

UNOFFICIAL TRANSLATION

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Summary of
Quarterly Consolidated Financial Results
for the nine months ended December 31, 2012
Supplementary Information

February 14, 2013

NKSJ Holdings, Inc.

(Stock code number : 8630)

Summary of Consolidated Financial Results for the nine months ended December 31, 2012

Supplementary Information Contents

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Overview of Business Results of Principal Consolidated Subsidiaries

Sompo Japan Insurance Inc. (Non-consolidated)

Quarterly Balance Sheets

	As of March 31, 2012	As of December 31, 2012	(Millions of yen) Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits	85,164	57,469	(27,694)
Call loans	66,300	72,000	5,700
Receivables under resale agreements	60,486	63,988	3,502
Monetary receivables bought	27,215	23,615	(3,599)
Money trusts	280	8,155	7,874
Securities	3,104,476	3,059,899	(44,577)
Loans	422,163	414,452	(7,710)
Tangible fixed assets	208,055	205,995	(2,060)
Intangible fixed assets	86	86	(0)
Other assets	458,486	382,792	(75,694)
Deferred tax assets	149,862	143,090	(6,771)
Customers' liabilities for acceptances and guarantees	29,370	31,020	1,650
Allowance for possible credit losses	(3,152)	(2,830)	321
Allowance for possible investment losses	(8,202)	(8,322)	(119)
Total assets	4,600,592	4,451,412	(149,180)
Liabilities:			
Underwriting funds:	3,459,994	3,385,027	(74,966)
Reserve for outstanding losses and claims	620,037	615,773	(4,264)
Underwriting reserves	2,839,957	2,769,254	(70,702)
Corporate bonds	128,000	128,000	—
Other liabilities	296,255	202,992	(93,262)
Reserve for retirement benefits	79,511	84,004	4,492
Reserve for bonus payments	14,316	4,954	(9,362)
Reserve for bonus payments to directors	101	—	(101)
Reserves under the special laws:	14,436	15,666	1,230
Reserve for price fluctuation	14,436	15,666	1,230
Acceptances and guarantees	29,370	31,020	1,650
Total liabilities	4,021,985	3,851,665	(170,320)
Net assets:			
Shareholders' equity:			
Common stock	70,000	70,000	—
Capital surplus	24,229	24,229	—
Retained earnings	166,424	172,159	5,735
Total shareholders' equity	260,654	266,389	5,735
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	317,953	333,357	15,404
Total valuation and translation adjustments	317,953	333,357	15,404
Total net assets	578,607	599,747	21,139
Total liabilities and net assets	4,600,592	4,451,412	(149,180)

Sampo Japan Insurance Inc. (Non-consolidated)

Quarterly Statements of Income

(Millions of yen)

	Nine months ended December 31, 2011 (April 1 to December 31, 2011)	Nine months ended December 31, 2012 (April 1 to December 31, 2012)	Increase (Decrease)	Rate of change
	Amount	Amount		
Ordinary income:	1,275,284	1,251,624	(23,660)	(1.9) %
Underwriting income:	1,209,979	1,179,084	(30,895)	(2.6)
Net premiums written	963,367	994,341	30,973	3.2
Deposits of premiums by policyholders	92,604	81,263	(11,340)	(12.2)
Interest and dividend income on deposits of premiums, etc.	28,274	25,744	(2,529)	(8.9)
Reversal of reserve for outstanding losses and claims	—	4,264	4,264	—
Reversal of underwriting reserves	124,325	70,702	53,623	(43.1)
Investment income:	61,520	68,469	6,948	11.3
Interest and dividend income	60,088	55,956	(4,131)	(6.9)
Investment gains on money trusts	0	110	110	30,359.7
Investment gains on trading securities	6	13	6	105.4
Gains on sales of securities	25,444	37,968	12,523	49.2
Transfer of interest and dividend income on deposits of premiums, etc.	(28,274)	(25,744)	2,529	—
Other ordinary income	3,783	4,070	286	7.6
Ordinary expenses:	1,298,475	1,234,041	(64,433)	(5.0)
Underwriting expenses:	1,071,446	1,027,801	(43,645)	(4.1)
Net claims paid	700,100	634,235	(65,865)	(9.4)
Loss adjustment expenses	68,182	66,112	2,069	(3.0)
Net commissions and brokerage fees	165,168	170,386	5,217	3.2
Maturity refunds to policyholders	131,584	154,978	23,394	17.8
Provision for reserve for outstanding losses and claims	3,382	—	(3,382)	(100.0)
Investment expenses:	58,557	37,522	(21,035)	(35.9)
Losses on sales of securities	3,342	679	(2,662)	(79.7)
Impairment losses on securities	45,586	28,133	(17,452)	(38.3)
Operating, general and administrative expenses	162,129	162,770	641	0.4
Other ordinary expenses:	6,342	5,948	(393)	(6.2)
Interest paid	5,555	5,515	(40)	(0.7)
Ordinary profit (loss)	(23,191)	17,582	40,773	—
Extraordinary gains:	13,697	74	(13,623)	(99.5)
Gains on disposal of fixed assets	435	74	(360)	(82.9)
Reversal of reserves under the special laws:	13,262	—	(13,262)	(100.0)
Reversal of reserve for price fluctuation	13,262	—	(13,262)	(100.0)
Extraordinary losses:	573	9,129	8,556	1,492.7
Losses on disposal of fixed assets	213	169	(44)	(20.8)
Impairment losses	359	302	(57)	(16.0)
Provision for reserves under the special laws:	—	1,230	1,230	—
Provision for reserve for price fluctuation	—	1,230	1,230	—
Other extraordinary losses	—	7,427	7,427	—
Income (loss) before income taxes	(10,066)	8,526	18,593	—
Income taxes and deferred income taxes	43,067	2,790	(40,276)	(93.5)
Net income (loss)	(53,133)	5,735	58,869	—
Underwriting result:				
Net premiums written (+)	963,367	994,341	30,973	3.2
Net claims paid (—)	700,100	634,235	(65,865)	(9.4)
Loss adjustment expenses (—)	68,182	66,112	(2,069)	(3.0)
Operating expenses: (—)	318,395	326,013	7,617	2.4
Net commissions and brokerage fees	165,168	170,386	5,217	3.2
Operating, general and administrative expenses related to underwriting	153,227	155,627	2,399	1.6
Underwriting result	(123,311)	(32,020)	91,291	—
Underwriting profit (loss)	(26,996)	(5,568)	21,427	—
Ratios:				
Net loss ratio (%)	79.7	70.4	(9.3)	
Net expense ratio (%)	33.1	32.8	(0.3)	
Underwriting result ratio (%)	(12.8)	(3.2)	9.6	

Sampo Japan Insurance Inc. (Non-consolidated)

Premiums Written and Claims Paid by Business Lines

Direct premiums written (excluding deposits of premiums by policyholders)

(Millions of yen)

Business line	Nine months ended December 31, 2011 (April 1 to December 31, 2011)			Nine months ended December 31, 2012 (April 1 to December 31, 2012)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	137,424	13.4 %	3.8 %	144,783	13.7 %	5.4 %
Marine insurance	23,537	2.3	0.3	23,886	2.3	1.5
Personal accident insurance	100,866	9.8	2.9	101,850	9.6	1.0
Voluntary automobile insurance	481,710	46.8	0.2	491,992	46.5	2.1
Compulsory automobile liability insurance	146,335	14.2	10.5	149,815	14.2	2.4
Others	139,463	13.5	0.3	145,868	13.8	4.6
Total	1,029,337	100.0	2.3	1,058,197	100.0	2.8
Deposits of premiums by policyholders	92,604	—	2.2	81,263	—	(12.2)

Net premiums written

(Millions of yen)

Business line	Nine months ended December 31, 2011 (April 1 to December 31, 2011)			Nine months ended December 31, 2012 (April 1 to December 31, 2012)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	109,650	11.4 %	3.0 %	118,077	11.9 %	7.7 %
Marine insurance	18,575	1.9	(2.7)	19,203	1.9	3.4
Personal accident insurance	99,637	10.3	2.2	100,758	10.1	1.1
Voluntary automobile insurance	482,867	50.1	0.4	493,537	49.6	2.2
Compulsory automobile liability insurance	131,461	13.6	4.4	141,902	14.3	7.9
Others	121,174	12.6	(1.7)	120,861	12.2	(0.3)
Total	963,367	100.0	1.1	994,341	100.0	3.2

Net claims paid

(Millions of yen)

Business line	Nine months ended December 31, 2011 (April 1 to December 31, 2011)			Nine months ended December 31, 2012 (April 1 to December 31, 2012)		
	Amount	Rate of change	Net loss ratio	Amount	Rate of change	Net loss ratio
Fire and allied insurance	156,285	275.8 %	146.1 %	87,690	(43.9) %	76.7 %
Marine insurance	12,931	18.8	74.1	11,452	(11.4)	63.5
Personal accident insurance	53,280	3.3	58.4	54,200	1.7	58.9
Voluntary automobile insurance	298,416	1.7	70.9	302,977	1.5	70.0
Compulsory automobile liability insurance	119,548	1.3	98.3	119,686	0.1	91.5
Others	59,638	(36.4)	53.4	58,228	(2.4)	52.2
Total	700,100	14.9	79.7	634,235	(9.4)	70.4

Sampo Japan Insurance Inc. (Non-consolidated)

Solvency Margin Ratio (Non-consolidated)

	(Millions of yen)	
	As of March 31, 2012	As of December 31, 2012
(A) Total Solvency Margin (Non-consolidated)	1,213,539	1,209,756
Capital and funds, etc.	260,654	265,377
Reserve for price fluctuation	14,436	15,666
Contingency reserve	611	611
Catastrophic loss reserve	389,766	374,298
General allowance for possible credit losses	286	215
Unrealized gains and losses on securities (before tax effect deductions)	414,934	433,329
Unrealized gains and losses on land	24,062	22,336
Excess amount of reserve for maturity refunds	—	—
Subordinated debt, etc.	128,000	128,000
Excess amount of reserve for maturity refunds and subordinated debt, etc. which are excluded from total solvency margin	—	—
Deductions	79,975	92,868
Others	60,763	62,787
(B) Total Risks (Non-consolidated)	482,931	442,753
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$		
Underwriting risk (R_1)	108,974	109,229
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_2)	—	—
Guaranteed interest rate risk (R_3)	17,763	17,543
Investment risk (R_4)	279,213	259,643
Business management risk (R_5)	11,226	10,416
Major catastrophe risk (R_6)	155,365	134,404
(C) Solvency Margin Ratio (Non-consolidated)		
$[(A) / \{(B) \times 1/2\}] \times 100$	502.5 %	546.4 %

Note) The above figures are calculated based on the provisions of Articles 86 and 87 of the Ordinance for Enforcement of the Insurance Business Act and Public Notice No. 50 of the Ministry of Finance (1996). The figures as of December 31, 2012 are partly calculated on the simplified method, for example, some bases for the major catastrophe risk calculation are deemed same as the figures as of September 30, 2012.

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

Quarterly Balance Sheets

	As of March 31, 2012	As of December 31, 2012	(Millions of yen) Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits	119,708	121,412	1,704
Call loans	10,000	35,000	25,000
Monetary receivables bought	1,737	478	(1,259)
Money trusts	35,455	26,537	(8,918)
Securities	1,604,942	1,536,997	(67,944)
Loans	196,512	192,179	(4,332)
Tangible fixed assets	125,359	123,035	(2,323)
Intangible fixed assets	526	514	(11)
Other assets	170,892	138,997	(31,895)
Deferred tax assets	74,489	73,220	(1,268)
Allowance for possible credit losses	(1,987)	(1,784)	202
Allowance for possible investment losses	(3)	—	3
Total assets	2,337,631	2,246,589	(91,042)
Liabilities:			
Underwriting funds:	1,844,117	1,753,377	(90,740)
Reserve for outstanding losses and claims	301,967	293,441	(8,525)
Underwriting reserves	1,542,150	1,459,935	(82,214)
Other liabilities	120,925	95,352	(25,572)
Reserve for retirement benefits	25,472	26,799	1,326
Reserve for bonus payments	6,228	1,692	(4,535)
Reserve for bonus payments to directors	18	—	(18)
Reserves under the special laws:	11,289	13,214	1,925
Reserve for price fluctuation	11,289	13,214	1,925
Total liabilities	2,008,051	1,890,436	(117,614)
Net assets:			
Shareholders' equity:			
Common stock	91,249	91,249	—
Capital surplus	21,702	21,702	—
Retained earnings	57,952	80,528	22,576
Total shareholders' equity	170,903	193,480	22,576
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	153,016	156,263	3,247
Deferred gains and losses on hedges	5,660	6,408	747
Total valuation and translation adjustments	158,677	162,672	3,995
Total net assets	329,580	356,152	26,571
Total liabilities and net assets	2,337,631	2,246,589	(91,042)

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

Quarterly Statements of Income

(Millions of yen)

	Nine months ended December 31, 2011 (April 1 to December 31, 2011)	Nine months ended December 31, 2012 (April 1 to December 31, 2012)	Increase (Decrease)	Rate of change
	Amount	Amount		
Ordinary income:	682,093	667,307	(14,785)	(2.2) %
Underwriting income:	641,509	617,607	(23,902)	(3.7)
Net premiums written	477,153	480,334	3,180	0.7
Deposits of premiums by policyholders	32,674	33,283	608	1.9
Interest and dividend income on deposits of premiums, etc.	14,215	13,063	(1,151)	(8.1)
Reversal of reserve for outstanding losses and claims	—	8,525	8,525	—
Reversal of underwriting reserves	117,453	82,214	(35,239)	(30.0)
Investment income:	39,423	48,769	9,345	23.7
Interest and dividend income	33,802	31,580	(2,222)	(6.6)
Investment gains on money trusts	0	304	304	3,042,739.9
Gains on sales of securities	19,277	25,537	6,259	32.5
Transfer of interest and dividend income on deposits of premiums, etc.	(14,215)	(13,063)	1,151	—
Other ordinary income	1,159	931	(228)	(19.7)
Ordinary expenses:	692,168	622,117	(70,050)	(10.1)
Underwriting expenses:	584,554	530,465	(54,088)	(9.3)
Net claims paid	380,331	326,897	(53,434)	(14.0)
Loss adjustment expenses	30,458	29,894	(563)	(1.9)
Net commissions and brokerage fees	81,314	84,060	2,745	3.4
Maturity refunds to policyholders	80,837	89,374	8,537	10.6
Provision for reserve for outstanding losses and claims	10,376	—	(10,376)	(100.0)
Investment expenses:	18,874	5,542	(13,332)	(70.6)
Investment losses on money trusts	830	106	(723)	(87.1)
Losses on sales of securities	10,285	2,243	(8,042)	(78.2)
Impairment losses on securities	3,643	2,121	(1,521)	(41.8)
Operating, general and administrative expenses	88,304	85,814	(2,489)	(2.8)
Other ordinary expenses:	434	294	(140)	(32.2)
Interest paid	22	35	13	59.3
Ordinary profit (loss)	(10,075)	45,189	55,265	—
Extraordinary gains:	1,296	173	(1,123)	(86.6)
Gains on disposal of fixed assets	329	173	(156)	(47.4)
Other extraordinary gains	967	—	(967)	(100.0)
Extraordinary losses:	2,397	11,515	9,117	380.3
Losses on disposal of fixed assets	160	91	(68)	(42.7)
Impairment losses	246	1,170	923	373.9
Provision for reserves under the special laws:	1,990	1,925	(64)	(3.2)
Provision for reserve for price fluctuation	1,990	1,925	(64)	(3.2)
Other extraordinary losses	—	8,327	8,327	—
Income (loss) before income taxes	(11,176)	33,847	45,024	—
Income taxes and deferred income taxes	14,108	11,271	(2,837)	(20.1)
Net income (loss)	(25,284)	22,576	47,861	—
Underwriting result:				
Net premiums written (+)	477,153	480,334	3,180	0.7
Net claims paid (-)	380,331	326,897	(53,434)	(14.0)
Loss adjustment expenses (-)	30,458	29,894	(563)	(1.9)
Operating expenses: (-)	165,192	166,303	1,110	0.7
Net commissions and brokerage fees	81,314	84,060	2,745	3.4
Operating, general and administrative expenses related to underwriting	83,877	82,242	(1,635)	(1.9)
Underwriting result	(98,828)	(42,761)	56,067	—
Underwriting profit (loss)	(33,021)	3,892	36,914	—
Ratios:				
Net loss ratio (%)	86.1	74.3	(11.8)	
Net expense ratio (%)	34.6	34.6	—	
Underwriting result ratio (%)	(20.7)	(8.9)	11.8	

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

Premiums Written and Claims Paid by Business Lines

Direct premiums written (excluding deposits of premiums by policyholders)

(Millions of yen)

Business line	Nine months ended December 31, 2011 (April 1 to December 31, 2011)			Nine months ended December 31, 2012 (April 1 to December 31, 2012)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	91,760	17.9 %	4.3 %	94,807	18.2 %	3.3 %
Marine insurance	11,008	2.2	(1.0)	10,523	2.0	(4.4)
Personal accident insurance	38,092	7.5	(0.3)	38,016	7.3	(0.2)
Voluntary automobile insurance	239,545	46.8	0.9	242,687	46.7	1.3
Compulsory automobile liability insurance	64,244	12.6	10.8	66,351	12.7	3.3
Others	66,286	13.0	0.3	68,432	13.1	3.2
Total	510,937	100.0	2.5	520,818	100.0	1.9
Deposits of premiums by policyholders	32,674	—	20.2	33,283	—	1.9

Net premiums written

(Millions of yen)

Business line	Nine months ended December 31, 2011 (April 1 to December 31, 2011)			Nine months ended December 31, 2012 (April 1 to December 31, 2012)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	67,653	14.2 %	1.3 %	62,748	13.1 %	(7.3) %
Marine insurance	10,187	2.1	(2.7)	9,907	2.1	(2.7)
Personal accident insurance	38,945	8.2	(0.0)	39,599	8.2	1.7
Voluntary automobile insurance	239,641	50.2	1.0	242,297	50.4	1.1
Compulsory automobile liability insurance	58,861	12.3	4.4	63,954	13.3	8.7
Others	61,865	13.0	(0.0)	61,827	12.9	(0.1)
Total	477,153	100.0	1.1	480,334	100.0	0.7

Net claims paid

(Millions of yen)

Business line	Nine months ended December 31, 2011 (April 1 to December 31, 2011)			Nine months ended December 31, 2012 (April 1 to December 31, 2012)		
	Amount	Rate of change	Net loss ratio	Amount	Rate of change	Net loss ratio
Fire and allied insurance	112,940	297.0 %	170.9 %	64,596	(42.8) %	107.0 %
Marine insurance	4,641	8.4	47.6	4,031	(13.2)	42.4
Personal accident insurance	21,791	(4.2)	60.9	20,190	(7.3)	55.4
Voluntary automobile insurance	153,399	(1.8)	71.9	150,779	(1.7)	69.7
Compulsory automobile liability insurance	54,988	1.3	99.5	54,706	(0.5)	92.4
Others	32,569	7.6	57.9	32,594	0.1	57.6
Total	380,331	28.4	86.1	326,897	(14.0)	74.3

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

Solvency Margin Ratio (Non-consolidated)

	(Millions of yen)	
	As of March 31, 2012	As of December 31, 2012
(A) Total Solvency Margin (Non-consolidated)	598,090	608,997
Capital and funds, etc.	170,903	193,480
Reserve for price fluctuation	11,289	13,214
Contingency reserve	10	9
Catastrophic loss reserve	208,934	180,595
General allowance for possible credit losses	51	36
Unrealized gains and losses on securities (before tax effect deductions)	194,583	198,364
Unrealized gains and losses on land	12,637	13,863
Excess amount of reserve for maturity refunds	—	—
Subordinated debt, etc.	—	—
Excess amount of reserve for maturity refunds and subordinated debt, etc. which are excluded from total solvency margin	—	—
Deductions	11,769	11,769
Others	11,450	21,202
(B) Total Risks (Non-consolidated)	254,066	245,369
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$		
Underwriting risk (R_1)	56,018	56,112
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_2)	1	0
Guaranteed interest rate risk (R_3)	9,872	9,680
Investment risk (R_4)	126,578	127,969
Business management risk (R_5)	5,863	5,695
Major catastrophe risk (R_6)	100,700	91,025
(C) Solvency Margin Ratio (Non-consolidated)	470.8 %	496.3 %
$[(A) / \{(B) \times 1/2\}] \times 100$		

Note) The above figures are calculated based on the provisions of Articles 86 and 87 of the Ordinance for Enforcement of the Insurance Business Act and Public Notice No. 50 of the Ministry of Finance (1996). The figures as of December 31, 2012 are partly calculated on the simplified method, for example, some bases for the major catastrophe risk calculation are deemed same as the figures as of September 30, 2012.

Sonpo 24 Insurance Company Limited (Non-consolidated)

Quarterly Balance Sheets

	As of March 31, 2012	As of December 31, 2012	(Millions of yen) Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits	1,752	1,812	59
Securities	16,966	17,132	165
Tangible fixed assets	133	136	3
Other assets	890	729	(161)
Total assets	19,743	19,810	67
Liabilities:			
Underwriting funds:	11,063	11,573	509
Reserve for outstanding losses and claims	3,751	3,892	140
Underwriting reserves	7,312	7,681	368
Other liabilities	1,829	1,278	(550)
Reserve for retirement benefits	131	152	20
Reserve for bonus payments	91	22	(68)
Reserves under the special laws:	26	29	2
Reserve for price fluctuation	26	29	2
Deferred tax liabilities	23	89	66
Total liabilities	13,166	13,145	(20)
Net assets:			
Shareholders' equity:			
Common stock	19,000	19,000	—
Capital surplus	19,000	19,000	—
Retained earnings	(31,475)	(31,537)	(61)
Total shareholders' equity	6,524	6,462	(61)
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	52	201	149
Total valuation and translation adjustments	52	201	149
Total net assets	6,577	6,664	87
Total liabilities and net assets	19,743	19,810	67

Sonpo 24 Insurance Company Limited (Non-consolidated)

Quarterly Statements of Income

(Millions of yen)

	Nine months ended December 31, 2011 (April 1 to December 31, 2011)	Nine months ended December 31, 2012 (April 1 to December 31, 2012)	Increase (Decrease)	Rate of change
	Amount	Amount		
Ordinary income:	8,933	9,804	871	9.8 %
Underwriting income:	8,822	9,725	903	10.2
Net premiums written	8,815	9,719	903	10.3
Interest and dividend income on deposits of premiums, etc.	6	5	(0)	(6.8)
Investment income:	110	78	(31)	(28.8)
Interest and dividend income	77	84	7	9.3
Gains on sales of securities	39	—	(39)	(100.0)
Transfer of interest and dividend income on deposits of premiums, etc.	(6)	(5)	0	—
Other ordinary income	0	0	0	17.7
Ordinary expenses:	9,606	9,860	253	2.6
Underwriting expenses:	7,510	7,652	142	1.9
Net claims paid	5,312	5,801	488	9.2
Loss adjustment expenses	669	685	15	2.4
Net commissions and brokerage fees	581	656	74	12.9
Provision for reserve for outstanding losses and claims	596	140	(455)	(76.4)
Provision for underwriting reserves	350	368	18	5.2
Investment expenses:	3	—	(3)	(100.0)
Losses on sales of securities	3	—	(3)	(100.0)
Operating, general and administrative expenses	2,092	2,205	112	5.4
Other ordinary expenses	0	2	1	1,341.4
Ordinary loss	(673)	(55)	617	—
Extraordinary losses:	3	2	(0)	(4.4)
Losses on disposal of fixed assets	0	0	(0)	(34.8)
Provision for reserves under the special laws:	2	2	0	4.2
Provision for reserve for price fluctuation	2	2	0	4.2
Loss before income taxes	(676)	(58)	617	—
Income taxes and deferred income taxes	2	2	—	—
Net loss	(679)	(61)	617	—
Underwriting result:				
Net premiums written (+)	8,815	9,719	903	10.3
Net claims paid (—)	5,312	5,801	488	9.2
Loss adjustment expenses (—)	669	685	15	2.4
Operating expenses: (—)	2,670	2,859	188	7.1
Net commissions and brokerage fees	581	656	74	12.9
Operating, general and administrative expenses related to underwriting	2,089	2,203	113	5.5
Underwriting result	162	373	210	129.3
Underwriting profit (loss)	(785)	(130)	654	—
Ratios:				
Net loss ratio (%)	67.9	66.7	(1.2)	
Net expense ratio (%)	30.3	29.4	(0.9)	
Underwriting result ratio (%)	1.8	3.8	2.0	

Sonpo 24 Insurance Company Limited (Non-consolidated)

Premiums Written and Claims Paid by Business Lines

Direct premiums written (excluding deposits of premiums by policyholders)

(Millions of yen)

Business line	Nine months ended December 31, 2011 (April 1 to December 31, 2011)			Nine months ended December 31, 2012 (April 1 to December 31, 2012)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	—	— %	— %	—	— %	— %
Marine insurance	—	—	—	—	—	—
Personal accident insurance	—	—	—	—	—	—
Voluntary automobile insurance	8,752	100.0	9.8	9,634	100.0	10.1
Compulsory automobile liability insurance	—	—	—	—	—	—
Others	—	—	—	—	—	—
Total	8,752	100.0	9.8	9,634	100.0	10.1
Deposits of premiums by policyholders	—	—	—	—	—	—

Net premiums written

(Millions of yen)

Business line	Nine months ended December 31, 2011 (April 1 to December 31, 2011)			Nine months ended December 31, 2012 (April 1 to December 31, 2012)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	—	— %	— %	—	— %	— %
Marine insurance	—	—	—	—	—	—
Personal accident insurance	—	—	—	—	—	—
Voluntary automobile insurance	8,675	98.4	9.7	9,551	98.3	10.1
Compulsory automobile liability insurance	139	1.6	10.6	168	1.7	20.4
Others	—	—	—	—	—	—
Total	8,815	100.0	9.7	9,719	100.0	10.3

Net claims paid

(Millions of yen)

Business line	Nine months ended December 31, 2011 (April 1 to December 31, 2011)			Nine months ended December 31, 2012 (April 1 to December 31, 2012)		
	Amount	Rate of change	Net loss ratio	Amount	Rate of change	Net loss ratio
Fire and allied insurance	—	— %	— %	—	— %	— %
Marine insurance	—	—	—	—	—	—
Personal accident insurance	—	—	—	—	—	—
Voluntary automobile insurance	5,140	9.4	67.0	5,622	9.4	66.0
Compulsory automobile liability insurance	172	11.2	123.2	178	3.8	106.2
Others	—	—	—	—	—	—
Total	5,312	9.4	67.9	5,801	9.2	66.7

Sonpo 24 Insurance Company Limited (Non-consolidated)

Solvency Margin Ratio (Non-consolidated)

	(Millions of yen)	
	As of March 31, 2012	As of December 31, 2012
(A) Total Solvency Margin (Non-consolidated)	6,996	7,061
Capital and funds, etc.	6,524	6,462
Reserve for price fluctuation	26	29
Contingency reserve	—	—
Catastrophic loss reserve	376	306
General allowance for possible credit losses	—	—
Unrealized gains and losses on securities (before tax effect deductions)	68	262
Unrealized gains and losses on land	—	—
Excess amount of reserve for maturity refunds	—	—
Subordinated debt, etc.	—	—
Excess amount of reserve for maturity refunds and subordinated debt, etc. which are excluded from total solvency margin	—	—
Deductions	—	—
Others	—	—
(B) Total Risks (Non-consolidated)	1,700	1,777
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$		
Underwriting risk (R_1)	1,491	1,557
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_2)	—	—
Guaranteed interest rate risk (R_3)	—	—
Investment risk (R_4)	358	362
Business management risk (R_5)	58	61
Major catastrophe risk (R_6)	107	117
(C) Solvency Margin Ratio (Non-consolidated)		
$[(A) / \{(B) \times 1/2\}] \times 100$	822.9 %	794.3 %

Note) The above figures are calculated based on the provisions of Articles 86 and 87 of the Ordinance for Enforcement of the Insurance Business Act and Public Notice No. 50 of the Ministry of Finance (1996). The figures as of December 31, 2012 are partly calculated on the simplified method, for example, some bases for the investment risk calculation are deemed same as the figures as of September 30, 2012.

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

Quarterly Balance Sheets

	As of March 31, 2012	As of December 31, 2012	(Millions of yen) Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits	2,548	14,432	11,884
Money trusts	1,324	1,324	0
Securities	19,469	17,632	(1,837)
Loans	15	12	(3)
Tangible fixed assets	322	283	(38)
Intangible fixed assets	2,411	3,113	701
Other assets	2,507	2,524	16
Allowance for possible credit losses	(0)	(1)	(0)
Total assets	28,598	39,322	10,723
Liabilities:			
Underwriting funds:	21,813	23,667	1,854
Reserve for outstanding losses and claims	4,972	4,857	(114)
Underwriting reserves	16,840	18,810	1,969
Other liabilities	2,002	1,709	(293)
Reserve for retirement benefits	176	177	0
Reserve for retirement benefits to directors	51	46	(5)
Reserve for bonus payments	225	116	(109)
Reserves under the special laws:	5	4	(1)
Reserve for price fluctuation	5	4	(1)
Deferred tax liabilities	95	124	29
Total liabilities	24,370	25,846	1,475
Net assets:			
Shareholders' equity:			
Common stock	8,610	15,110	6,500
Capital surplus	6,848	13,348	6,499
Retained earnings	(11,529)	(15,357)	(3,827)
Total shareholders' equity	3,928	13,100	9,172
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	299	375	75
Total valuation and translation adjustments	299	375	75
Total net assets	4,228	13,476	9,247
Total liabilities and net assets	28,598	39,322	10,723

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

Quarterly Statements of Income

(Millions of yen)

	Nine months ended December 31, 2011 (April 1 to December 31, 2011)	Nine months ended December 31, 2012 (April 1 to December 31, 2012)	Increase (Decrease)	Rate of change
	Amount	Amount		
Ordinary income:	12,163	13,669	1,505	12.4 %
Underwriting income:	11,744	13,249	1,504	12.8
Net premiums written	10,810	12,791	1,980	18.3
Deposits of premiums by policyholders	405	309	(96)	(23.7)
Interest and dividend income on deposits of premiums, etc.	36	33	(3)	(9.4)
Reversal of reserve for outstanding losses and claims	491	114	(376)	(76.6)
Investment income:	185	139	(45)	(24.8)
Interest and dividend income	197	144	(52)	(26.7)
Investment gains on money trusts	—	0	0	—
Investment gains on trading securities	0	2	1	238.8
Gains on sales of securities	16	24	7	47.9
Transfer of interest and dividend income on deposits of premiums, etc.	(36)	(33)	3	—
Other ordinary income	234	280	46	19.8
Ordinary expenses:	15,908	17,479	1,570	9.9
Underwriting expenses:	9,771	10,999	1,227	12.6
Net claims paid	6,223	6,512	289	4.6
Loss adjustment expenses	832	894	61	7.4
Net commissions and brokerage fees	1,141	1,117	(24)	(2.1)
Maturity refunds to policyholders	569	501	(68)	(12.0)
Provision for underwriting reserves	1,000	1,969	969	96.9
Investment expenses:	148	118	(29)	(19.8)
Investment losses on money trusts	23	—	(23)	(100.0)
Losses on sales of securities	—	113	113	—
Impairment losses on securities	88	—	(88)	(100.0)
Operating, general and administrative expenses	5,968	6,304	336	5.6
Other ordinary expenses:	20	56	35	174.0
Interest paid	10	9	(1)	(17.9)
Ordinary loss	(3,744)	(3,810)	(65)	—
Extraordinary gains:	3	1	(1)	(42.3)
Reversal of reserves under the special laws:	3	1	(1)	(42.3)
Reversal of reserve for price fluctuation	3	1	(1)	(42.3)
Extraordinary losses:	211	3	(207)	(98.2)
Losses on disposal of fixed assets	0	1	1	202.8
Impairment losses	—	2	2	—
Other extraordinary losses	210	—	(210)	(100.0)
Loss before income taxes	(3,952)	(3,812)	140	—
Income taxes and deferred income taxes	15	15	(0)	(2.6)
Net loss	(3,968)	(3,827)	141	—
Underwriting result:				
Net premiums written (+)	10,810	12,791	1,980	18.3
Net claims paid (—)	6,223	6,512	289	4.6
Loss adjustment expenses (—)	832	894	61	7.4
Operating expenses: (—)	6,831	7,068	237	3.5
Net commissions and brokerage fees	1,141	1,117	(24)	(2.1)
Operating, general and administrative expenses related to underwriting	5,690	5,951	261	4.6
Underwriting result	(3,076)	(1,684)	1,392	—
Underwriting profit (loss)	(3,759)	(3,639)	119	—
Ratios:				
Net loss ratio (%)	65.3	57.9	(7.4)	
Net expense ratio (%)	63.2	55.3	(7.9)	
Underwriting result ratio (%)	(28.5)	(13.2)	15.3	

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

Premiums Written and Claims Paid by Business Lines

Direct premiums written (excluding deposits of premiums by policyholders)

(Millions of yen)

Business line	Nine months ended December 31, 2011 (April 1 to December 31, 2011)			Nine months ended December 31, 2012 (April 1 to December 31, 2012)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	2,501	19.7 %	(3.8) %	2,539	17.3 %	1.5 %
Marine insurance	0	0.0	0.3	—	—	(100.0)
Personal accident insurance	3,435	27.0	4.9	3,329	22.7	(3.1)
Voluntary automobile insurance	6,045	47.6	(0.9)	8,074	55.0	33.6
Compulsory automobile liability insurance	108	0.9	(48.7)	61	0.4	(43.5)
Others	622	4.9	(2.5)	665	4.5	6.9
Total	12,714	100.0	(0.9)	14,669	100.0	15.4
Deposits of premiums by policyholders	405	—	(15.2)	309	—	(23.7)

Net premiums written

(Millions of yen)

Business line	Nine months ended December 31, 2011 (April 1 to December 31, 2011)			Nine months ended December 31, 2012 (April 1 to December 31, 2012)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	1,765	16.3 %	(8.6) %	1,764	13.8 %	(0.1) %
Marine insurance	22	0.2	33.3	19	0.2	(10.5)
Personal accident insurance	2,090	19.3	1.3	2,046	16.0	(2.1)
Voluntary automobile insurance	5,998	55.5	(0.9)	8,011	62.6	33.6
Compulsory automobile liability insurance	334	3.1	(4.1)	284	2.2	(15.2)
Others	599	5.5	(1.9)	665	5.2	11.1
Total	10,810	100.0	(2.0)	12,791	100.0	18.3

Net claims paid

(Millions of yen)

Business line	Nine months ended December 31, 2011 (April 1 to December 31, 2011)			Nine months ended December 31, 2012 (April 1 to December 31, 2012)		
	Amount	Rate of change	Net loss ratio	Amount	Rate of change	Net loss ratio
Fire and allied insurance	644	238.9 %	38.1 %	342	(46.8) %	21.6 %
Marine insurance	17	30.4	78.2	13	(25.1)	65.5
Personal accident insurance	1,301	8.0	72.2	1,354	4.1	76.7
Voluntary automobile insurance	3,765	(2.4)	71.9	4,362	15.9	61.7
Compulsory automobile liability insurance	349	11.4	108.9	380	9.0	138.9
Others	145	44.9	29.6	59	(59.1)	15.3
Total	6,223	9.5	65.3	6,512	4.6	57.9

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

Solvency Margin Ratio (Non-consolidated)

	(Millions of yen)	
	As of March 31, 2012	As of December 31, 2012
(A) Total Solvency Margin (Non-consolidated)	7,177	16,398
Capital and funds, etc.	3,928	13,100
Reserve for price fluctuation	5	4
Contingency reserve	10	11
Catastrophic loss reserve	2,873	2,828
General allowance for possible credit losses	—	—
Unrealized gains and losses on securities (before tax effect deductions)	355	450
Unrealized gains and losses on land	—	—
Excess amount of reserve for maturity refunds	—	—
Subordinated debt, etc.	—	—
Excess amount of reserve for maturity refunds and subordinated debt, etc. which are excluded from total solvency margin	—	—
Deductions	—	—
Others	3	4
(B) Total Risks (Non-consolidated)	2,012	2,121
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$		
Underwriting risk (R_1)	1,287	1,328
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_2)	—	—
Guaranteed interest rate risk (R_3)	27	28
Investment risk (R_4)	590	660
Business management risk (R_5)	72	76
Major catastrophe risk (R_6)	512	547
(C) Solvency Margin Ratio (Non-consolidated)		
$[(A) / \{(B) \times 1/2\}] \times 100$	713.2 %	1,546.1 %

Note) The above figures are calculated based on the provisions of Articles 86 and 87 of the Ordinance for Enforcement of the Insurance Business Act and Public Notice No. 50 of the Ministry of Finance (1996). The figures as of December 31, 2012 are partly calculated on the simplified method, for example, some bases for the major catastrophe risk calculation are deemed same as the figures as of September 30, 2012.

NKSJ Himawari Life Insurance, Inc. (Non-consolidated)

Quarterly Balance Sheets

(Millions of yen)

	As of March 31, 2012	As of December 31, 2012	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits	42,764	40,581	(2,183)
Securities:	1,672,594	1,777,247	104,653
Government bonds	1,126,262	1,233,233	106,970
Municipal bonds	120,094	111,106	(8,987)
Corporate bonds	382,065	380,303	(1,762)
Domestic stocks	9,869	9,439	(429)
Foreign securities	34,301	43,164	8,862
Loans:	34,091	34,632	541
Policy loans	34,091	34,632	541
Tangible fixed assets	1,676	1,424	(252)
Intangible fixed assets	3,101	2,341	(759)
Agency accounts receivable	137	89	(48)
Reinsurance accounts receivable	1,467	1,870	403
Other assets	34,092	35,773	1,681
Deferred tax assets	19,343	17,416	(1,926)
Allowance for possible credit losses	(58)	(48)	10
Total assets	1,809,210	1,911,329	102,119
Liabilities:			
Policy reserves:	1,717,788	1,813,539	95,750
Reserve for outstanding claims	24,615	27,169	2,554
Policy reserves	1,689,139	1,782,281	93,141
Reserve for dividends to policyholders	4,034	4,088	54
Agency accounts payable	3,466	2,514	(951)
Reinsurance accounts payable	1,248	1,150	(97)
Other liabilities	7,294	7,620	325
Reserve for retirement benefits	1,718	2,048	329
Reserve for bonus payments to directors	24	—	(24)
Reserves under the special laws:	1,881	2,118	236
Reserve for price fluctuation	1,881	2,118	236
Total liabilities	1,733,423	1,828,991	95,567
Net assets:			
Shareholders' equity:			
Common stock	17,250	17,250	—
Capital surplus	30,000	30,000	—
Retained earnings	15,958	19,350	3,391
Total shareholders' equity	63,208	66,600	3,391
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	12,578	15,738	3,160
Total valuation and translation adjustments	12,578	15,738	3,160
Total net assets	75,786	82,338	6,552
Total liabilities and net assets	1,809,210	1,911,329	102,119

NKSJ Himawari Life Insurance, Inc. (Non-consolidated)

Quarterly Statements of Income

(Millions of yen)

	Nine months ended December 31, 2011	Nine months ended December 31, 2012	Increase (Decrease)	Rate of change
	(April 1 to December 31, 2011)	(April 1 to December 31, 2012)		
	Amount	Amount		
Ordinary income:	288,283	296,048	7,764	2.7 %
Insurance premiums and other:	262,513	268,352	5,839	2.2
Insurance premiums	260,840	264,968	4,128	1.6
Investment income:	23,972	26,453	2,480	10.3
Interest and dividend income	22,609	24,386	1,777	7.9
Investment gains on money trusts	125	—	(125)	(100.0)
Gains on sales of securities	1,236	1,630	393	31.8
Investment gains on special account	—	418	418	—
Other ordinary income:	1,798	1,242	(555)	(30.9)
Reversal of reserve for outstanding claims	1,028	—	(1,028)	(100.0)
Ordinary expenses:	289,422	287,040	(2,382)	(0.8)
Insurance claims and other:	126,852	127,115	263	0.2
Insurance claims	23,809	23,791	(18)	(0.1)
Annuity payments	1,398	2,710	1,312	93.8
Insurance benefits	20,557	22,595	2,038	9.9
Surrender benefits	76,459	73,111	(3,348)	(4.4)
Other refunds	890	1,070	180	20.2
Provision for policy reserves and other:	94,435	95,697	1,262	1.3
Provision for reserve for outstanding claims	—	2,554	2,554	—
Provision for policy reserves	94,434	93,141	(1,292)	(1.4)
Provision for interest portion of reserve for dividends to policyholders	1	1	0	25.0
Investment expenses:	2,603	1,042	(1,561)	(60.0)
Interest paid	73	70	(3)	(4.8)
Losses on sales of securities	150	135	(14)	(9.9)
Impairment losses on securities	1,282	793	(488)	(38.1)
Losses on derivatives	24	24	(0)	(0.6)
Investment losses on special account	1,016	—	(1,016)	(100.0)
Operating, general and administrative expenses	61,870	60,168	(1,702)	(2.8)
Other ordinary expenses	3,660	3,015	(644)	(17.6)
Ordinary profit (loss)	(1,139)	9,007	10,146	—
Extraordinary gains:	—	0	0	—
Gains on disposal of fixed assets	—	0	0	—
Extraordinary losses:	11,959	246	(11,712)	(97.9)
Losses on disposal of fixed assets	34	10	(24)	(70.8)
Provision for reserves under the special laws:	251	236	(15)	(6.2)
Provision for reserve for price fluctuation	251	236	(15)	(6.2)
Other extraordinary losses	11,672	—	(11,672)	(100.0)
Provision for reserve for dividends to policyholders	2,182	2,784	602	27.6
Income (loss) before income taxes	(15,280)	5,976	21,257	—
Income taxes and deferred income taxes	(1,700)	2,584	4,284	—
Net income (loss)	(13,580)	3,391	16,972	—

Note) Amount for the nine months ended December 31, 2011 includes the result of NIPPONKOA Life Insurance Company, Limited before the merger for the six months ended September 30, 2011.

NKSJ Himawari Life Insurance, Inc. (Non-consolidated)

Major Business Results

Total amount of policies in force

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

	As of March 31, 2012				As of December 31, 2012			
	Number		Amount		Number		Amount	
		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year
Individual insurance	2,820	110.6	173,753	109.1	2,976	105.5	183,429	105.6
Individual annuities	70	101.2	2,843	101.9	70	99.8	2,844	100.0
Group insurance	—	—	31,015	102.8	—	—	30,693	99.0
Group annuities	—	—	—	—	—	—	—	—

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

Total amount of new policies

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

	Nine months ended December 31, 2011 (April 1 to December 31, 2011)				Nine months ended December 31, 2012 (April 1 to December 31, 2012)			
	Number		Amount		Number		Amount	
		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year
Individual insurance	341	104.0	22,365	97.9	289	84.9	21,188	94.7
Individual annuities	2	118.2	119	110.3	1	58.5	75	63.5
Group insurance	—	—	376	147.7	—	—	271	72.0
Group annuities	—	—	—	—	—	—	—	—

Notes)

1. Amount of "Individual annuities" represents the amount of annuity fund at the beginning of annuity payment.
2. Amount for the nine months ended December 31, 2011 includes the result of NIPPONKOA Life Insurance Company, Limited before the merger for the six months ended September 30, 2011.

Annualized premiums

Policies in force

(Millions of yen, %)

	As of March 31, 2012		As of December 31, 2012	
		% of previous fiscal year		% of previous fiscal year
Individual insurance	270,285	103.9	277,990	102.9
Individual annuities	15,967	102.2	16,360	102.5
Total	286,252	103.8	294,350	102.8
Medical and survival benefits	102,137	108.8	106,557	104.3

New policies

(Millions of yen, %)

	Nine months ended December 31, 2011 (April 1 to December 31, 2011)		Nine months ended December 31, 2012 (April 1 to December 31, 2012)	
		% of previous fiscal year		% of previous fiscal year
Individual insurance	26,818	98.3	25,930	96.7
Individual annuities	657	111.0	330	50.2
Total	27,476	98.6	26,260	95.6
Medical and survival benefits	11,390	105.2	10,102	88.7

Notes)

1. Annualized premiums are calculated by using multipliers for various premium payment terms to the premium per payment. In single premium contracts, the amount is calculated by dividing the premium by the duration of the policy.
2. Annualized premiums for medical and survival benefits include (a) premium related to medical benefits such as hospitalization and surgery benefits, (b) premium related to survival benefits such as specific illness and nursing benefits, and (c) premium related to premium waiver benefits, in which disability cause is excluded but causes such as specific illness and nursing care are included.
3. Amount for the nine months ended December 31, 2011 includes the result of NIPPONKOA Life Insurance Company, Limited before the merger for the six months ended September 30, 2011.

NKSJ Himawari Life Insurance, Inc. (Non-consolidated)

Solvency Margin Ratio (Non-consolidated)

	(Millions of yen)	
	As of March 31, 2012	As of December 31, 2012
(A) Total Solvency Margin (Non-consolidated)	199,339	215,251
Capital, etc.	63,208	67,065
Reserve for price fluctuation	1,881	2,118
Contingency reserve	22,677	23,720
General allowance for possible credit losses	19	12
Unrealized gains and losses on securities (90% of gain or 100% of loss)	16,358	20,415
Unrealized gains and losses on land (85% of gain or 100% of loss)	—	—
Excess of continued Zillmerized reserve	112,359	119,465
Subordinated debt, etc.	—	—
Excess of continued Zillmerized reserve and subordinated debt, etc. which are excluded from total solvency margin	(24,430)	(26,360)
Brought in capital, etc.	—	—
Deductions	—	—
Others	7,264	8,814
(B) Total Risks (Non-consolidated) $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	27,502	28,879
Underwriting risk (R_1)	11,109	11,684
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_8)	5,625	5,898
Guaranteed interest rate risk (R_2)	8,084	8,150
Guaranteed minimum benefit risk (R_7)	337	346
Investment Risk (R_3)	12,447	13,409
Business management risk (R_4)	752	789
(C) Solvency Margin Ratio (Non-consolidated) [(A) / {(B) × 1/2}] × 100	1,449.5 %	1,490.6 %

Notes)

1. The above figures are calculated based on the provisions of Articles 86 and 87 of the Ordinance for Enforcement of the Insurance Business Act and Public Notice No. 50 of the Ministry of Finance (1996).
2. Guaranteed minimum benefit risk is calculated by the standard method.

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

Quarterly Balance Sheets

(Millions of yen)

	As of March 31, 2012	As of December 31, 2012	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits	401	2,120	1,718
Securities:	4,148	2,510	(1,637)
Government bonds	1,272	1,477	205
Domestic stocks	652	117	(535)
Tangible fixed assets	39	29	(10)
Intangible fixed assets	—	95	95
Agency accounts receivable	0	0	(0)
Reinsurance accounts receivable	26	10	(15)
Other assets	247	253	6
Allowance for possible credit losses	—	(3)	(3)
Total assets	4,863	5,017	154
Liabilities:			
Policy reserves:	1,128	1,027	(100)
Reserve for outstanding claims	270	188	(82)
Policy reserves	857	839	(18)
Agency accounts payable	4	4	0
Reinsurance accounts payable	30	30	(0)
Other liabilities	173	127	(45)
Reserve for retirement benefits	29	31	2
Reserves under the special laws:	18	18	0
Reserve for price fluctuation	18	18	0
Deferred tax liabilities	99	17	(82)
Total liabilities	1,482	1,257	(225)
Net assets:			
Shareholders' equity:			
Common stock	10,100	10,100	—
Capital surplus	2,100	2,100	—
Retained earnings	(9,043)	(8,479)	564
Total shareholders' equity	3,156	3,720	564
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	224	39	(184)
Total valuation and translation adjustments	224	39	(184)
Total net assets	3,380	3,760	379
Total liabilities and net assets	4,863	5,017	154

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

Quarterly Statements of Income

(Millions of yen)

	Nine months ended December 31, 2011	Nine months ended December 31, 2012	Increase (Decrease)	Rate of change
	(April 1 to December 31, 2011)	(April 1 to December 31, 2012)		
	Amount	Amount		
Ordinary income:	3,129	3,112	(16)	(0.5) %
Insurance premiums and other:	2,947	2,848	(98)	(3.3)
Insurance premiums	2,768	2,790	22	0.8
Investment income:	25	163	137	536.4
Interest and dividend income	25	17	(8)	(33.0)
Gains on sales of securities	—	146	146	—
Other ordinary income:	156	100	(55)	(35.7)
Reversal of reserve for outstanding claims	129	82	(46)	(36.2)
Reversal of policy reserves	27	18	(9)	(33.0)
Ordinary expenses:	2,940	2,503	(437)	(14.9)
Insurance claims and other:	1,271	890	(381)	(30.0)
Insurance claims	1,001	631	(370)	(37.0)
Insurance benefits	162	152	(10)	(6.2)
Other refunds	3	2	(1)	(26.6)
Investment expenses:	42	47	5	12.1
Interest paid	0	0	(0)	(50.8)
Losses on sales of securities	—	37	37	—
Impairment losses on securities	42	7	(35)	(83.0)
Operating, general and administrative expenses	1,588	1,532	(55)	(3.5)
Other ordinary expenses	38	33	(4)	(12.7)
Ordinary profit	188	609	420	223.0
Extraordinary losses:	1,196	0	(1,196)	(100.0)
Losses on disposal of fixed assets	1,195	—	(1,195)	(100.0)
Provision for reserves under the special laws:	0	0	(0)	(47.5)
Provision for reserve for price fluctuation	0	0	(0)	(47.5)
Income (loss) before income taxes	(1,008)	608	1,616	—
Income taxes and deferred income taxes	2	44	41	1,446.9
Net income (loss)	(1,010)	564	1,575	—

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

Major Business Results

Total amount of policies in force

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

	As of March 31, 2012				As of December 31, 2012			
	Number		Amount		Number		Amount	
		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year
Individual insurance	45	97.4	7,511	95.8	44	98.8	7,307	97.3
Individual annuities	—	—	—	—	—	—	—	—
Group insurance	—	—	—	—	—	—	—	—
Group annuities	—	—	—	—	—	—	—	—

Total amount of new policies

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

	Nine months ended December 31, 2011 (April 1 to December 31, 2011)				Nine months ended December 31, 2012 (April 1 to December 31, 2012)			
	Number		Amount		Number		Amount	
		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year
Individual insurance	1	61.7	265	58.8	2	118.2	300	113.2
Individual annuities	—	—	—	—	—	—	—	—
Group insurance	—	—	—	—	—	—	—	—
Group annuities	—	—	—	—	—	—	—	—

Annualized premiums

Policies in force

(Millions of yen, %)

	As of March 31, 2012		As of December 31, 2012	
		% of previous fiscal year		% of previous fiscal year
Individual insurance	3,718	100.3	3,752	100.9
Individual annuities	—	—	—	—
Total	3,718	100.3	3,752	100.9
Medical and survival benefits	886	100.9	903	101.9

New policies

(Millions of yen, %)

	Nine months ended December 31, 2011 (April 1 to December 31, 2011)		Nine months ended December 31, 2012 (April 1 to December 31, 2012)	
		% of previous fiscal year		% of previous fiscal year
Individual insurance	116	60.1	139	120.3
Individual annuities	—	—	—	—
Total	116	60.1	139	120.3
Medical and survival benefits	35	63.3	42	121.7

Notes)

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

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

Solvency Margin Ratio (Non-consolidated)

	(Millions of yen)	
	As of March 31, 2012	As of December 31, 2012
(A) Total Solvency Margin (Non-consolidated)	3,987	4,301
Capital, etc.	3,156	3,720
Reserve for price fluctuation	18	18
Contingency reserve	521	510
General allowance for possible credit losses	—	—
Unrealized gains and losses on securities (90% of gain or 100% of loss)	292	51
Unrealized gains and losses on land (85% of gain or 100% of loss)	—	—
Excess of continued Zillmerized reserve	—	—
Subordinated debt, etc.	—	—
Excess of continued Zillmerized reserve and subordinated debt, etc. which are excluded from total solvency margin	—	—
Brought in capital, etc.	—	—
Deductions	—	—
Others	—	—
(B) Total Risks (Non-consolidated) $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	569	533
Underwriting risk (R_1)	425	414
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_8)	93	93
Guaranteed interest rate risk (R_2)	0	0
Guaranteed minimum benefit risk (R_7)	—	—
Investment Risk (R_3)	175	84
Business management risk (R_4)	20	17
(C) Solvency Margin Ratio (Non-consolidated) [(A) / {(B) × 1/2}] × 100	1,400.8 %	1,613.1 %

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

Supplementary Explanation

< Calculation of ratios, etc. >

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

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

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

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

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

< Solvency margin ratio (Non-consolidated) >

• In addition to reserves to cover payments for claims, benefits and maturity refunds, etc., it is necessary for insurance companies to maintain sufficient solvency in order to cover against risks which may exceed their normal estimates, i.e. occurrence of major catastrophes, fluctuation in mortality rate due to significant changes in key environmental factors and big decline in value of assets held by insurance companies.

•(C) Solvency Margin Ratio (Non-consolidated), which is calculated in accordance with the Insurance Business Act, etc. is the ratio of "solvency margin of insurance companies by means of their capital, reserves, etc." ((A) Total Solvency Margin (Non-consolidated)) to "risks which will exceed their normal estimates" ((B) Total Risks (Non-consolidated)).

• "Risks which will exceed their normal estimates" are composed of risks described below.

<1> Underwriting risk, Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance:

Risks of rate of occurrence of insurance claims, etc. in excess of normal estimates (excluding risks relating to major catastrophes)

<2> Guaranteed interest rate risk:

Risks of invested assets failing to yield assumed interest rates due to the aggravation of investment conditions

<3> Investment risk:

Risks of securities and other assets held fluctuating in prices in excess of normal estimates

<4> Business management risk:

Risks beyond normal estimates arising from business management that do not fall under other categories

<5> Major catastrophe risk:

Risks of the occurrence of major catastrophic losses in excess of normal estimates (risks such as the Great Kanto Earthquake or Isewan Typhoon)

<6> Guaranteed minimum benefit risk:

Risks of special account assets fluctuating in prices in excess of normal estimates

• "Solvency margin of insurance companies by means of their capital, reserves, etc." (total solvency margin (non-consolidated)) is the sum of total net assets (excluding planned outflows), certain reserves (reserve for price fluctuation, contingency reserve and catastrophic loss reserve, etc.) and parts of unrealized gains and losses on land, etc.

• Solvency margin ratio is one of the indicators for the regulatory authorities to monitor financial soundness of insurance companies. Solvency margin ratio exceeding 200% would indicate adequate capability to meet payments of possible insurance claims and others.