

UNOFFICIAL TRANSLATION

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Summary of
Quarterly Consolidated Financial Results
for the three months ended June 30, 2011
Supplementary Information

August 12, 2011

NKSJ Holdings, Inc.

(Stock code number : 8630)

Summary of Consolidated Financial Results for the three months ended June 30, 2011

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, 2011	As of June 30, 2011	Increase (Decrease)
	Amount	Amount	
(Millions of yen)			
Assets:			
Cash and deposits	89,494	46,638	(42,856)
Call loans	67,800	65,300	(2,500)
Receivables under resale agreements	33,490	60,491	27,000
Monetary receivables bought	29,823	29,320	(502)
Money trusts	237	237	—
Securities	3,359,247	3,340,782	(18,465)
Loans	455,617	445,810	(9,806)
Tangible fixed assets	211,597	209,400	(2,196)
Intangible fixed assets	96	96	—
Other assets	381,845	585,525	203,679
Deferred tax assets	168,619	171,500	2,881
Allowance for possible loan losses	(3,477)	(3,492)	(15)
Allowance for possible investment losses	(8,019)	(8,019)	—
Total assets	4,786,371	4,943,591	157,219
Liabilities:			
Underwriting funds:	3,645,004	3,636,790	(8,214)
Reserve for outstanding losses and claims	639,564	684,983	45,418
Underwriting reserves	3,005,440	2,951,806	(53,633)
Corporate bonds	128,000	128,000	—
Other liabilities	207,245	382,238	174,992
Reserve for retirement benefits	77,984	79,106	1,121
Reserve for bonus payments	14,793	4,501	(10,291)
Reserves under the special laws:	17,305	18,796	1,490
Reserve for price fluctuation	17,305	18,796	1,490
Total liabilities	4,090,334	4,249,432	159,097
Net assets:			
Shareholders' equity:			
Common stock	70,000	70,000	—
Capital surplus	24,229	24,229	—
Retained earnings	305,999	309,375	3,376
Total shareholders' equity	400,229	403,605	3,376
Valuation and translation adjustments:			
Unrealized gains on securities available for sale, net of tax	295,807	290,552	(5,255)
Total valuation and translation adjustments	295,807	290,552	(5,255)
Total net assets	696,037	694,158	(1,878)
Total liabilities and net assets	4,786,371	4,943,591	157,219

Sompo Japan Insurance Inc. (Non-consolidated)

Quarterly Statements of Income

(Millions of yen)

	Three months ended June 30, 2010 (April 1 to June 30, 2010)	Three months ended June 30, 2011 (April 1 to June 30, 2011)	Increase (Decrease)	Rate of change
	Amount	Amount		
Ordinary income:	407,570	438,046	30,476	7.5 %
Underwriting income:	381,432	419,260	37,827	9.9
Net premiums written	331,126	327,788	(3,338)	(1.0)
Deposits of premiums by policyholders	29,466	27,546	(1,919)	(6.5)
Interest and dividend income on deposits of premiums, etc.	9,955	9,698	(256)	(2.6)
Reversal of reserve for outstanding losses and claims	10,050	—	(10,050)	(100.0)
Reversal of underwriting reserves	—	53,633	53,633	—
Investment income:	24,632	17,621	(7,011)	(28.5)
Interest and dividend income	23,991	23,814	(176)	(0.7)
Investment gains on money trusts	0	0	0	85.2
Investment gains on trading securities	28	6	(21)	(76.4)
Gains on sales of securities	1,657	3,467	1,810	109.2
Transfer of interest and dividend income on deposits of premiums, etc.	(9,955)	(9,698)	256	—
Other ordinary income	1,504	1,165	(339)	(22.5)
Ordinary expenses:	392,212	431,105	38,893	9.9
Underwriting expenses:	324,499	369,456	44,956	13.9
Net claims paid	189,198	205,838	16,639	8.8
Loss adjustment expenses	23,595	23,027	(568)	(2.4)
Net commissions and brokerage fees	55,575	56,493	917	1.7
Maturity refunds to policyholders	44,770	37,818	(6,951)	(15.5)
Provision for reserve for outstanding losses and claims	—	45,418	45,418	—
Provision for underwriting reserves	8,900	—	(8,900)	(100.0)
Investment expenses:	9,020	4,389	(4,630)	(51.3)
Investment losses on money trusts	226	—	(226)	(100.0)
Losses on sales of securities	900	284	(616)	(68.4)
Impairment losses on securities	4,146	1,418	(2,728)	(65.8)
Operating, general and administrative expenses	56,784	55,111	(1,672)	(2.9)
Other ordinary expenses:	1,908	2,148	240	12.6
Interest paid	1,757	1,863	106	6.0
Ordinary profit	15,358	6,941	(8,416)	(54.8)
Extraordinary gains:	3,105	71	(3,034)	(97.7)
Gains on disposal of fixed assets	16	71	54	333.0
Other extraordinary gains	3,088	—	(3,088)	(100.0)
Extraordinary losses:	2,317	1,552	(764)	(33.0)
Losses on disposal of fixed assets	78	62	(15)	(19.6)
Provision for reserves under the special laws:	1,472	1,490	17	1.2
Provision for reserve for price fluctuation	1,472	1,490	17	1.2
Other extraordinary losses	766	—	(766)	(100.0)
Income before income taxes	16,145	5,459	(10,686)	(66.2)
Income taxes and deferred income taxes	5,899	2,082	(3,816)	(64.7)
Net income	10,246	3,376	(6,869)	(67.0)
Underwriting result:				
Net premiums written (+)	331,126	327,788	(3,338)	(1.0)
Net claims paid (—)	189,198	205,838	16,639	8.8
Loss adjustment expenses (—)	23,595	23,027	(568)	(2.4)
Operating expenses: (—)	108,983	108,555	(428)	(0.4)
Net commissions and brokerage fees	55,575	56,493	917	1.7
Operating, general and administrative expenses related to underwriting	53,407	52,061	(1,345)	(2.5)
Underwriting result	9,350	(9,632)	(18,982)	(203.0)
Underwriting profit (loss)	1,426	(3,183)	(4,609)	(323.2)
Ratios:				
Net loss ratio (%)	64.3	69.8	5.6	
Net expense ratio (%)	32.9	33.1	0.2	
Underwriting result ratio (%)	2.8	(2.9)	(5.8)	

Sompo 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	Three months ended June 30, 2010 (April 1 to June 30, 2010)			Three months ended June 30, 2011 (April 1 to June 30, 2011)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	42,158	11.9 %	(2.1) %	42,875	12.1 %	1.7 %
Marine insurance	7,919	2.2	11.2	8,055	2.3	1.7
Personal accident insurance	35,722	10.1	0.9	36,872	10.4	3.2
Voluntary automobile insurance	164,428	46.5	(1.1)	163,640	46.0	(0.5)
Compulsory automobile liability insurance	46,412	13.1	2.6	48,683	13.7	4.9
Others	56,876	16.1	4.6	55,279	15.6	(2.8)
Total	353,517	100.0	0.6	355,405	100.0	0.5
Deposits of premiums by policyholders	29,466	—	17.9	27,546	—	(6.5)

Net premiums written

(Millions of yen)

Business line	Three months ended June 30, 2010 (April 1 to June 30, 2010)			Three months ended June 30, 2011 (April 1 to June 30, 2011)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	34,500	10.4 %	3.2 %	34,153	10.4 %	(1.0) %
Marine insurance	6,203	1.9	5.3	6,178	1.9	(0.4)
Personal accident insurance	35,572	10.7	1.3	36,543	11.1	2.7
Voluntary automobile insurance	164,173	49.6	(1.8)	164,043	50.0	(0.1)
Compulsory automobile liability insurance	38,980	11.8	4.2	37,434	11.4	(4.0)
Others	51,694	15.6	0.0	49,434	15.1	(4.4)
Total	331,126	100.0	0.1	327,788	100.0	(1.0)

Net claims paid

(Millions of yen)

Business line	Three months ended June 30, 2010 (April 1 to June 30, 2010)			Three months ended June 30, 2011 (April 1 to June 30, 2011)		
	Amount	Rate of change	Net loss ratio	Amount	Rate of change	Net loss ratio
Fire and allied insurance	14,504	5.3 %	43.7 %	30,498	110.3 %	91.1 %
Marine insurance	4,020	24.0	69.1	4,643	15.5	79.1
Personal accident insurance	16,834	1.9	52.0	17,300	2.8	52.0
Voluntary automobile insurance	93,834	(2.1)	67.1	94,684	0.9	67.1
Compulsory automobile liability insurance	38,750	(0.1)	107.4	38,328	(1.1)	111.0
Others	21,254	(41.7)	44.4	20,383	(4.1)	45.1
Total	189,198	(7.5)	64.3	205,838	8.8	69.8

Sompo Japan Insurance Inc. (Non-consolidated)

Solvency Margin Ratio

(Millions of yen)

	As of March 31, 2011	As of June 30, 2011
(A) Total Solvency Margin	1,476,906	1,426,313
Capital and funds, etc.	400,229	403,605
Reserve for price fluctuation	17,305	18,796
Contingency reserve	611	611
Catastrophic loss reserve	487,656	432,819
General allowance for possible loan losses	404	430
Unrealized gains on securities (before tax effect deductions)	415,622	413,052
Net unrealized gains and losses on real estate	30,177	30,156
Excess amount of reserve for maturity refunds	—	—
Subordinated debt, etc.	128,000	128,000
Deductions	157,360	157,360
Others	154,258	156,201
(B) Total Risks	394,555	350,542
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$		
Underwriting risk (R_1)	77,389	77,393
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_2)	—	—
Guaranteed interest rate risk (R_3)	5,144	5,144
Investment risk (R_4)	173,292	173,419
Business management risk (R_5)	8,938	8,076
Major catastrophe risk (R_6)	191,119	147,851
(C) Solvency Margin Ratio	748.6 %	813.7 %
$[(A) / \{(B) \times 1/2\}] \times 100$		

Note) The above figures are calculated based on Articles 86 and 87 of the Ordinance for Enforcement of the Insurance Business Law and the provisions of Notification No. 50 of the Ministry of Finance (1996). The figures as of June 30, 2011 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 March 31, 2011.

[Reference] The figures based on new standards to be applied from March 31, 2012

(Millions of yen)

	As of March 31, 2011	As of June 30, 2011
(A) Total Solvency Margin	1,476,906	1,426,313
Capital and funds, etc.	400,229	403,605
Reserve for price fluctuation	17,305	18,796
Contingency reserve	611	611
Catastrophic loss reserve	487,656	432,819
General allowance for possible loan losses	404	430
Unrealized gains on securities (before tax effect deductions)	415,622	413,052
Net unrealized gains and losses on real estate	30,177	30,156
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	157,360	157,360
Others	154,258	156,201
(B) Total Risks	525,109	496,518
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$		
Underwriting risk (R_1)	108,300	108,372
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_2)	—	—
Guaranteed interest rate risk (R_3)	18,681	18,681
Investment risk (R_4)	301,892	300,584
Business management risk (R_5)	12,070	11,509
Major catastrophe risk (R_6)	174,665	147,851
(C) Solvency Margin Ratio	562.5 %	574.5 %
$[(A) / \{(B) \times 1/2\}] \times 100$		

Note) The "new standards" is the revision of the current standards which reflects the revisions of Cabinet Office Ordinance No. 23 and the provisions of Notification No. 48 of the Financial Services Agency issued on April 20, 2010 (application from March 31, 2012). The figures as of June 30, 2011 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 March 31, 2011.

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

Quarterly Balance Sheets

(Millions of yen)

	As of March 31, 2011	As of June 30, 2011	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits	124,674	128,088	3,414
Call loans	10,000	—	(10,000)
Monetary receivables bought	2,449	1,898	(551)
Money trusts	46,313	46,098	(214)
Securities	1,697,112	1,673,292	(23,820)
Loans	200,717	198,612	(2,104)
Tangible fixed assets	127,897	126,582	(1,315)
Intangible fixed assets	526	526	(0)
Other assets	169,264	202,072	32,807
Deferred tax assets	82,262	81,510	(752)
Allowance for possible loan losses	(2,028)	(2,010)	18
Total assets	2,459,190	2,456,671	(2,518)
Liabilities:			
Underwriting funds:	1,982,929	1,958,709	(24,220)
Reserve for outstanding losses and claims	289,142	316,747	27,604
Underwriting reserves	1,693,786	1,641,961	(51,824)
Other liabilities	73,476	89,038	15,561
Reserve for retirement benefits	23,217	25,290	2,072
Reserve for bonus payments	5,415	1,403	(4,011)
Reserves under the special laws:	8,611	7,238	(1,373)
Reserve for price fluctuation	8,611	7,238	(1,373)
Total liabilities	2,093,650	2,081,678	(11,971)
Net assets:			
Shareholders' equity:			
Common stock	91,249	91,249	—
Capital surplus	46,702	46,702	—
Retained earnings	92,050	98,861	6,810
Total shareholders' equity	230,001	236,812	6,810
Valuation and translation adjustments:			
Unrealized gains on securities available for sale, net of tax	131,995	133,730	1,735
Deferred gains on hedges	3,543	4,449	906
Total valuation and translation adjustments	135,538	138,180	2,642
Total net assets	365,539	374,992	9,453
Total liabilities and net assets	2,459,190	2,456,671	(2,518)

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

Quarterly Statements of Income

(Millions of yen)

	Three months ended June 30, 2010 (April 1 to June 30, 2010)	Three months ended June 30, 2011 (April 1 to June 30, 2011)	Increase (Decrease)	Rate of change
	Amount	Amount		
Ordinary income:	202,981	241,006	38,024	18.7 %
Underwriting income:	190,147	228,269	38,122	20.0
Net premiums written	160,285	160,865	579	0.4
Deposits of premiums by policyholders	9,517	10,698	1,181	12.4
Interest and dividend income on deposits of premiums, etc.	5,205	4,881	(324)	(6.2)
Reversal of reserve for outstanding losses and claims	1,349	—	(1,349)	(100.0)
Reversal of underwriting reserves	13,773	51,824	38,051	276.3
Investment income:	12,435	12,351	(84)	(0.7)
Interest and dividend income	13,403	14,829	1,425	10.6
Investment gains on money trusts	303	121	(182)	(59.9)
Gains on sales of securities	3,171	1,734	(1,437)	(45.3)
Transfer of interest and dividend income on deposits of premiums, etc.	(5,205)	(4,881)	324	—
Other ordinary income	398	384	(14)	(3.5)
Ordinary expenses:	191,810	232,281	40,471	21.1
Underwriting expenses:	157,594	197,489	39,895	25.3
Net claims paid	96,139	111,309	15,170	15.8
Loss adjustment expenses	8,895	9,540	644	7.2
Net commissions and brokerage fees	27,195	27,922	727	2.7
Maturity refunds to policyholders	24,497	20,760	(3,737)	(15.3)
Provision for reserve for outstanding losses and claims	—	27,604	27,604	—
Investment expenses:	3,439	5,133	1,694	49.3
Investment losses on money trusts	246	185	(61)	(24.8)
Losses on sales of securities	1,623	1,671	48	3.0
Impairment losses on securities	445	2,024	1,578	354.4
Operating, general and administrative expenses	30,654	29,519	(1,135)	(3.7)
Other ordinary expenses:	122	139	16	13.4
Interest paid	10	8	(1)	(14.2)
Ordinary profit	11,171	8,724	(2,446)	(21.9)
Extraordinary gains:	598	2,343	1,744	291.5
Gains on disposal of fixed assets	33	3	(30)	(90.9)
Reversal of reserves under the special laws:	—	1,373	1,373	—
Reversal of reserve for price fluctuation	—	1,373	1,373	—
Other extraordinary gains	565	967	402	71.2
Extraordinary losses:	1,020	174	(846)	(82.9)
Losses on disposal of fixed assets	43	13	(30)	(69.9)
Impairment losses	36	161	124	340.3
Provision for reserves under the special laws:	778	—	(778)	(100.0)
Provision for reserve for price fluctuation	778	—	(778)	(100.0)
Other extraordinary losses	162	—	(162)	(100.0)
Income before income taxes	10,748	10,893	144	1.3
Income taxes and deferred income taxes	3,244	4,082	837	25.8
Net income	7,504	6,810	(693)	(9.2)
Underwriting result:				
Net premiums written (+)	160,285	160,865	579	0.4
Net claims paid (—)	96,139	111,309	15,170	15.8
Loss adjustment expenses (—)	8,895	9,540	644	7.2
Operating expenses: (—)	56,335	55,881	(453)	(0.8)
Net commissions and brokerage fees	27,195	27,922	727	2.7
Operating, general and administrative expenses related to underwriting	29,139	27,959	(1,180)	(4.1)
Underwriting result	(1,084)	(15,866)	(14,781)	—
Underwriting profit	2,731	2,166	(564)	(20.7)
Ratios:				
Net loss ratio (%)	65.5	75.1	9.6	
Net expense ratio (%)	35.1	34.7	(0.4)	
Underwriting result ratio (%)	(0.7)	(9.9)	(9.2)	

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	Three months ended June 30, 2010 (April 1 to June 30, 2010)			Three months ended June 30, 2011 (April 1 to June 30, 2011)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	28,940	16.6 %	(1.4) %	30,305	17.2 %	4.7 %
Marine insurance	3,731	2.1	9.8	3,690	2.1	(1.1)
Personal accident insurance	14,333	8.2	(1.5)	14,225	8.1	(0.7)
Voluntary automobile insurance	81,206	46.8	(1.8)	81,191	46.1	(0.0)
Compulsory automobile liability insurance	20,334	11.7	1.8	21,334	12.1	4.9
Others	25,483	14.6	0.2	25,258	14.4	(0.9)
Total	174,029	100.0	(0.8)	176,006	100.0	1.1
Deposits of premiums by policyholders	9,517	—	27.3	10,698	—	12.4

Net premiums written

(Millions of yen)

Business line	Three months ended June 30, 2010 (April 1 to June 30, 2010)			Three months ended June 30, 2011 (April 1 to June 30, 2011)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	20,099	12.5 %	(5.5) %	21,430	13.3 %	6.6 %
Marine insurance	3,330	2.1	4.4	3,084	1.9	(7.4)
Personal accident insurance	14,520	9.1	(0.6)	14,454	9.0	(0.5)
Voluntary automobile insurance	81,083	50.5	(1.7)	81,495	50.6	0.5
Compulsory automobile liability insurance	17,553	11.0	4.3	16,654	10.4	(5.1)
Others	23,698	14.8	(0.0)	23,745	14.8	0.2
Total	160,285	100.0	(1.1)	160,865	100.0	0.4

Net claims paid

(Millions of yen)

Business line	Three months ended June 30, 2010 (April 1 to June 30, 2010)			Three months ended June 30, 2011 (April 1 to June 30, 2011)		
	Amount	Rate of change	Net loss ratio	Amount	Rate of change	Net loss ratio
Fire and allied insurance	9,135	(15.3) %	49.8 %	27,982	206.3 %	134.2 %
Marine insurance	1,587	(16.6)	49.4	1,503	(5.3)	50.3
Personal accident insurance	7,462	(1.6)	56.7	7,012	(6.0)	53.2
Voluntary automobile insurance	50,185	4.5	67.9	47,454	(5.4)	65.5
Compulsory automobile liability insurance	17,814	0.3	108.0	17,654	(0.9)	113.0
Others	9,952	(12.1)	47.1	9,702	(2.5)	44.8
Total	96,139	(1.3)	65.5	111,309	15.8	75.1

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

Solvency Margin Ratio

(Millions of yen)

	As of March 31, 2011	As of June 30, 2011
(A) Total Solvency Margin	742,896	709,012
Capital and funds, etc.	230,001	236,812
Reserve for price fluctuation	8,611	7,238
Contingency reserve	14	14
Catastrophic loss reserve	287,719	241,880
General allowance for possible loan losses	75	92
Unrealized gains on securities (before tax effect deductions)	180,010	182,632
Net unrealized gains and losses on real estate	15,866	15,943
Excess amount of reserve for maturity refunds	—	—
Subordinated debt, etc.	—	—
Deductions	13,269	13,269
Others	33,866	37,668
(B) Total Risks	231,098	192,528
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$		
Underwriting risk (R_1)	37,852	37,846
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_2)	1	1
Guaranteed interest rate risk (R_3)	2,926	2,885
Investment risk (R_4)	78,200	76,637
Business management risk (R_5)	7,589	4,349
Major catastrophe risk (R_6)	133,986	100,108
(C) Solvency Margin Ratio	642.9 %	736.5 %
$[(A) / \{(B) \times 1/2\}] \times 100$		

Note) The above figures are calculated based on Articles 86 and 87 of the Ordinance for Enforcement of the Insurance Business Law and the provisions of Notification No. 50 of the Ministry of Finance (1996). The figures as of June 30, 2011 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 March 31, 2011.

[Reference] The figures based on new standards to be applied from March 31, 2012

(Millions of yen)

	As of March 31, 2011	As of June 30, 2011
(A) Total Solvency Margin	742,896	709,012
Capital and funds, etc.	230,001	236,812
Reserve for price fluctuation	8,611	7,238
Contingency reserve	14	14
Catastrophic loss reserve	287,719	241,880
General allowance for possible loan losses	75	92
Unrealized gains on securities (before tax effect deductions)	180,010	182,632
Net unrealized gains and losses on real estate	15,866	15,943
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	13,269	13,269
Others	33,866	37,668
(B) Total Risks	284,736	271,958
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$		
Underwriting risk (R_1)	55,228	55,125
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_2)	1	1
Guaranteed interest rate risk (R_3)	10,408	10,264
Investment risk (R_4)	147,295	145,913
Business management risk (R_5)	9,628	6,228
Major catastrophe risk (R_6)	108,013	100,108
(C) Solvency Margin Ratio	521.8 %	521.4 %
$[(A) / \{(B) \times 1/2\}] \times 100$		

Note) The "new standards" is the revision of the current standards which reflects the revisions of Cabinet Office Ordinance No. 23 and the provisions of Notification No. 48 of the Financial Services Agency issued on April 20, 2010 (application from March 31, 2012). The figures as of June 30, 2011 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 March 31, 2011.

Sonpo 24 Insurance Company Limited (Non-consolidated)

Quarterly Balance Sheets

(Millions of yen)

	As of March 31, 2011	As of June 30, 2011	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits	1,664	1,809	145
Securities	16,451	16,508	56
Tangible fixed assets	137	125	(12)
Other assets	806	679	(127)
Total assets	19,059	19,122	62
Liabilities:			
Underwriting funds:	9,497	9,847	350
Reserve for outstanding losses and claims	2,807	3,043	236
Underwriting reserves	6,690	6,804	113
Other liabilities	1,558	1,390	(167)
Reserve for retirement benefits	103	111	7
Reserve for bonus payments	80	21	(59)
Reserves under the special laws:	23	24	0
Reserve for price fluctuation	23	24	0
Deferred tax liabilities	—	4	4
Total liabilities	11,263	11,399	135
Net assets:			
Shareholders' equity:			
Common stock	19,000	19,000	—
Capital surplus	19,000	19,000	—
Retained earnings	(30,132)	(30,284)	(152)
Total shareholders' equity	7,867	7,715	(152)
Valuation and translation adjustments:			
Unrealized gains (losses) on securities available for sale, net of tax	(72)	7	79
Total valuation and translation adjustments	(72)	7	79
Total net assets	7,795	7,722	(72)
Total liabilities and net assets	19,059	19,122	62

Sonpo 24 Insurance Company Limited (Non-consolidated)

Quarterly Statements of Income

(Millions of yen)

	Three months ended June 30, 2010 (April 1 to June 30, 2010)	Three months ended June 30, 2011 (April 1 to June 30, 2011)	Increase (Decrease)	Rate of change
	Amount	Amount		
Ordinary income:	2,619	2,842	223	8.5 %
Underwriting income:	2,569	2,823	254	9.9
Net premiums written	2,542	2,821	278	11.0
Interest and dividend income on deposits of premiums, etc.	2	2	(0)	(4.9)
Reversal of underwriting reserves	24	—	(24)	(100.0)
Investment income:	49	18	(31)	(63.1)
Interest and dividend income	21	20	(0)	(4.4)
Gains on sales of securities	30	—	(30)	(100.0)
Transfer of interest and dividend income on deposits of premiums, etc.	(2)	(2)	0	—
Other ordinary income	0	0	0	58.8
Ordinary expenses:	2,524	2,991	467	18.5
Underwriting expenses:	1,869	2,276	407	21.8
Net claims paid	1,449	1,521	72	5.0
Loss adjustment expenses	163	216	52	32.0
Net commissions and brokerage fees	163	188	25	15.4
Provision for reserve for outstanding losses and claims	92	236	143	155.4
Provision for underwriting reserves	—	113	113	—
Operating, general and administrative expenses	654	715	60	9.2
Other ordinary expenses	0	0	0	128.4
Ordinary profit (loss)	94	(149)	(244)	(258.0)
Extraordinary losses:	0	1	0	55.0
Losses on disposal of fixed assets	0	0	0	320.2
Provision for reserves under the special laws:	0	0	0	5.2
Provision for reserve for price fluctuation	0	0	0	5.2
Income (loss) before income taxes	93	(151)	(245)	(261.1)
Income taxes and deferred income taxes	0	0	—	—
Net income (loss)	92	(152)	(245)	(263.8)
Underwriting result:				
Net premiums written (+)	2,542	2,821	278	11.0
Net claims paid (—)	1,449	1,521	72	5.0
Loss adjustment expenses (—)	163	216	52	32.0
Operating expenses: (—)	817	902	84	10.4
Net commissions and brokerage fees	163	188	25	15.4
Operating, general and administrative expenses related to underwriting	654	713	59	9.1
Underwriting result	111	180	69	61.7
Underwriting profit (loss)	45	(167)	(213)	(464.3)
Ratios:				
Net loss ratio (%)	63.5	61.6	(1.9)	
Net expense ratio (%)	32.1	32.0	(0.1)	
Underwriting result ratio (%)	4.4	6.4	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	Three months ended June 30, 2010 (April 1 to June 30, 2010)			Three months ended June 30, 2011 (April 1 to June 30, 2011)		
	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	2,547	100.0	10.1	2,838	100.0	11.4
Compulsory automobile liability insurance	—	—	—	—	—	—
Others	—	—	—	—	—	—
Total	2,547	100.0	10.1	2,838	100.0	11.4
Deposits of premiums by policyholders	—	—	—	—	—	—

Net premiums written

(Millions of yen)

Business line	Three months ended June 30, 2010 (April 1 to June 30, 2010)			Three months ended June 30, 2011 (April 1 to June 30, 2011)		
	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	2,503	98.5	10.1	2,787	98.8	11.3
Compulsory automobile liability insurance	39	1.5	27.7	33	1.2	(13.7)
Others	—	—	—	—	—	—
Total	2,542	100.0	10.3	2,821	100.0	11.0

Net claims paid

(Millions of yen)

Business line	Three months ended June 30, 2010 (April 1 to June 30, 2010)			Three months ended June 30, 2011 (April 1 to June 30, 2011)		
	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	1,400	19.3	62.5	1,467	4.8	60.4
Compulsory automobile liability insurance	49	12.5	125.7	54	10.6	161.1
Others	—	—	—	—	—	—
Total	1,449	19.0	63.5	1,521	5.0	61.6

Sonpo 24 Insurance Company Limited (Non-consolidated)

Solvency Margin Ratio

(Millions of yen)

	As of March 31, 2011	As of June 30, 2011
(A) Total Solvency Margin	8,160	8,114
Capital and funds, etc.	7,867	7,715
Reserve for price fluctuation	23	24
Contingency reserve	—	—
Catastrophic loss reserve	340	364
General allowance for possible loan losses	—	—
Unrealized gains (losses) on securities (before tax effect deductions)	(72)	9
Net unrealized gains and losses on real estate	—	—
Excess amount of reserve for maturity refunds	—	—
Subordinated debt, etc.	—	—
Deductions	—	—
Others	—	—
(B) Total Risks	962	980
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$		
Underwriting risk (R_1)	809	827
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)	153	155
Business management risk (R_5)	32	32
Major catastrophe risk (R_6)	105	106
(C) Solvency Margin Ratio	1,695.8 %	1,654.5 %
$[(A) / \{(B) \times 1/2\}] \times 100$		

Note) The above figures are calculated based on Articles 86 and 87 of the Ordinance for Enforcement of the Insurance Business Law and the provisions of Notification No. 50 of the Ministry of Finance (1996). The figures as of June 30, 2011 are partly calculated on the simplified method, for example, some bases for the investment risk calculation are deemed same as the figures as of March 31, 2011.

[Reference] The figures based on new standards to be applied from March 31, 2012

(Millions of yen)

	As of March 31, 2011	As of June 30, 2011
(A) Total Solvency Margin	8,160	8,114
Capital and funds, etc.	7,867	7,715
Reserve for price fluctuation	23	24
Contingency reserve	—	—
Catastrophic loss reserve	340	364
General allowance for possible loan losses	—	—
Unrealized gains (losses) on securities (before tax effect deductions)	(72)	9
Net unrealized gains and losses on real estate	—	—
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	1,521	1,550
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$		
Underwriting risk (R_1)	1,316	1,344
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)	351	353
Business management risk (R_5)	53	54
Major catastrophe risk (R_6)	105	106
(C) Solvency Margin Ratio	1,072.8 %	1,046.5 %
$[(A) / \{(B) \times 1/2\}] \times 100$		

Note) The "new standards" is the revision of the current standards which reflects the revisions of Cabinet Office Ordinance No. 23 and the provisions of Notification No. 48 of the Financial Services Agency issued on April 20, 2010 (application from March 31, 2012). The figures as of June 30, 2011 are partly calculated on the simplified method, for example, some bases for the investment risk calculation are deemed same as the figures as of March 31, 2011.

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

Quarterly Balance Sheets

(Millions of yen)

	As of March 31, 2011	As of June 30, 2011	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits	4,028	2,627	(1,400)
Money trusts	1,316	1,313	(2)
Securities	23,104	22,166	(937)
Loans	16	15	(0)
Tangible fixed assets	385	372	(12)
Intangible fixed assets	1,958	1,961	2
Other assets	2,239	8,192	5,952
Allowance for possible loan losses	(0)	(0)	—
Total assets	33,049	36,650	3,600
Liabilities:			
Underwriting funds:	20,051	20,382	330
Reserve for outstanding losses and claims	4,741	4,791	49
Underwriting reserves	15,310	15,590	280
Other liabilities	1,986	6,456	4,470
Reserve for retirement benefits	218	218	(0)
Reserve for retirement benefits to directors	42	44	2
Reserve for bonus payments	217	115	(102)
Reserves under the special laws:	7	1	(6)
Reserve for price fluctuation	7	1	(6)
Deferred tax liabilities	85	100	15
Total liabilities	22,610	27,320	4,709
Net assets:			
Shareholders' equity:			
Common stock	8,610	8,610	—
Capital surplus	6,848	6,848	—
Retained earnings	(5,250)	(6,382)	(1,131)
Total shareholders' equity	10,207	9,075	(1,131)
Valuation and translation adjustments:			
Unrealized gains on securities available for sale, net of tax	231	254	23
Total valuation and translation adjustments	231	254	23
Total net assets	10,439	9,330	(1,108)
Total liabilities and net assets	33,049	36,650	3,600

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

Quarterly Statements of Income

(Millions of yen)

	Three months ended	Three months ended	Increase (Decrease)	Rate of change
	June 30, 2010 (April 1 to June 30, 2010)	June 30, 2011 (April 1 to June 30, 2011)		
	Amount	Amount		
Ordinary income:	4,133	3,921	(212)	(5.1) %
Underwriting income:	4,008	3,795	(213)	(5.3)
Net premiums written	3,816	3,643	(173)	(4.5)
Deposits of premiums by policyholders	163	139	(24)	(14.9)
Interest and dividend income on deposits of premiums, etc.	12	12	0	5.8
Reversal of reserve for outstanding losses and claims	16	—	(16)	(100.0)
Investment income:	71	48	(23)	(32.6)
Interest and dividend income	82	60	(22)	(26.7)
Investment gains on trading securities	0	—	(0)	(100.0)
Gains on sales of securities	0	0	0	167.8
Transfer of interest and dividend income on deposits of premiums, etc.	(12)	(12)	(0)	—
Other ordinary income	53	77	23	44.4
Ordinary expenses:	4,513	5,053	540	12.0
Underwriting expenses:	3,275	3,179	(95)	(2.9)
Net claims paid	1,880	1,985	104	5.6
Loss adjustment expenses	253	278	24	9.7
Net commissions and brokerage fees	457	404	(52)	(11.5)
Maturity refunds to policyholders	233	178	(55)	(23.6)
Provision for reserve for outstanding losses and claims	—	49	49	—
Provision for underwriting reserves	448	280	(167)	(37.3)
Investment expenses:	37	33	(3)	(8.7)
Investment losses on money trusts	25	2	(22)	(91.0)
Impairment losses on securities	10	—	(10)	(100.0)
Operating, general and administrative expenses	1,198	1,829	630	52.6
Other ordinary expenses:	2	10	8	381.9
Interest paid	1	3	2	180.9
Ordinary loss	(379)	(1,132)	(752)	—
Extraordinary gains:	12	6	(6)	(52.1)
Reversal of reserves under the special laws:	12	6	(6)	(52.1)
Reversal of reserve for price fluctuation	12	6	(6)	(52.1)
Extraordinary losses:	2	0	(1)	(77.4)
Losses on disposal of fixed assets	2	0	(1)	(77.4)
Loss before income taxes	(369)	(1,126)	(757)	—
Income taxes and deferred income taxes	5	5	—	—
Net loss	(374)	(1,131)	(757)	—
Underwriting result:				
Net premiums written (+)	3,816	3,643	(173)	(4.5)
Net claims paid (—)	1,880	1,985	104	5.6
Loss adjustment expenses (—)	253	278	24	9.7
Operating expenses: (—)	1,584	2,148	564	35.6
Net commissions and brokerage fees	457	404	(52)	(11.5)
Operating, general and administrative expenses related to underwriting	1,127	1,743	616	54.7
Underwriting result	98	(768)	(866)	(881.6)
Underwriting profit (loss)	(353)	(1,077)	(723)	—
Ratios:				
Net loss ratio (%)	55.9	62.1	6.2	
Net expense ratio (%)	41.5	59.0	17.5	
Underwriting result ratio (%)	2.6	(21.1)	(23.7)	

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	Three months ended June 30, 2010 (April 1 to June 30, 2010)			Three months ended June 30, 2011 (April 1 to June 30, 2011)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	871	19.6 %	70.9 %	844	19.4 %	(3.1) %
Marine insurance	0	0.0	(62.9)	0	0.0	143.2
Personal accident insurance	1,034	23.2	11.1	1,168	26.9	12.9
Voluntary automobile insurance	2,234	50.2	(4.1)	2,070	47.7	(7.4)
Compulsory automobile liability insurance	91	2.1	(5.3)	47	1.1	(48.1)
Others	222	5.0	(6.9)	213	4.9	(4.3)
Total	4,455	100.0	8.5	4,344	100.0	(2.5)
Deposits of premiums by policyholders	163	—	(18.6)	139	—	(14.9)

Net premiums written

(Millions of yen)

Business line	Three months ended June 30, 2010 (April 1 to June 30, 2010)			Three months ended June 30, 2011 (April 1 to June 30, 2011)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	637	16.7 %	78.1 %	581	16.0 %	(8.8) %
Marine insurance	6	0.2	(32.1)	7	0.2	10.4
Personal accident insurance	652	17.1	5.2	708	19.4	8.6
Voluntary automobile insurance	2,213	58.0	(4.1)	2,048	56.2	(7.5)
Compulsory automobile liability insurance	102	2.7	8.4	97	2.7	(4.7)
Others	204	5.4	(8.8)	200	5.5	(1.9)
Total	3,816	100.0	5.6	3,643	100.0	(4.5)

Net claims paid

(Millions of yen)

Business line	Three months ended June 30, 2010 (April 1 to June 30, 2010)			Three months ended June 30, 2011 (April 1 to June 30, 2011)		
	Amount	Rate of change	Net loss ratio	Amount	Rate of change	Net loss ratio
Fire and allied insurance	59	15.6 %	10.5 %	113	91.3 %	21.5 %
Marine insurance	6	16.8	92.5	7	21.7	101.9
Personal accident insurance	386	4.5	67.4	468	21.2	75.7
Voluntary automobile insurance	1,299	(3.6)	66.6	1,199	(7.7)	67.4
Compulsory automobile liability insurance	101	3.9	107.6	108	7.4	118.3
Others	27	(29.9)	17.7	87	214.8	49.2
Total	1,880	(1.7)	55.9	1,985	5.6	62.1

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

Solvency Margin Ratio

(Millions of yen)

	As of March 31, 2011	As of June 30, 2011
(A) Total Solvency Margin	13,698	12,310
Capital and funds, etc.	10,207	9,075
Reserve for price fluctuation	7	1
Contingency reserve	8	8
Catastrophic loss reserve	3,185	2,901
General allowance for possible loan losses	—	—
Unrealized gains on securities (before tax effect deductions)	285	319
Net unrealized gains and losses on real estate	—	—
Excess amount of reserve for maturity refunds	—	—
Subordinated debt, etc.	—	—
Deductions	—	—
Others	2	3
(B) Total Risks	1,633	1,541
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$		
Underwriting risk (R_1)	846	846
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_2)	—	—
Guaranteed interest rate risk (R_3)	6	6
Investment risk (R_4)	516	477
Business management risk (R_5)	58	55
Major catastrophe risk (R_6)	579	511
(C) Solvency Margin Ratio	1,677.2 %	1,597.1 %
$[(A) / \{(B) \times 1/2\}] \times 100$		

Note) The above figures are calculated based on Articles 86 and 87 of the Ordinance for Enforcement of the Insurance Business Law and the provisions of Notification No. 50 of the Ministry of Finance (1996). The figures as of June 30, 2011 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 March 31, 2011.

[Reference] The figures based on new standards to be applied from March 31, 2012

(Millions of yen)

	As of March 31, 2011	As of June 30, 2011
(A) Total Solvency Margin	13,698	12,310
Capital and funds, etc.	10,207	9,075
Reserve for price fluctuation	7	1
Contingency reserve	8	8
Catastrophic loss reserve	3,185	2,901
General allowance for possible loan losses	—	—
Unrealized gains on securities (before tax effect deductions)	285	319
Net unrealized gains and losses on real estate	—	—
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	2	3
(B) Total Risks	2,114	2,019
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$		
Underwriting risk (R_1)	1,260	1,258
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_2)	—	—
Guaranteed interest rate risk (R_3)	25	25
Investment risk (R_4)	707	661
Business management risk (R_5)	77	73
Major catastrophe risk (R_6)	579	511
(C) Solvency Margin Ratio	1,295.8 %	1,219.1 %
$[(A) / \{(B) \times 1/2\}] \times 100$		

Note) The "new standards" is the revision of the current standards which reflects the revisions of Cabinet Office Ordinance No. 23 and the provisions of Notification No. 48 of the Financial Services Agency issued on April 20, 2010 (application from March 31, 2012). The figures as of June 30, 2011 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 March 31, 2011.

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

Quarterly Balance Sheets

(Millions of yen)

	As of March 31, 2011	As of June 30, 2011	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits	39,395	49,334	9,939
Securities:	1,083,552	1,087,197	3,644
Government bonds	644,873	654,769	9,895
Municipal bonds	69,354	68,770	(583)
Corporate bonds	314,678	309,799	(4,879)
Domestic stocks	4,744	4,617	(126)
Foreign securities	49,902	49,240	(661)
Loans:	18,067	17,856	(210)
Policy loans	18,067	17,856	(210)
Tangible fixed assets	1,354	1,460	105
Intangible fixed assets	4,114	3,861	(253)
Agency accounts receivable	143	127	(15)
Reinsurance accounts receivable	1,480	1,055	(425)
Other assets	25,303	24,141	(1,162)
Deferred tax assets	13,871	13,886	15
Allowance for possible loan losses	(29)	(42)	(12)
Total assets	1,187,254	1,198,878	11,623
Liabilities:			
Policy reserves:	1,121,707	1,135,607	13,899
Reserve for outstanding claims	22,017	21,429	(587)
Policy reserves	1,097,361	1,112,000	14,639
Reserve for dividends to policyholders	2,329	2,177	(152)
Agency accounts payable	2,584	1,908	(676)
Reinsurance accounts payable	1,231	1,143	(87)
Other liabilities	5,803	4,481	(1,321)
Reserve for retirement benefits	941	1,017	76
Reserve for retirement benefits to directors	84	91	7
Reserves under the special laws:	923	957	33
Reserve for price fluctuation	923	957	33
Total liabilities	1,133,276	1,145,208	11,932
Net assets:			
Shareholders' equity:			
Common stock	17,250	17,250	—
Capital surplus	10,000	10,000	—
Retained earnings	25,777	24,886	(891)
Total shareholders' equity	53,027	52,136	(891)
Valuation and translation adjustments:			
Unrealized gains on securities available for sale, net of tax	949	1,532	582
Total valuation and translation adjustments	949	1,532	582
Total net assets	53,977	53,669	(308)
Total liabilities and net assets	1,187,254	1,198,878	11,623

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

Quarterly Statements of Income

(Millions of yen)

	Three months ended June 30, 2010	Three months ended June 30, 2011	Increase (Decrease)	Rate of change
	(April 1 to June 30, 2010)	(April 1 to June 30, 2011)		
	Amount	Amount		
Ordinary income:	60,798	63,419	2,621	4.3 %
Insurance premiums and other:	55,905	57,691	1,786	3.2
Insurance premiums	55,203	57,020	1,817	3.3
Investment income:	4,836	5,123	287	5.9
Interest and dividend income	4,697	4,977	280	6.0
Gains on sales of securities	139	145	6	4.5
Other ordinary income:	56	604	547	967.1
Reversal of reserve for outstanding claims	—	587	587	—
Ordinary expenses:	60,496	63,548	3,051	5.0
Insurance claims and other:	35,327	32,769	(2,557)	(7.2)
Insurance claims	5,340	5,686	345	6.5
Annuity payments	238	286	47	20.0
Insurance benefits	5,622	5,574	(48)	(0.9)
Surrender benefits	22,686	19,767	(2,918)	(12.9)
Other refunds	273	306	32	11.8
Provision for policy reserves and other:	9,221	14,639	5,418	58.8
Provision for reserve for outstanding claims	120	—	(120)	(100.0)
Provision for policy reserves	9,100	14,639	5,538	60.9
Provision for interest portion of reserve for dividends to policyholders	0	0	0	72.0
Investment expenses:	1,170	226	(944)	(80.7)
Interest paid	13	15	2	17.5
Losses on sales of securities	—	88	88	—
Losses on derivatives	8	3	(5)	(58.4)
Investment losses on special account	1,140	98	(1,041)	(91.4)
Operating, general and administrative expenses	14,179	14,987	808	5.7
Other ordinary expenses	597	924	326	54.6
Ordinary profit (loss)	301	(128)	(430)	(142.5)
Extraordinary gains:	0	—	(0)	(100.0)
Other extraordinary gains	0	—	(0)	(100.0)
Extraordinary losses:	265	677	411	154.7
Losses on disposal of fixed assets	5	—	(5)	(100.0)
Provision for reserves under the special laws:	103	33	(69)	(67.1)
Provision for reserve for price fluctuation	103	33	(69)	(67.1)
Other extraordinary losses	156	643	486	310.0
Provision for reserve for dividends to policyholders	402	408	6	1.5
Loss before income taxes	(365)	(1,213)	(848)	—
Income taxes and deferred income taxes	(60)	(322)	(262)	—
Net loss	(304)	(891)	(586)	—

Sampo Japan Himawari 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, 2011				As of June 30, 2011			
	Number		Amount		Number		Amount	
		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year
Individual insurance	1,923	111.1	115,732	111.2	1,971	102.5	118,282	102.2
Individual annuities	15	99.4	798	99.5	15	99.9	802	100.5
Group insurance	—	—	18,891	102.8	—	—	18,912	100.1
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, %)

	Three months ended June 30, 2010 (April 1 to June 30, 2010)				Three months ended June 30, 2011 (April 1 to June 30, 2011)			
	Number		Amount		Number		Amount	
		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year
Individual insurance	74	95.2	5,268	115.2	81	110.7	5,157	97.9
Individual annuities	0	90.1	4	88.5	0	96.0	4	94.3
Group insurance	—	—	82	81.9	—	—	79	96.0
Group annuities	—	—	—	—	—	—	—	—

Note) Amount of "Individual annuities" represents the amount of annuity fund at the beginning of annuity payment.

Annualized premiums

Policies in force

(Millions of yen, %)

	As of March 31, 2011		As of June 30, 2011	
		% of previous fiscal year		% of previous fiscal year
Individual insurance	197,314	102.4	198,036	100.4
Individual annuities	3,547	103.1	3,588	101.2
Total	200,861	102.4	201,625	100.4
Medical and survival benefits	79,058	108.5	80,667	102.0

New policies

(Millions of yen, %)

	Three months ended June 30, 2010 (April 1 to June 30, 2010)		Three months ended June 30, 2011 (April 1 to June 30, 2011)	
		% of previous fiscal year		% of previous fiscal year
Individual insurance	5,445	94.9	5,916	108.7
Individual annuities	19	89.1	18	95.5
Total	5,465	94.9	5,935	108.6
Medical and survival benefits	2,644	87.2	3,095	117.1

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.

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

Solvency Margin Ratio

(Millions of yen)

	As of March 31, 2011	As of June 30, 2011
(A) Total Solvency Margin	159,904	161,295
Capital, etc.	53,027	52,117
Reserve for price fluctuation	923	957
Contingency reserve	14,939	15,215
General allowance for possible loan losses	7	7
Unrealized gains on securities (90% of gain or 100% of loss)	1,340	2,162
Net unrealized gains and losses on real estate (85% of gain or 100% of loss)	—	—
Excess of continued Zillmerized reserve	74,145	75,819
Brought in capital, etc.	—	—
Subordinated debt, etc.	—	—
Deductions	—	—
Others	15,520	15,014
(B) Total Risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	13,898	14,218
Underwriting risk (R_1)	7,114	7,270
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_8)	3,966	4,070
Guaranteed interest rate risk (R_2)	3,217	3,229
Investment risk (R_3)	4,202	4,359
Business management risk (R_4)	376	385
Guaranteed minimum benefit risk (R_7)	329	331
(C) Solvency Margin Ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	2,300.9 %	2,268.8 %

Notes) 1. The above figures are calculated based on Articles 86, 87, 161, 162 and 190 of the Ordinance for Enforcement of the Insurance Business Law and the provisions of Notification No. 50 of the Ministry of Finance (1996).

2. Guaranteed minimum benefit risk is calculated by the standard method.

[Reference] The figures based on new standards to be applied from March 31, 2012

(Millions of yen)

	As of March 31, 2011	As of June 30, 2011
(A) Total Solvency Margin	153,831	152,948
Capital, etc.	53,027	52,117
Reserve for price fluctuation	923	957
Contingency reserve	14,939	15,215
General allowance for possible loan losses	7	7
Unrealized gains on securities (90% of gain or 100% of loss)	1,340	2,162
Net unrealized gains and losses on real estate (85% of gain or 100% of loss)	—	—
Excess of continued Zillmerized reserve	74,145	75,819
Subordinated debt, etc.	—	—
Excess of continued Zillmerized reserve and subordinated debt, etc. which are excluded from total solvency margin	(5,219)	(7,493)
Brought in capital, etc.	—	—
Deductions	—	—
Others	14,667	14,161
(B) Total Risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	18,683	19,144
Underwriting risk (R_1)	7,114	7,270
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_8)	3,966	4,070
Guaranteed interest rate risk (R_2)	7,388	7,412
Investment risk (R_3)	6,692	7,032
Business management risk (R_4)	509	522
Guaranteed minimum benefit risk (R_7)	323	325
(C) Solvency Margin Ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	1,646.7 %	1,597.8 %

Notes) 1. Under Cabinet Office Ordinance No.23 (2010) and the provisions of Notification No. 48 of the Financial Services Agency (2010), the standards for the calculation of solvency margin ratio are revised to tighten and refine calculation of total solvency margin and estimation of total risk and others. The revised standards will be applied from March 31, 2012. The above figures are calculated by using the revised standards to the financial results as of March 31, 2011 and June 30, 2011.

2. Guaranteed minimum benefit risk is calculated by the standard method.

3. "Excess of continued Zillmerized reserve" is calculated under the provisions of Article 1 Paragraph 1-1 of Notification No. 25 of the Financial Services Agency (2011). "Excess of continued Zillmerized reserve and subordinated debt, etc. which are excluded from total solvency margin" is calculated under the provisions of Article 1 Paragraph 1-3 of Notification No. 25 of the Financial Services Agency (2011).

NIPPONKOA Life Insurance Company, Limited (Non-consolidated)

Quarterly Balance Sheets

(Millions of yen)

	As of March 31, 2011	As of June 30, 2011	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits	16,986	9,470	(7,516)
Call loans	599	606	7
Receivables under securities borrowing transactions	30,370	26,738	(3,631)
Money trusts	19,963	20,051	88
Securities:	423,688	443,964	20,276
Government bonds	285,772	306,412	20,639
Municipal bonds	56,588	56,640	52
Corporate bonds	74,149	73,940	(208)
Domestic stocks	6,188	5,978	(209)
Foreign securities	989	992	3
Loans:	14,882	15,081	199
Policy loans	14,882	15,081	199
Tangible fixed assets	256	231	(24)
Intangible fixed assets	2,579	3,106	526
Agency accounts receivable	20	35	15
Reinsurance accounts receivable	74	126	51
Other assets	10,730	11,298	567
Deferred tax assets	8,001	7,690	(311)
Allowance for possible loan losses	(6)	(6)	—
Total assets	528,146	538,394	10,248
Liabilities:			
Policy reserves:	466,833	481,299	14,466
Reserve for outstanding claims	3,420	2,999	(421)
Policy reserves	461,954	476,853	14,898
Reserve for dividends to policyholders	1,457	1,446	(11)
Agency accounts payable	998	747	(250)
Reinsurance accounts payable	126	93	(33)
Other liabilities	33,739	29,225	(4,514)
Reserve for retirement benefits	384	414	29
Reserves under the special laws:	631	654	23
Reserve for price fluctuation	631	654	23
Total liabilities	502,712	512,433	9,721
Net assets:			
Shareholders' equity:			
Common stock	20,000	20,000	—
Retained earnings	1,285	834	(451)
Total shareholders' equity	21,285	20,834	(451)
Valuation and translation adjustments:			
Unrealized gains on securities available for sale, net of tax	4,147	5,126	978
Total valuation and translation adjustments	4,147	5,126	978
Total net assets	25,433	25,960	527
Total liabilities and net assets	528,146	538,394	10,248

NIPPONKOA Life Insurance Company, Limited (Non-consolidated)

Quarterly Statements of Income

(Millions of yen)

	Three months ended June 30, 2010	Three months ended June 30, 2011	Increase (Decrease)	Rate of change
	(April 1 to June 30, 2010)	(April 1 to June 30, 2011)		
	Amount	Amount		
Ordinary income:	25,269	30,144	4,875	19.3 %
Insurance premiums and other:	22,800	26,982	4,181	18.3
Insurance premiums	22,732	26,852	4,119	18.1
Investment income:	2,261	2,491	229	10.1
Interest and dividend income	2,199	2,385	185	8.4
Investment gains on money trusts	61	105	43	70.5
Other ordinary income:	206	671	464	224.7
Reversal of reserve for outstanding claims	—	421	421	—
Ordinary expenses:	24,856	30,276	5,419	21.8
Insurance claims and other:	10,240	9,626	(614)	(6.0)
Insurance claims	2,558	2,557	(0)	(0.0)
Annuity payments	116	158	42	36.9
Insurance benefits	929	917	(12)	(1.3)
Surrender benefits	6,462	5,802	(659)	(10.2)
Other refunds	52	52	0	0.3
Provision for policy reserves and other:	9,963	14,899	4,936	49.5
Provision for reserve for outstanding claims	16	—	(16)	(100.0)
Provision for policy reserves	9,946	14,898	4,952	49.8
Provision for interest portion of reserve for dividends to policyholders	0	0	0	6.6
Investment expenses:	12	11	(0)	(2.0)
Interest paid	9	10	1	11.0
Operating, general and administrative expenses	4,403	5,505	1,102	25.0
Other ordinary expenses	237	233	(3)	(1.6)
Ordinary profit (loss)	412	(131)	(544)	(131.9)
Extraordinary losses:	37	175	138	364.1
Losses on disposal of fixed assets	0	3	2	522.0
Provision for reserves under the special laws:	20	23	2	10.1
Provision for reserve for price fluctuation	20	23	2	10.1
Other extraordinary losses	16	149	133	808.8
Provision for reserve for dividends to policyholders	313	385	72	23.0
Income (loss) before income taxes	61	(693)	(754)	(1,231.7)
Income taxes and deferred income taxes	41	(242)	(284)	(680.9)
Net income (loss)	19	(451)	(470)	(2,409.0)

NIPPONKOA Life Insurance Company, Limited (Non-consolidated)

Major Business Results

Total amount of policies in force

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

	As of March 31, 2011				As of June 30, 2011			
	Number		Amount		Number		Amount	
		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year
Individual insurance	626	112.8	43,489	108.6	644	102.8	44,210	101.7
Individual annuities	54	100.5	1,992	101.1	54	100.7	2,010	100.9
Group insurance	—	—	11,287	102.1	—	—	10,937	96.9
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, %)

	Three months ended June 30, 2010 (April 1 to June 30, 2010)				Three months ended June 30, 2011 (April 1 to June 30, 2011)			
	Number		Amount		Number		Amount	
		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year
Individual insurance	22	100.8	1,517	101.7	28	125.3	1,811	119.4
Individual annuities	0	217.6	26	219.8	0	144.5	39	147.5
Group insurance	—	—	30	122.7	—	—	9	29.7
Group annuities	—	—	—	—	—	—	—	—

Note) Amount of "Individual annuities" represents the amount of annuity fund at the beginning of annuity payment.

Annualized premiums

Policies in force

(Millions of yen, %)

	As of March 31, 2011		As of June 30, 2011	
		% of previous fiscal year		% of previous fiscal year
Individual insurance	62,874	108.9	63,830	101.5
Individual annuities	12,079	100.9	12,199	101.0
Total	74,954	107.5	76,029	101.4
Medical and survival benefits	14,776	108.6	14,977	101.4

New policies

(Millions of yen, %)

	Three months ended June 30, 2010 (April 1 to June 30, 2010)		Three months ended June 30, 2011 (April 1 to June 30, 2011)	
		% of previous fiscal year		% of previous fiscal year
Individual insurance	2,146	104.7	2,368	110.3
Individual annuities	138	197.1	233	168.4
Total	2,284	107.7	2,601	113.9
Medical and survival benefits	526	88.3	487	92.4

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 and (b) premium related to survival benefits such as specific illness.

NIPPONKOA Life Insurance Company, Limited (Non-consolidated)

Solvency Margin Ratio

(Millions of yen)

	As of March 31, 2011	As of June 30, 2011
(A) Total Solvency Margin	61,719	62,903
Capital, etc.	21,285	20,560
Reserve for price fluctuation	631	654
Contingency reserve	4,752	4,831
General allowance for possible loan losses	—	—
Unrealized gains on securities (90% of gain or 100% of loss)	5,849	7,232
Net unrealized gains and losses on real estate (85% of gain or 100% of loss)	—	—
Excess of continued Zillmerized reserve	27,847	28,527
Brought in capital, etc.	—	—
Subordinated debt, etc.	—	—
Deductions	—	—
Others	1,352	1,096
(B) Total Risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	4,754	4,787
Underwriting risk (R_1)	3,134	3,152
Underwriting risk for third-sector insurance products including accident and sickness insurance (R_8)	1,113	1,140
Guaranteed interest rate risk (R_2)	173	176
Investment risk (R_3)	1,674	1,649
Business management risk (R_4)	121	122
Guaranteed minimum benefit risk (R_7)	—	—
(C) Solvency Margin Ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	2,596.3 %	2,627.9 %

Notes) The above figures are calculated based on Articles 86, 87, 161, 162 and 190 of the Ordinance for Enforcement of the Insurance Business Law and the provisions of Notification No. 50 of the Ministry of Finance (1996).

[Reference] The figures based on new standards to be applied from March 31, 2012

(Millions of yen)

	As of March 31, 2011	As of June 30, 2011
(A) Total Solvency Margin	60,073	59,953
Capital, etc.	21,285	20,560
Reserve for price fluctuation	631	654
Contingency reserve	4,752	4,831
General allowance for possible loan losses	—	—
Unrealized gains on securities (90% of gain or 100% of loss)	5,849	7,232
Net unrealized gains and losses on real estate (85% of gain or 100% of loss)	—	—
Excess of continued Zillmerized reserve	27,847	28,527
Subordinated debt, etc.	—	—
Excess of continued Zillmerized reserve and subordinated debt, etc. which are excluded from total solvency margin	(1,099)	(2,402)
Brought in capital, etc.	—	—
Deductions	—	—
Others	805	549
(B) Total Risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	5,756	5,953
Underwriting risk (R_1)	3,134	3,152
Underwriting risk for third-sector insurance products including accident and sickness insurance (R_8)	1,113	1,140
Guaranteed interest rate risk (R_2)	624	629
Investment risk (R_3)	3,021	3,256
Business management risk (R_4)	157	163
Guaranteed minimum benefit risk (R_7)	—	—
(C) Solvency Margin Ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	2,087.3 %	2,014.0 %

Notes) 1. Under Cabinet Office Ordinance No.23 (2010) and the provisions of Notification No. 48 of the Financial Services Agency (2010), the standards for the calculation of solvency margin ratio are revised to tighten and refine calculation of total solvency margin and estimation of total risk and others. The revised standards will be applied from March 31, 2012. The above figures are calculated by using the revised standards to the financial results as of March 31, 2011 and June 30, 2011.

2. "Excess of continued Zillmerized reserve" is calculated under the provisions of Article 1 Paragraph 1-1 of Notification No. 25 of the Financial Services Agency (2011). "Excess of continued Zillmerized reserve and subordinated debt, etc. which are excluded from total solvency margin" is calculated under the provisions of Article 1 Paragraph 1-3 of Notification No. 25 of the Financial Services Agency (2011).

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

Quarterly Balance Sheets

(Millions of yen)

	As of March 31, 2011	As of June 30, 2011	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits	251	161	(89)
Securities:	4,354	3,975	(379)
Government bonds	1,575	1,571	(4)
Domestic stocks	757	671	(85)
Tangible fixed assets	51	60	8
Intangible fixed assets	1,064	—	(1,064)
Agency accounts receivable	0	0	0
Reinsurance accounts receivable	3	63	60
Other assets	288	263	(25)
Total assets	6,014	4,524	(1,490)
Liabilities:			
Policy reserves:	1,204	1,148	(56)
Reserve for outstanding claims	315	260	(55)
Policy reserves	888	888	(0)
Agency accounts payable	3	3	(0)
Reinsurance accounts payable	31	32	0
Other liabilities	227	86	(141)
Reserve for retirement benefits	24	26	1
Reserves under the special laws:	16	17	0
Reserve for price fluctuation	16	17	0
Deferred tax liabilities	155	124	(30)
Total liabilities	1,664	1,438	(226)
Net assets:			
Shareholders' equity:			
Common stock	10,100	10,100	—
Capital surplus	2,100	2,100	—
Retained earnings	(8,123)	(9,333)	(1,209)
Total shareholders' equity	4,076	2,866	(1,209)
Valuation and translation adjustments:			
Unrealized gains on securities available for sale, net of tax	273	218	(54)
Total valuation and translation adjustments	273	218	(54)
Total net assets	4,350	3,085	(1,264)
Total liabilities and net assets	6,014	4,524	(1,490)

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

Quarterly Statements of Income

(Millions of yen)

	Three months ended June 30, 2010	Three months ended June 30, 2011	Increase (Decrease)	Rate of change
	(April 1 to June 30, 2010)	(April 1 to June 30, 2011)		
	Amount	Amount		
Ordinary income:	1,003	1,073	70	7.0 %
Insurance premiums and other:	976	1,003	26	2.7
Insurance premiums	916	929	13	1.5
Investment income:	15	13	(1)	(10.0)
Interest and dividend income	15	13	(1)	(10.0)
Other ordinary income:	11	56	45	394.0
Reversal of reserve for outstanding claims	11	55	44	388.6
Reversal of policy reserves	—	0	0	—
Ordinary expenses:	826	1,086	259	31.4
Insurance claims and other:	213	527	313	147.1
Insurance claims	128	422	294	229.2
Insurance benefits	41	63	21	51.4
Other refunds	1	1	0	7.3
Provision for policy reserves and other:	4	—	(4)	(100.0)
Provision for policy reserves	4	—	(4)	(100.0)
Investment expenses:	0	0	(0)	(61.4)
Interest paid	0	0	(0)	(61.4)
Operating, general and administrative expenses	593	544	(48)	(8.2)
Other ordinary expenses	14	14	(0)	(3.5)
Ordinary profit (loss)	177	(12)	(189)	(107.0)
Extraordinary losses:	0	1,196	1,195	352,829.8
Losses on disposal of fixed assets	—	1,195	1,195	—
Provision for reserves under the special laws:	0	0	(0)	(14.7)
Provision for reserve for price fluctuation	0	0	(0)	(14.7)
Income (loss) before income taxes	176	(1,208)	(1,385)	(783.1)
Income taxes and deferred income taxes	0	0	—	—
Net income (loss)	175	(1,209)	(1,385)	(787.3)

Sompo 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, 2011				As of June 30, 2011			
	Number		Amount		Number		Amount	
		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year
Individual insurance	46	99.0	7,841	97.5	46	99.3	7,754	98.9
Individual annuities	—	—	—	—	—	—	—	—
Group insurance	—	—	—	—	—	—	—	—
Group annuities	—	—	—	—	—	—	—	—

Total amount of new policies

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

	Three months ended June 30, 2010 (April 1 to June 30, 2010)				Three months ended June 30, 2011 (April 1 to June 30, 2011)			
	Number		Amount		Number		Amount	
		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year
Individual insurance	0	68.1	149	65.1	0	65.6	93	62.7
Individual annuities	—	—	—	—	—	—	—	—
Group insurance	—	—	—	—	—	—	—	—
Group annuities	—	—	—	—	—	—	—	—

Annualized premiums

Policies in force

(Millions of yen, %)

	As of March 31, 2011		As of June 30, 2011	
		% of previous fiscal year		% of previous fiscal year
Individual insurance	3,707	101.6	3,708	100.0
Individual annuities	—	—	—	—
Total	3,707	101.6	3,708	100.0
Medical and survival benefits	878	101.8	880	100.2

New policies

(Millions of yen, %)

	Three months ended June 30, 2010 (April 1 to June 30, 2010)		Three months ended June 30, 2011 (April 1 to June 30, 2011)	
		% of previous fiscal year		% of previous fiscal year
Individual insurance	66	70.2	41	62.8
Individual annuities	—	—	—	—
Total	66	70.2	41	62.8
Medical and survival benefits	19	66.9	12	64.5

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.

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

Solvency Margin Ratio

(Millions of yen)

	As of March 31, 2011	As of June 30, 2011
(A) Total Solvency Margin	5,020	3,728
Capital, etc.	4,076	2,866
Reserve for price fluctuation	16	17
Contingency reserve	540	535
General allowance for possible loan losses	—	—
Unrealized gains on securities (90% of gain or 100% of loss)	385	308
Net unrealized gains and losses on real estate (85% of gain or 100% of loss)	—	—
Excess of continued Zillmerized reserve	—	—
Brought in capital, etc.	—	—
Subordinated debt, etc.	—	—
Deductions	—	—
Others	—	—
(B) Total Risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	567	559
Underwriting risk (R_1)	443	438
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_8)	95	94
Guaranteed interest rate risk (R_2)	0	0
Investment risk (R_3)	102	90
Business management risk (R_4)	19	18
Guaranteed minimum benefit risk (R_7)	—	—
(C) Solvency Margin Ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	1,768.9 %	1,332.1 %

Notes) The above figures are calculated based on Articles 86, 87, 161, 162 and 190 of the Ordinance for Enforcement of the Insurance Business Law and the provisions of Notification No. 50 of the Ministry of Finance (1996).

[Reference] The figures based on new standards to be applied from March 31, 2012

(Millions of yen)

	As of March 31, 2011	As of June 30, 2011
(A) Total Solvency Margin	5,020	3,728
Capital, etc.	4,076	2,866
Reserve for price fluctuation	16	17
Contingency reserve	540	535
General allowance for possible loan losses	—	—
Unrealized gains on securities (90% of gain or 100% of loss)	385	308
Net unrealized gains and losses on real estate (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 $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	593	581
Underwriting risk (R_1)	443	438
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_8)	95	94
Guaranteed interest rate risk (R_2)	0	0
Investment risk (R_3)	191	169
Business management risk (R_4)	21	21
Guaranteed minimum benefit risk (R_7)	—	—
(C) Solvency Margin Ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	1,690.3 %	1,283.0 %

Notes) Under Cabinet Office Ordinance No.23 (2010) and the provisions of Notification No. 48 of the Financial Services Agency (2010), the standards for the calculation of solvency margin ratio are revised to tighten and refine calculation of total solvency margin and estimation of total risk and others. The revised standards will be applied from March 31, 2012. The above figures are calculated by using the revised standards to the financial results as of March 31, 2011 and June 30, 2011.

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 >

- 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. the occurrence of major catastrophes, the fluctuation in mortality rate due to significant changes in key environmental factors and a big decline in value of assets held by insurance companies, etc.

- Solvency margin ratio: (C), which is calculated in accordance with the Insurance Business Law, is the ratio of "solvency margin of insurance companies by means of their capital, reserves, etc." (total solvency margin: (A)) to "risks which will exceed their normal estimates" (total risks: (B)).

- "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 occurrence of insurance claims 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 than expected

<3> Investment risk:

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

<4> Business management risk:

Risks beyond normal estimates arising from business management (That does 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) 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 net unrealized gains and losses on real estate, 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.

< Revision of the standards for the calculation of solvency margin ratio >

- For the purpose of improving credibility of solvency margin ratio, regulations on solvency margin ratio are revised, which will be officially applied at the end of the fiscal year ending March 31, 2012. Until the date of application, solvency margin ratio calculated under the revised standards is disclosed as a reference, in addition to the solvency margin ratio calculated under the current standards.
- Under the new standards, solvency margin ratio may decline compared to that of under the current standards because of stricter standards of estimating total risk and others. However, as is the case under the current standards, solvency margin ratio under the new standards exceeding 200% would indicate adequate capability to meet payments of possible insurance claims.