

**UNOFFICIAL TRANSLATION**

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February 14, 2011

## NKSJ Holdings, Inc.

### Summary of Consolidated Financial Results for the nine months ended December 31, 2010 [under Japanese GAAP]

Company Name: **NKSJ Holdings, Inc.**  
 Listed on: Tokyo and Osaka Stock Exchange  
 Stock Code Number: 8630  
 URL: <http://www.nksj-hd.com/>  
 Representative Director: Masatoshi Sato, President & CEO  
 Contact: Kazuhisa Tamura, Manager, Accounting Department  
 Scheduled date to file Quarterly Securities Report: February 14, 2011  
 Scheduled date to start payment of dividends: \_\_\_\_\_  
 Supplementary information for quarterly financial statements: Yes  
 Schedule for quarterly investor meeting: None

Note) Any amounts less than one million yen are rounded down, unless otherwise noted.

#### 1. Consolidated Financial Results for the nine months ended December 31, 2010 (April 1 to December 31, 2010)

##### (1) Consolidated Results of Operations

Note) The percentages are changes from corresponding period of previous fiscal year.

	Ordinary income		Ordinary profit		Net income	
	millions of yen	%	millions of yen	%	millions of yen	%
Nine months ended December 31, 2010	2,002,076	—	45,973	—	24,846	—
Nine months ended December 31, 2009	—	—	—	—	—	—

	Net income per share	Diluted net income per share
	yen	yen
Nine months ended December 31, 2010	14.96	14.93
Nine months ended December 31, 2009	—	—

##### (2) Consolidated Financial Conditions

	Total assets	Total net assets	Equity ratio	Total net assets per share
	millions of yen	millions of yen	%	yen
As of December 31, 2010	9,022,852	1,168,156	12.9	700.32
As of March 31, 2010	—	—	—	—

Reference) Equity capital: As of December 31, 2010 1,162,837 million yen  
 As of March 31, 2010 — million yen

#### 2. Dividends

	Dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Annual
	yen	yen	yen	yen	yen
Fiscal year ended March 31, 2010	—	—	—	—	—
Fiscal year ending March 31, 2011	—	—	—		
Fiscal year ending March 31, 2011 (Forecast)				20.00	20.00

Note) Revision to the forecasts for dividends during the third quarter: None

### 3. Consolidated Forecasts for the fiscal year ending March 31, 2011 (April 1, 2010 to March 31, 2011)

Note) The percentages are changes from corresponding period of previous fiscal year.

	Ordinary income		Ordinary profit		Net income		Net income per share
	millions of yen	%	millions of yen	%	millions of yen	%	yen
Fiscal year ending March 31, 2011 (April 1, 2010 to March 31, 2011)	2,625,000	—	48,000	—	25,000	—	15.05

Note) Revision to the forecasts for the fiscal year during the third quarter: None

### 4. Other

Note) Please refer to "Other Information" on page 2 for details.

(1) Changes in significant subsidiaries during the third quarter: None

Note) The above shows changes in specified subsidiaries resulting in the change in the scope of consolidation during the third quarter.

(2) Adoption of simplified accounting methods or special accounting methods: Yes

Note) The above shows adoption of simplified accounting methods or accounting methods used specifically for the preparation of the quarterly consolidated financial statements.

(3) Changes in accounting policies, procedures and methods of presentation

① Changes due to revisions to accounting standards: None

② Changes due to other reasons: None

Note) The above shows changes which are shown in "Changes in significant accounting policies for the preparation of the quarterly consolidated financial statements".

(4) Number of shares outstanding (Common stock) :

① Total shares outstanding including treasury stock:

As of December 31, 2010 1,661,409,178 shares

As of March 31, 2010 — shares

② Treasury stock:

As of December 31, 2010 975,828 shares

As of March 31, 2010 — shares

③ Average number of shares outstanding:

For the nine months ended December 31, 2010 1,660,680,200 shares

For the nine months ended December 31, 2009 — shares

(Disclosure regarding the execution of the quarterly review process)

This summary is outside the scope of the quarterly review procedure which is required by "Financial Instruments and Exchange Act", but the review procedure of the quarterly financial statements was completed.

(Notes for using forecasted information etc.)

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.

For notes for using forecasted information, please refer to "Note Regarding Forward-looking Statements" on page 11.

NKSJ Holdings, Inc. was established on April 1, 2010 as a holding company of Sompo Japan Insurance Inc. and NIPPONKOA Insurance Co., Ltd. This consolidated fiscal year is the first period, so there are no results for the fiscal year ended March 31, 2010 and the nine months ended December 31, 2009.

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## **1. Qualitative Information related to the Consolidated Financial Results for the nine months ended December 31, 2010**

### **(1) Qualitative information related to the consolidated results of operations**

The consolidated results of operations for the nine months ended December 31, 2010 are as follows.

1,903.0 billion yen of underwriting income, 91.9 billion yen of investment income and 7.0 billion yen of other ordinary income resulted in 2,002.0 billion yen of ordinary income.

In contrast, 1,602.7 billion yen of underwriting expenses, 30.4 billion yen of investment expenses, 314.2 billion yen of operating, general and administrative expenses and 8.7 billion yen of other ordinary expenses resulted in 1,956.1 billion yen of ordinary expenses.

As a result, ordinary profit amounted to 45.9 billion yen and net income amounted to 24.8 billion yen.

### **(2) Qualitative information related to the consolidated financial conditions**

As of December 31, 2010, the total assets amounted to 9,022.8 billion yen and the total net assets amounted to 1,168.1 billion yen.

### **(3) Qualitative information related to the consolidated forecasts**

There is no change on the consolidated forecasts for the fiscal year ending March 31, 2011 (full fiscal year) as disclosed on November 19, 2010.

## **2. Other Information**

### **(1) Summary of changes in significant subsidiaries**

None.

### **(2) Summary of adoption of simplified accounting methods or special accounting methods**

Income taxes are calculated by applying a reasonably estimated effective tax rate to income before income taxes. The estimated effective tax rate is determined by estimating the effective tax rate after applying deferred tax accounting for the fiscal year, including the third quarter of this fiscal year. When it is remarkably unreasonable to adopt this accounting method, income taxes are calculated by the statutory effective tax rate.

### **(3) Summary of changes in accounting policies, procedures and methods of presentation**

NKSJ Holdings, Inc. is a sole parent company of Sompo Japan Insurance Inc. and NIPPONKOA Insurance Co., Ltd. established through share exchange on April 1, 2010. This consolidated fiscal year is the first period, so there is no change in accounting policies, procedures and methods of presentation.

### 3. Quarterly Consolidated Financial Statements

#### (1) Quarterly Consolidated Balance Sheets

	(Millions of yen)
	As of December 31, 2010
<b>Assets:</b>	
Cash and deposits	234,188
Call loans	64,225
Receivables under resale agreements	64,984
Receivables under securities borrowing transactions	25,502
Monetary receivables bought	34,720
Money trusts	81,392
Securities	6,580,373
Loans	706,428
Tangible fixed assets	361,289
Intangible fixed assets	52,711
Other assets	591,847
Deferred tax assets	231,373
Allowance for possible loan losses	(6,185)
<b>Total assets</b>	<b>9,022,852</b>
<b>Liabilities:</b>	
Underwriting funds:	7,316,385
Reserve for outstanding losses and claims	974,282
Underwriting reserves	6,342,103
Bonds	128,000
Other liabilities	269,447
Reserve for retirement benefits	108,981
Reserve for retirement benefits to directors	129
Reserve for bonus payments	7,446
Reserves under the special laws:	23,325
Reserve for price fluctuation	23,325
Deferred tax liabilities	978
<b>Total liabilities</b>	<b>7,854,696</b>
<b>Net assets:</b>	
Shareholders' equity:	
Common stock	100,045
Capital surplus	438,555
Retained earnings	336,104
Treasury stock	(567)
<b>Total shareholders' equity</b>	<b>874,137</b>
Valuation and translation adjustments:	
Unrealized gains on securities available for sale, net of tax	315,576
Deferred gains on hedges	4,274
Foreign currency translation adjustments	(31,150)
<b>Total valuation and translation adjustments</b>	<b>288,699</b>
Stock acquisition rights	2,362
Non-controlling interests	2,955
<b>Total net assets</b>	<b>1,168,156</b>
<b>Total liabilities and net assets</b>	<b>9,022,852</b>

## (2) Quarterly Consolidated Statements of Income

	(Millions of yen)
	Nine months ended December 31, 2010 (April 1 to December 31, 2010)
Ordinary income:	2,002,076
Underwriting income:	1,903,022
Net premiums written	1,465,475
Deposits of premiums by policyholders	118,276
Interest and dividend income on deposits of premiums, etc.	44,860
Life insurance premiums written	171,436
Reversal of reserve for outstanding losses and claims	59,675
Reversal of underwriting reserves	39,068
Investment income:	91,957
Interest and dividend income	116,534
Investment gains on money trusts	847
Gains on sales of securities	9,396
Transfer of interest and dividend income on deposits of premiums, etc.	(44,860)
Other ordinary income	7,097
Ordinary expenses:	1,956,103
Underwriting expenses:	1,602,747
Net claims paid	925,954
Loss adjustment expenses	97,439
Net commissions and brokerage fees	265,020
Maturity refunds to policyholders	264,815
Life insurance claims paid	43,872
Investment expenses:	30,422
Investment losses on money trusts	914
Investment losses on trading securities	17
Losses on sales of securities	3,607
Impairment losses on securities	9,854
Operating, general and administrative expenses	314,200
Other ordinary expenses:	8,734
Interest paid	5,403
Ordinary profit	<u>45,973</u>
Extraordinary gains:	2,251
Gains on disposal of fixed assets	316
Gains on negative goodwill	149
Other extraordinary gains	1,785
Extraordinary losses:	7,210
Losses on disposal of fixed assets	493
Impairment losses	662
Provision for reserves under the special laws:	4,832
Provision for reserve for price fluctuation	4,832
Other extraordinary losses	1,222
Income before income taxes and non-controlling interests	<u>41,014</u>
Income taxes and deferred income taxes	<u>16,418</u>
Income before non-controlling interests	<u>24,596</u>
Non-controlling interests	<u>(250)</u>
Net income	<u>24,846</u>

(3) Notes on Going-Concern Assumption

None.

(4) Notes for Material Changes in Shareholders' Equity

None.

## (5) Securities

As of December 31, 2010

## 1. Bonds held to maturity (which have readily determinable fair value)

(Millions of yen)

	Carrying amount on balance sheet	Fair value	Unrealized gains (losses)
Domestic bonds	1,109,413	1,164,456	55,043
Foreign securities	62,422	63,158	735
Total	1,171,836	1,227,614	55,778

## 2. Policy reserve matching bonds (which have readily determinable fair value)

(Millions of yen)

	Carrying amount on balance sheet	Fair value	Unrealized gains (losses)
Domestic bonds	14,775	15,248	473
Total	14,775	15,248	473

## 3. Securities available for sale (which have readily determinable fair value)

(Millions of yen)

	Cost	Carrying amount on balance sheet	Unrealized gains (losses)
Domestic bonds	2,431,283	2,500,594	69,310
Domestic stocks	1,135,321	1,609,106	473,784
Foreign securities	1,092,602	1,034,476	(58,126)
Others	89,625	92,171	2,545
Total	4,748,834	5,236,348	487,513

Notes)

1. Certificate of deposit, which are classified as cash and deposits and beneficial interests in the loan trusts, which are classified as monetary receivables bought in the quarterly consolidated balance sheet, are included in "Others" above.
2. Impairment losses on securities available for sale which have readily determinable fair value amount to 8,918 million yen. NKSJ Holdings, Inc. and its domestic consolidated subsidiaries recognize impairment losses on securities available for sale which have readily determinable fair value if fair value declines by 30% or more of their cost as of the quarterly balance sheet date, as a rule.



## (6) Derivatives Transactions

As of December 31, 2010

(Millions of yen)

Type	Transaction	Notional amount	Fair value	Unrealized gains (losses)
Currency derivatives	Forward foreign exchanges:			
	Short	59,286	1,891	1,891
	Long	16,466	(314)	(314)
	Currency options:			
	Short	35,823		
	Long	87*	(30)	57
		33,174	143	55
Equity derivatives	Equity index futures:			
	Short	5,611	(55)	(55)
	Equity index options:			
	Short	5,417		
	Long	205*	(1)	203
		4,400	108	(96)
Bond derivatives	Bond futures:			
	Long	1,426	(13)	(13)
Others	Credit derivatives:			
	Short	9,000	66	66
	Long	2,000	0	0
	Weather derivatives:			
	Short	472		
	Long	19*	(10)	8
	Earthquake derivatives:			
	Short	3,960		
Long	119*	(10)	109	
		3,555	125	(241)
		366*		
<b>Total</b>		—	1,899	1,672

Notes)

1. Derivatives transactions to which hedge accounting is applied are excluded.
2. Amounts with an asterisk (\*) represent the amount of the option premiums.

## 4. Supplementary Information

### (1) Summary of Results of Operations

(Millions of yen)

	Nine months ended December 31, 2010 (April 1 to December 31, 2010)
Ordinary income and expenses:	
Underwriting income:	1,903,022
Net premiums written	1,465,475
Deposits of premiums by policyholders	118,276
Life insurance premiums written	171,436
Underwriting expenses:	1,602,747
Net claims paid	925,954
Loss adjustment expenses	97,439
Net commissions and brokerage fees	265,020
Maturity refunds to policyholders	264,815
Life insurance claims paid	43,872
Investment income:	91,957
Interest and dividend income	116,534
Gains on sales of securities	9,396
Investment expenses:	30,422
Losses on sales of securities	3,607
Impairment losses on securities	9,854
Operating, general and administrative expenses	314,200
Other ordinary income and expenses	(1,636)
Ordinary profit	45,973
Extraordinary gains and losses:	
Extraordinary gains	2,251
Extraordinary losses	7,210
Net extraordinary losses	(4,958)
Income before income taxes and non-controlling interests	41,014
Income taxes and deferred income taxes	16,418
Income before non-controlling interests	24,596
Non-controlling interests	(250)
Net income	24,846

## (2) Premiums Written and Claims Paid by Lines of Business (Consolidated)

Direct premiums written (including deposits of premiums by policyholders)

(Millions of yen)

Business line	Nine months ended December 31, 2010 (April 1 to December 31, 2010)		
	Amount	% of total amount	Rate of change
Fire and allied insurance	271,837	16.2	—
Marine insurance	42,804	2.5	—
Personal accident insurance	220,869	13.2	—
Voluntary automobile insurance	738,727	44.0	—
Compulsory automobile liability insurance	190,641	11.4	—
Others	214,201	12.8	—
Total	1,679,082	100.0	—
Deposits of premiums by policyholders	118,276	7.0	—

Net premiums written

(Millions of yen)

Business line	Nine months ended December 31, 2010 (April 1 to December 31, 2010)		
	Amount	% of total amount	Rate of change
Fire and allied insurance	179,648	12.3	—
Marine insurance	35,520	2.4	—
Personal accident insurance	139,003	9.5	—
Voluntary automobile insurance	737,863	50.3	—
Compulsory automobile liability insurance	182,733	12.5	—
Others	190,705	13.0	—
Total	1,465,475	100.0	—

Net claims paid

(Millions of yen)

Business line	Nine months ended December 31, 2010 (April 1 to December 31, 2010)		
	Amount	% of total amount	Rate of change
Fire and allied insurance	71,574	7.7	—
Marine insurance	17,584	1.9	—
Personal accident insurance	75,729	8.2	—
Voluntary automobile insurance	461,528	49.8	—
Compulsory automobile liability insurance	172,767	18.7	—
Others	126,768	13.7	—
Total	925,954	100.0	—

Note to the above three tables:

The above figures represent amounts before offsetting internal transactions among consolidated segments.

## (3) Life Insurance Business (Consolidated)

## Life insurance premiums

(Millions of yen)

	Nine months ended December 31, 2010 (April 1 to December 31, 2010)	
	Amount	Rate of change
Life insurance premiums	171,436	— %

Note) The above figures represent amounts before offsetting internal transactions among consolidated segments.

## Total amount of policies in force

(Millions of yen)

	As of December 31, 2010	
	Amount	Rate of change
Individual insurance	16,308,118	— %
Individual annuities	278,566	—
Group insurance	3,038,924	—
Group annuities	—	—

Notes)

1. The above figures represent amounts before offsetting internal transactions among consolidated segments.
2. 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

(Millions of yen)

	Nine months ended December 31, 2010 (April 1 to December 31, 2010)		
	Net increase by new policies and conversion	New policies	Net increase by conversion
Individual insurance	2,328,639	2,328,639	—
Individual annuities	10,839	10,839	—
Group insurance	30,068	30,068	—
Group annuities	—	—	—

Notes)

1. The above figures represent amounts before offsetting internal transactions among consolidated segments.
2. Amount of "Net increase by new policies and conversion" for "Individual annuities" represents the amount of annuity fund at the beginning of annuity payment.

## Annualized premiums of new policies (individual insurance and individual annuities)

(Millions of yen)

	Nine months ended December 31, 2010 (April 1 to December 31, 2010)	
	Amount	Rate of change
Annualized premiums of new policies	28,068	— %

Note) The above figures represent amounts before offsetting internal transactions among consolidated segments.

## Note Regarding Forward-looking Statements

This document includes “forward-looking statements” that reflect the information in relation to the NKSJ Holdings, Inc. (“NKSJ”). To the extent that statements in this document do not relate to historical or current facts, they constitute forward-looking statements. These forward-looking statements are based on the current assumptions and beliefs of NKSJ in light of the information currently available to NKSJ, and involve known and unknown risks, uncertainties and other factors. Such risks, uncertainties and other factors may cause the actual results, performance, achievements or financial position of NKSJ, as the case may be, to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements. NKSJ does not undertake or will not undertake any obligation to publicly update any forward-looking statements after the date of this document. Investors are advised to consult any further disclosures by NKSJ in their subsequent domestic filings in Japan and filings with, or submissions to, the U.S. Securities Exchange Commission pursuant to the U.S. Securities Exchange Act of 1934.

The risks, uncertainties and other factors referred to above include, but are not limited to, those below. The risks, uncertainties and other factors are also referred to in our domestic Quarterly Securities Reports.

- (1) Effects of deterioration of economic and business conditions in Japan
- (2) Risk of intensification of competition in the property and casualty insurance business
- (3) Changes to laws, regulations, and systems
- (4) Natural catastrophe risks related to insurance products
- (5) Occurrence of losses exceeding projection
- (6) Reinsurance risk
- (7) Effects of declining stock price
- (8) Effects of fluctuation in interest rate
- (9) Credit risk
- (10) Effects of fluctuation in foreign exchange rate
- (11) Liquidity risk
- (12) Life insurance business risks
- (13) Overseas business risk
- (14) Non-insurance business risk
- (15) Credit rating downgrade
- (16) Business interruption risk in case of natural disasters, etc.
- (17) Information security risk
- (18) Reputational risk
- (19) System integration risk
- (20) Risk of failure to adequately realize business integration synergies
- (21) Risks related to merger of life insurance subsidiaries
- (22) Other risks