

Note) \*NKSJ carried out a reverse split of stocks to combine common stocks at a ratio of four shares to one share as of October 1, 2011. Net income per share is calculated based on the assumption that the reverse split of stocks was executed at the beginning of the fiscal year ended March 31, 2011.

2. Reasons for the revision

The forecasts regarding ordinary profit and net income for the fiscal year ending March 31, 2012 are revised downward mainly due to the following reasons:

The forecast for incurred losses (\*) from the flood in the Kingdom of Thailand is increased from the previous forecast, to an estimated 100.0 billion yen, because of progress with our loss surveys.

A reversal of deferred tax assets of around 38.0 billion yen is expected to be generated as a result of newly promulgated laws related to reduction of the corporate income tax rate in Japan.

There is no change on the dividends forecasts for the year ending March 31, 2012 (80 yen per share).

Note) \*The incurred losses are the amount remaining after deduction of an estimated recoverable amount from ceded reinsurance.

(Reference) Revised forecasts of non-consolidated financial results for the fiscal year ending March 31, 2012

Sompo Japan Insurance Inc.

(Billions of yen)

	Net premiums written	Ordinary profit	Net income
Previous forecasts (A)	1,281.0	34.0	15.0
Revised forecasts (B)	1,281.0	15.0	(37.9)
Net change (B-A)	-	(19.0)	(52.9)
Rate of change (%)	-	(55.9)	-
Results for the previous fiscal year	1,256.6	20.5	12.1

NIPPONKOA Insurance Co., Ltd.

(Billions of yen)

	Net premiums written	Ordinary profit	Net income
Previous forecasts (A)	624.0	12.5	6.0
Revised forecasts (B)	624.0	6.0	(16.5)
Net change (B-A)	-	(6.5)	(22.5)
Rate of change (%)	-	(52.0)	-
Results for the previous fiscal year	620.6	(0.3)	(6.4)

(Note for using forecasted information)

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.

January 27, 2012

Corporate Name: NKSJ Holdings, Inc.  
 Representative Directors: Makoto Hyodo, Chairman & CEO  
 Masatoshi Sato, President & CEO  
 Securities Code: 8630, TSE, OSE

### Impairment Losses on Securities for the three months ended December 31, 2011

NKSJ Holdings, Inc. (the "NKSJ") hereby announces the amount of impairment losses on securities for the three months ended December 31, 2011 is estimated as set forth below.

#### 1. Impairment losses on securities for the three months ended December 31, 2011

		(Billions of yen)	
	Consolidated basis	Sompo Japan (Non-consolidated basis)	NIPPONKOA (Non-consolidated basis)
(A) Amount of impairment losses on securities for the three months ended December 31, 2011 (from October 1, 2011 to December 31, 2011) (= a-b)	45.1	18.2	2.6
(a) Amount of impairment losses on securities for the nine months ended December 31, 2011 (from April 1, 2011 to December 31, 2011) (*4)	110.8	45.5	3.6
(b) Amount of impairment losses on securities for the six months ended September 30, 2011 (from April 1, 2011 to September 30, 2011)	65.6	27.3	1.0

#### Notes)

- \*1. Securities are evaluated for quarterly results by adding back the credited reserve amount in full to the income in the following period.
- \*2. Fiscal year of NKSJ ends on March 31.
- \*3. NKSJ recognizes impairment losses on securities which have determinable fair value if fair value declines by 30% or more from its book value at the end of the period.
- \*4. The impairment losses on securities include 60.1 billion yen recorded on consolidated financial statements arising from the adjustment under the purchase method of accounting for business combination.

#### Percentage of impairment losses on securities to net assets, ordinary profit and net income

		(Billions of yen)
		Consolidated basis
(B) Net assets as of March 31, 2011		1,079.4
(A/B×100)		4.2%
(a/B×100)		10.3%
(C) 2% of sales amount for the fiscal year ended March 31, 2011 (*)		52.4
(A/C×100)		86.2%
(a/C×100)		211.4%
(D) 1% of sales amount for the fiscal year ended March 31, 2011 (*)		26.2
(A/D×100)		172.3%
(a/D×100)		422.8%

Note) \*The special exception under the disclosure criteria is adopted, as ordinary profit was below 2% of sales amount (ordinary income) and net income was below 1% of sales amount (ordinary income) for the fiscal year ended March 31, 2011.

## 2. Outlook

Concerning forecasts of consolidated financial results for the fiscal year ending March 31, 2012 (April 1, 2011 to March 31, 2012), please refer to “Revision of Forecasts of Consolidated Financial Results for the Fiscal Year ending March 31, 2012” NKSJ Holdings, Inc. released on the same day as this announcement.

(Note for using forecasted information)

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.

[English Translation]

January 27, 2012

Corporate Name: NKSJ Holdings, Inc.  
Name of the Representative: Makoto Hyodo,  
Chairman and CEO  
Name of the Representative: Masatoshi Sato,  
President and CEO  
(Securities Code: 8630 TSE, OSE)

### **Notice Regarding Entry into the Assistance Services Business**

NKSJ Holdings, Inc. (“The Company”, President: Masatoshi Sato) announced today a decision to enter the assistance services business. The Company will establish a joint venture with Prestige International Inc. (“Prestige International”, President: Shinichi Tamagami), Japan’s largest private-sector assistance services company.

#### **1. Objective for Entering the Assistance Services Business**

The assistance business is highly compatible with NKSJ Group’s core business of Property & Casualty (P&C) insurance. It involves arranging for vehicle towing and repair services on behalf of customers of insurance and other companies when they require emergency repair or have trouble.

The Company’s goal in entering the assistance business is to provide a wide range of high-quality assistance services to improve the NKSJ Group’s insurance products and meet customer needs, using the expertise and infrastructure of Prestige International.

To this end, the two companies will establish a joint venture, and plan to begin roadside assistance operations for automobile insurance policyholders at Sompo Japan Insurance Inc. and Nipponkoa Insurance Co., Ltd. from October 2012.

The joint venture is also examining options for expanding assistance operations to other areas outside of roadside assistance in the future. It aims to provide comprehensive assistance functions by enhancing accident response services for customers in the P&C insurance business and expanding the ways in which it adds value.

The Company considers the assistance services business to be central to the NKSJ Group’s new service business. By providing products and services that meet customers’ needs quickly and precisely without being hindered by the restrictions of the insurance business, the Company aims to improve its corporate value.

## 2. Outline of the Joint Venture

### (1) Company Name

Prime Assistance Inc.

### (2) Head Office

Tokyo

### (3) Date of Establishment

April 2, 2012

\*Assuming that the relevant authorities will grant approval, operations are planned to start in October 2012.

### (4) Main Business Activity

Roadside assistance business

\*Expansion into home assistance, business process outsourcing for call centers for extended guarantee systems, and other options are being considered for the future.

(Business process outsourcing involves entrusting in-house business processes to outside companies.)

### (5) Paid-in Capital

¥450 million

### (6) Shareholder composition and holding

Shareholder	Holding
NKSJ Holdings, Inc.	66.6%
Prestige International Inc.	33.4%

## 3. Outlook

The impact of establishing the joint venture on the Company's consolidated financial results for the fiscal year ending March 31, 2012 will be negligible.

(end)

(Reference) Overview of Joint Venture Partner (As of March 31, 2011)

Company Name	NKSJ Holdings, Inc.	Prestige International Inc.
Head Office Location	26-1, Nishi-Shinjuku 1-chome, Shinjuku-ku, Tokyo	1-4 Kojimachi, Chiyoda-ku, Tokyo
Business Activities	Management of P&C insurance companies, life insurance companies, and other companies controlled as subsidiaries pursuant to the Insurance Business Law, and other operations incidental thereto.	Business Process Outsourcing Service - Roadside Assistance - Insurance - CRM (Customer Relationship Management) - Card - Property Assistance - IT - Temporary Workers / Others
Paid-in Capital	¥100 billion	¥986.47 million
Date of Establishment	April 1, 2010	October 30, 1986
End of Business Year	March	March
Number of Consolidated Employees	34,203	1,629

[English Translation]

January 27, 2012

Corporate Name: NKSJ Holdings, Inc.  
 Name of the Representative: Makoto Hyodo,  
 Chairman and CEO  
 Name of the Representative: Masatoshi Sato,  
 President and CEO  
 (Securities Code: 8630 TSE, OSE)

### **Announcement of Change of Representative Directors**

NKSJ Holdings, Inc. (“the Company”) hereby announces the change of Representative Directors as set forth below in accordance with a resolution passed by the Board of Directors at the meeting held on January 27, 2012.

#### **Name and Position of Former and New Representative Directors**

	(New Position)	(Name)	(Former Position)	(Date of Change)
(Newly nominated)	Representative Director Chairman and Executive Officer	Masaya Futamiya	Director	April 1, 2012
(Newly nominated)	Representative Director President and Executive Officer	Kengo Sakurada	Director	April 1, 2012
	Director	Makoto Hyodo	Representative Director Chairman and CEO	March 31, 2012
	Director	Masatoshi Sato	Representative Director President and CEO	March 31, 2012

Profiles of the new representative directors are shown in the attached paper.

(end)

## Profiles of New Representative Directors

Name: Masaya Futamiya

Date of Birth: February 25, 1952

Summarized Resume:

April, 1974	Entered The Nippon Fire & Marine Insurance Co., Ltd. (currently Nipponkoa Insurance Co., Ltd. (“Nipponkoa”))
June, 1998	General Manager of Secretariat Office
April, 2001	General Manager of Secretariat Office of Nipponkoa
April, 2002	General Manager of Chief Executive Office and IR Office
June, 2003	Executive Officer and General Manager of Chief Executive Office and IR Office
April, 2004	Executive Officer and General Manager of Chief Executive Office and Customer Relationship Planning Dept.
June, 2004	Managing Executive Officer
June, 2005	Director and Managing Executive Officer
June, 2009	Representative Director and Senior Managing Executive Officer
June, 2011	Representative Director, President and CEO of Nipponkoa (current position) Director of the Company (current position)

Number of Shares of the Company Owned: 8,025 shares

Name: Kengo Sakurada

Date of Birth: Feb. 11, 1956

Summarized Resume:

April, 1978	Entered The Yasuda Fire & Marine Insurance Co., Ltd. (currently Sompo Japan Insurance Inc. (“Sompo Japan”))
December, 2000	General Manager of Consolidated Planning Department
April, 2001	General Manager of Consolidated Planning Department and DAI-ICHI LIFE Office Integration Planning Department
April, 2002	General Manager of Business Strategy Planning Department
June, 2002	General Manager of Corporate Planning Department
July, 2005	Executive Officer, General Manager of Financial Institutions Department
April, 2007	Managing Executive Officer
June, 2007	Director, Managing Executive Officer
April, 2010	Director, Managing Executive Officer of the Company
July, 2010	Director, Executive Officer of the Company Representative Director, President and CEO of Sompo Japan (current position)
June, 2011	Director of the Company (current position)

Number of Shares of the Company Owned: 6,341 shares