

**UNOFFICIAL TRANSLATION**

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February 14, 2012

**NKSJ Holdings, Inc.**

**Summary of Consolidated Financial Results for the nine months ended December 31, 2011  
[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, 2012  
 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, 2011 (April 1 to December 31, 2011)**

**(1) Consolidated Results of Operations (accumulated)**

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, 2011	2,114,307	5.6	(130,675)	—	(146,934)	—
Nine months ended December 31, 2010	2,002,076	—	45,973	—	24,846	—

Note) Comprehensive income: Nine months ended December 31, 2011 (224,503) million yen — %  
 Nine months ended December 31, 2010 (54,429) million yen — %

	Net income per share	Diluted net income per share
	yen	yen
Nine months ended December 31, 2011	(354.00)	—
Nine months ended December 31, 2010	59.84	59.75

(NKSJ Holdings, Inc. carried out a reverse split of stocks to combine common stocks at a ratio of four shares to one share as of October 1, 2011. Net income per share and diluted net income per share are calculated based on the assumption that the reverse split of stocks was executed at the beginning of the fiscal year ended March 31, 2011.)

**(2) Consolidated Financial Conditions**

	Total assets	Total net assets	Equity ratio
	millions of yen	millions of yen	%
As of December 31, 2011	8,572,149	824,535	9.5
As of March 31, 2011	8,981,974	1,079,446	12.0

Reference) Equity capital: As of December 31, 2011 817,291 million yen  
 As of March 31, 2011 1,074,303 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
Year ended March 31, 2011	—	—	—	20.00	20.00
Year ending March 31, 2012	—	—	—	—	—
Year ending March 31, 2012 (Forecast)	—	—	—	80.00	80.00

Note) Revisions to the latest announced dividends forecasts: None

(NKSJ Holdings, Inc. carried out a reverse split of stocks to combine common stocks at a ratio of four shares to one share as of October 1, 2011. The amount of year-end dividend per share for the fiscal year ended March 31, 2011 represents the result of dividend payments made before the execution of the reverse split of stocks.)

### 3. Consolidated Forecasts for the fiscal year ending March 31, 2012 (April 1, 2011 to March 31, 2012)

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
Year ending March 31, 2012 (April 1, 2011 to March 31, 2012)	2,808,000	7.1	(45,000)	—	(100,000)	—	(240.92)

Note) Revisions to the latest announced forecasts: None

### 4. Other

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2011 (changes in specified subsidiaries resulting in changes in the scope of consolidation): None
- (2) Adoption of accounting methods used specifically for the preparation of the quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimations, and retrospective restatements
- ① Changes in accounting policies due to revisions to accounting standards: Yes
  - ② Changes due to reasons other than the above: None
  - ③ Changes in accounting estimations: None
  - ④ Retrospective restatements: None

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

① Total shares outstanding including treasury stock:

As of December 31, 2011	415,352,294 shares
As of March 31, 2011	415,352,294 shares

② Treasury stock:

As of December 31, 2011	328,686 shares
As of March 31, 2011	245,865 shares

③ Average number of shares outstanding:

For the nine months ended December 31, 2011	415,059,604 shares
For the nine months ended December 31, 2010	415,170,050 shares

(NKSJ Holdings, Inc. carried out a reverse split of stocks to combine common stocks at a ratio of four shares to one share as of October 1, 2011. Total shares outstanding including treasury stock, treasury stock and average number of shares outstanding are calculated based on the assumption that the reverse split of stocks was executed at the beginning of the fiscal year ended March 31, 2011.)

(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.

NKSJ Holdings, Inc. carried out a reverse split of stocks to combine common stocks at a ratio of four shares to one share as of October 1, 2011.

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## 1. Qualitative Information Related to the Consolidated Financial Results for the nine months ended December 31, 2011

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

During the nine months ended December 31, 2011, the Japanese economy saw gradual increases in exports and production with the resolution of supply-side constraints in the aftermath of the Great East Japan Earthquake, which struck in March 2011. However, the slowdown of global economy, rapid appreciation of yen, and the flooding in Thailand hit the Japanese economy, resulting in weak exports and slower recovery of production. Consumer spending remained almost at the same level while capital investment showed signs of slowing down. In addition, as employment conditions have remained sluggish, the overall recovery of economy was soft. Prices of goods and services have been subject to a moderate deflationary environment.

Under these circumstances, the NKSJ Group's consolidated financial results for the nine months ended December 31, 2011 were as follows:

Ordinary income for the nine months ended December 31, 2011 was 2,114.3 billion yen, an increase of 112.2 billion yen compared with the same period last year. This reflected underwriting income of 1,991.7 billion yen, investment income of 114.7 billion yen and other ordinary income of 7.8 billion yen. Meanwhile, ordinary expenses for the period were 2,244.9 billion yen, an increase of 288.8 billion yen from the same period last year. This reflected underwriting expenses of 1,784.8 billion yen, investment expenses of 138.3 billion yen, operating, general and administrative expenses of 313.5 billion yen and 8.1 billion yen of other ordinary expenses.

As a result, the Group reported ordinary loss, calculated as ordinary income minus ordinary expenses, of 130.6 billion yen, a change of 176.6 billion yen from ordinary profit in the same period last year. The Group posted net loss after extraordinary items, net of income taxes and deferred income taxes and net loss attributable to non-controlling interests of 146.9 billion yen. This represented a change of 171.7 billion yen from net income after extraordinary items, net of income taxes and deferred income taxes and net loss attributable to non-controlling interests in the same period last year.

Major factors of net loss increase were net incurred losses\* from the flooding in Thailand of 94.1 billion yen, impairment losses on securities of 110.8 billion yen, and recognition of 38.6 billion yen losses by the reversal of differed tax assets due to newly promulgated laws related to reduction of the corporate income tax rate in Japan.

### (2) Qualitative information related to the consolidated financial condition

Total assets as of December 31, 2011 amounted to 8,572.1 billion yen, a decrease of 409.8 billion yen from March 31, 2011. The main reasons for this decrease were a decline in unrealized gains on securities available for sale and impairment losses on securities, both primarily reflecting falling stock prices.

### (3) Qualitative information related to the forecasts of consolidated financial results

On January 27, 2012, the Company revised and announced the forecasts of consolidated financial results for the full fiscal year ending March 31, 2012. The Company is now forecasting consolidated ordinary income of 2,808.0 billion yen, ordinary loss of 45.0 billion yen, and net loss of 100.0 billion yen.

These forecasts are premised on assumptions relating to insurance underwriting, which are based on an extrapolation from past performance trends and other factors, while allowing for around 160.0 billion yen in net incurred losses\* due to natural disasters in Japan and overseas occurring in the current fiscal year. The forecasted losses include net incurred losses from the flooding in Thailand which is estimated at around 100.0 billion yen.

Our forecasts relating to asset investment performance assume that market interest rates and exchange rates remain at or near their levels as of the end of December 2011, while stock price remains at or near level as of the end of October 2011.

Also, the Company assumes the reversal of differed tax assets of around 38 billion yen due to newly promulgated laws related to reduction of the corporate income tax rate in Japan.

The consolidated financial results for the nine months ended December 31, 2011 were worse than the forecasts of consolidated financial results for the full fiscal year ending March 31, 2012. This is primarily due of the following two reasons. One reason is that we forecast progress of insurance payments of the flooding in Thailand as of the end of March and increase in reversal of catastrophic loss reserve accordingly. Most of the flood payments have not yet finished as of the end of December 2011. Another reason is that we assume higher stock prices than as of the end of December 2011 in our full fiscal year forecasts. This results in less impairment losses on securities for the full fiscal year than losses for the nine months ended December 31, 2011.

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

## 2. Other Information

### (1) Adoption of accounting methods used specifically for the preparation of the quarterly consolidated financial statements

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.

### (2) Changes in accounting policies, changes in accounting estimations and retrospective restatements

Effective from the three months ended June 30, 2011, NKSJ Holdings, Inc. ("NKSJ") has adopted the Accounting Standards Board of Japan Statement No.2 "Accounting Standard for Earnings Per Share" (June 30, 2010), the Accounting Standards Board of Japan Guidance No.4 "Guidance on Accounting Standard for Earnings Per Share" (June 30, 2010) and the Accounting Standards Board of Japan Practical Issues Task Force No.9 "Practical Solution on Accounting for Earnings Per Share" (June 30, 2010).

NKSJ carried out a reverse split of stocks as of October 1, 2011. Net income per share and diluted net income per share are calculated based on the assumption that the reverse split of stocks was executed at the beginning of the fiscal year ended March 31, 2011.

### 3. Quarterly Consolidated Financial Statements

#### (1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2011	As of December 31, 2011
<b>Assets:</b>		
Cash and deposits	328,528	313,935
Call loans	78,399	65,000
Receivables under resale agreements	33,490	98,976
Receivables under securities borrowing transactions	30,370	—
Monetary receivables bought	32,273	29,963
Money trusts	67,861	36,720
Securities	6,431,235	6,088,091
Loans	691,294	646,217
Tangible fixed assets	363,416	358,539
Intangible fixed assets	53,438	56,022
Other assets	618,602	562,151
Deferred tax assets	258,966	299,114
Customers' liabilities for acceptances and guarantees	—	23,275
Allowance for possible credit losses	(5,903)	(5,855)
Allowance for possible investment losses	—	(3)
<b>Total assets</b>	<b>8,981,974</b>	<b>8,572,149</b>
<b>Liabilities:</b>		
Underwriting funds:	7,313,315	7,210,190
Reserve for outstanding losses and claims	1,009,329	1,048,510
Underwriting reserves	6,303,985	6,161,680
Corporate bonds	128,000	128,000
Other liabilities	305,559	248,758
Reserve for retirement benefits	104,793	112,291
Reserve for retirement benefits to directors	141	63
Reserve for bonus payments	22,624	7,448
Reserves under the special laws:	27,520	16,499
Reserve for price fluctuation	27,520	16,499
Deferred tax liabilities	572	1,086
Acceptances and guarantees	—	23,275
<b>Total liabilities</b>	<b>7,902,527</b>	<b>7,747,613</b>
<b>Net assets:</b>		
Shareholders' equity:		
Common stock	100,045	100,045
Capital surplus	438,555	438,561
Retained earnings	298,339	118,195
Treasury stock	(572)	(689)
<b>Total shareholders' equity</b>	<b>836,367</b>	<b>656,114</b>
Accumulated other comprehensive income:		
Unrealized gains on securities available for sale, net of tax	268,976	205,451
Deferred gains on hedges	3,543	5,841
Foreign currency translation adjustments	(34,583)	(50,115)
<b>Total accumulated other comprehensive income</b>	<b>237,936</b>	<b>161,177</b>
Stock acquisition rights	2,349	2,417
Non-controlling interests	2,793	4,826
<b>Total net assets</b>	<b>1,079,446</b>	<b>824,535</b>
<b>Total liabilities and net assets</b>	<b>8,981,974</b>	<b>8,572,149</b>

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income  
 Quarterly Consolidated Statements of Income  
 Nine months ended December 31, 2011

	(Millions of yen)	
	Nine months ended December 31, 2010 (April 1 to December 31, 2010)	Nine months ended December 31, 2011 (April 1 to December 31, 2011)
Ordinary income:	2,002,076	2,114,307
Underwriting income:	1,903,022	1,991,703
Net premiums written	1,465,475	1,496,981
Deposits of premiums by policyholders	118,276	125,684
Interest and dividend income on deposits of premiums, etc.	44,860	42,532
Life insurance premiums written	171,436	182,551
Reversal of reserve for outstanding losses and claims	59,675	—
Reversal of underwriting reserves	39,068	141,813
Investment income:	91,957	114,710
Interest and dividend income	116,534	117,692
Investment gains on money trusts	847	142
Investment gains on trading securities	—	26
Gains on sales of securities	9,396	34,954
Transfer of interest and dividend income on deposits of premiums, etc.	(44,860)	(42,532)
Other ordinary income	7,097	7,893
Ordinary expenses:	1,956,103	2,244,982
Underwriting expenses:	1,602,747	1,784,811
Net claims paid	925,954	1,111,105
Loss adjustment expenses	97,439	100,212
Net commissions and brokerage fees	265,020	275,534
Maturity refunds to policyholders	264,815	212,990
Life insurance claims paid and other payments	43,872	45,138
Provision for reserve for outstanding losses and claims	—	34,979
Investment expenses:	30,422	138,383
Investment losses on money trusts	914	646
Investment losses on trading securities	17	—
Losses on sales of securities	3,607	12,017
Impairment losses on securities	9,854	110,838
Operating, general and administrative expenses	314,200	313,596
Other ordinary expenses:	8,734	8,191
Interest paid	5,403	5,661
Ordinary profit (loss)	45,973	(130,675)

(Millions of yen)

	Nine months ended December 31, 2010 (April 1 to December 31, 2010)	Nine months ended December 31, 2011 (April 1 to December 31, 2011)
Extraordinary gains:	2,251	19,064
Gains on disposal of fixed assets	316	778
Gains on negative goodwill	149	—
Gain on step acquisitions	—	6,298
Reversal of reserves under the special laws:	—	11,020
Reversal of price fluctuation reserve	—	11,020
Other extraordinary gains	1,785	967
Extraordinary losses:	7,210	13,810
Losses on disposal of fixed assets	493	1,618
Impairment losses	662	606
Provision for reserves under the special laws:	4,832	—
Provision for reserve for price fluctuation	4,832	—
Other extraordinary losses	1,222	11,585
Income (loss) before income taxes and non-controlling interests	41,014	(125,420)
Income taxes and deferred income taxes	16,418	21,874
Income (loss) before non-controlling interests	24,596	(147,295)
Net loss attributable to non-controlling interests	(250)	(360)
Net income (loss)	24,846	(146,934)



Quarterly Consolidated Statements of Comprehensive Income  
 Nine months ended December 31, 2011

	(Millions of yen)	
	Nine months ended December 31, 2010 (April 1 to December 31, 2010)	Nine months ended December 31, 2011 (April 1 to December 31, 2011)
Income (loss) before non-controlling interests	24,596	(147,295)
Other comprehensive income:		
Unrealized gains on securities available for sale, net of tax	(73,782)	(63,288)
Deferred gains on hedges	4,274	2,298
Foreign currency translation adjustments	(8,705)	(14,716)
Share of other comprehensive income of affiliates accounted for under the equity method	(811)	(1,500)
Total other comprehensive income	<u>(79,025)</u>	<u>(77,208)</u>
Comprehensive income	<u>(54,429)</u>	<u>(224,503)</u>
(Comprehensive income attributable to)		
Comprehensive income attributable to shareholders of the parent	(54,131)	(223,731)
Comprehensive income attributable to non-controlling interests	(297)	(772)

(3) Notes on Going-Concern Assumption

None.

(4) Notes on Material Changes in Shareholders' Equity

None.

## 4. Supplementary Information

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

(Millions of yen)

	Nine months ended December 31, 2010  (April 1 to December 31, 2010)	Nine months ended December 31, 2011  (April 1 to December 31, 2011)	Increase (Decrease)	Rate of change
Ordinary income and expenses:				%
Underwriting income:	1,903,022	1,991,703	88,681	4.7
Net premiums written	1,465,475	1,496,981	31,505	2.1
Deposits of premiums by policyholders	118,276	125,684	7,407	6.3
Life insurance premiums written	171,436	182,551	11,114	6.5
Underwriting expenses:	1,602,747	1,784,811	182,063	11.4
Net claims paid	925,954	1,111,105	185,151	20.0
Loss adjustment expenses	97,439	100,212	2,773	2.8
Net commissions and brokerage fees	265,020	275,534	10,513	4.0
Maturity refunds to policyholders	264,815	212,990	(51,824)	(19.6)
Life insurance claims paid and other payments	43,872	45,138	1,266	2.9
Investment income:	91,957	114,710	22,753	24.7
Interest and dividend income	116,534	117,692	1,158	1.0
Gains on sales of securities	9,396	34,954	25,558	272.0
Investment expenses:	30,422	138,383	107,961	354.9
Losses on sales of securities	3,607	12,017	8,409	233.1
Impairment losses on securities	9,854	110,838	100,984	1,024.8
Operating, general and administrative expenses	314,200	313,596	(603)	(0.2)
Other ordinary income and expenses	(1,636)	(298)	1,338	—
Ordinary profit (loss)	45,973	(130,675)	(176,648)	(384.2)
Extraordinary gains and losses:				
Extraordinary gains	2,251	19,064	16,813	746.7
Extraordinary losses	7,210	13,810	6,600	91.5
Net extraordinary gains (losses)	(4,958)	5,254	10,213	—
Income (loss) before income taxes and non-controlling interests	41,014	(125,420)	(166,435)	(405.8)
Income taxes and deferred income taxes	16,418	21,874	5,456	33.2
Income (loss) before non-controlling interests	24,596	(147,295)	(171,891)	(698.9)
Net loss attributable to non-controlling interests	(250)	(360)	(110)	—
Net income (loss)	24,846	(146,934)	(171,781)	(691.4)

## (2) Premiums Written and Claims Paid by Business Lines (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)			Nine months ended December 31, 2011 (April 1 to December 31, 2011)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	271,837	16.2	—	281,946	16.2	3.7
Marine insurance	42,804	2.5	—	44,029	2.5	2.9
Personal accident insurance	220,869	13.2	—	234,586	13.5	6.2
Voluntary automobile insurance	738,727	44.0	—	750,723	43.1	1.6
Compulsory automobile liability insurance	190,641	11.4	—	210,688	12.1	10.5
Others	214,201	12.8	—	220,745	12.7	3.1
Total	1,679,082	100.0	—	1,742,720	100.0	3.8
Deposits of premiums by policyholders	118,276	7.0	—	125,684	7.2	6.3

Net premiums written

(Millions of yen)

Business line	Nine months ended December 31, 2010 (April 1 to December 31, 2010)			Nine months ended December 31, 2011 (April 1 to December 31, 2011)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	179,648	12.3	—	186,013	12.4	3.5
Marine insurance	35,520	2.4	—	35,620	2.4	0.3
Personal accident insurance	139,003	9.5	—	141,624	9.5	1.9
Voluntary automobile insurance	737,863	50.3	—	750,936	50.2	1.8
Compulsory automobile liability insurance	182,733	12.5	—	190,797	12.7	4.4
Others	190,705	13.0	—	191,989	12.8	0.7
Total	1,465,475	100.0	—	1,496,981	100.0	2.1

Net claims paid

(Millions of yen)

Business line	Nine months ended December 31, 2010 (April 1 to December 31, 2010)			Nine months ended December 31, 2011 (April 1 to December 31, 2011)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	71,574	7.7	—	271,737	24.5	279.7
Marine insurance	17,584	1.9	—	21,106	1.9	20.0
Personal accident insurance	75,729	8.2	—	76,891	6.9	1.5
Voluntary automobile insurance	461,528	49.8	—	470,389	42.3	1.9
Compulsory automobile liability insurance	172,767	18.7	—	175,058	15.8	1.3
Others	126,768	13.7	—	95,922	8.6	(24.3)
Total	925,954	100.0	—	1,111,105	100.0	20.0

Note to the above three tables:

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

## (3) Life Insurance Business (Consolidated)

## Life insurance premiums

(Millions of yen)

	Nine months ended December 31, 2010 (April 1 to December 31, 2010)		Nine months ended December 31, 2011 (April 1 to December 31, 2011)	
	Amount	Rate of change	Amount	Rate of change
Life insurance premiums	171,436	— %	182,551	6.5 %

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

## Total amount of policies in force

(Millions of yen)

	As of March 31, 2011	As of December 31, 2011	
	Amount	Amount	Rate of change
Individual insurance	16,706,412	17,795,775	6.5 %
Individual annuities	279,100	284,513	1.9
Group insurance	3,064,572	3,060,311	(0.1)
Group annuities	—	—	—

Notes)

1. The above figures represent amounts before offsetting internal transactions among 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)			Nine months ended December 31, 2011 (April 1 to December 31, 2011)		
	New policies + net increase by conversion	New policies	Net increase by conversion	New policies + net increase by conversion	New policies	Net increase by conversion
Individual insurance	2,328,639	2,328,639	—	2,263,034	2,263,034	—
Individual annuities	10,839	10,839	—	11,955	11,955	—
Group insurance	30,068	30,068	—	42,106	42,106	—
Group annuities	—	—	—	—	—	—

Notes)

1. The above figures represent amounts before offsetting internal transactions among segments.
2. Amount of "New policies + net increase by 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)		Nine months ended December 31, 2011 (April 1 to December 31, 2011)	
	Amount	Rate of change	Amount	Rate of change
Annualized premiums of new policies	28,068	— %	27,592	(1.7) %

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

## (4) Securities (Consolidated)

## 1. Bonds held to maturity

(Millions of yen)

	As of March 31, 2011			As of December 31, 2011		
	Carrying amount on balance sheet	Fair value	Unrealized gains (losses)	Carrying amount on balance sheet	Fair value	Unrealized gains (losses)
Domestic bonds	1,133,053	1,162,872	29,819	1,115,513	1,186,111	70,598
Foreign securities	49,563	50,083	520	33,715	33,863	147
Total	1,182,616	1,212,955	30,339	1,149,228	1,219,975	70,746

## 2. Policy reserve matching bonds

(Millions of yen)

	As of March 31, 2011			As of December 31, 2011		
	Carrying amount on balance sheet	Fair value	Unrealized gains (losses)	Carrying amount on balance sheet	Fair value	Unrealized gains (losses)
Domestic bonds	16,887	17,045	158	—	—	—
Total	16,887	17,045	158	—	—	—

## 3. Securities available for sale

(Millions of yen)

	As of March 31, 2011			As of December 31, 2011		
	Cost	Carrying amount on balance sheet	Unrealized gains (losses)	Cost	Carrying amount on balance sheet	Unrealized gains (losses)
Domestic bonds	2,384,876	2,427,323	42,447	2,428,239	2,504,243	76,003
Domestic stocks	1,101,855	1,524,213	422,358	945,145	1,230,907	285,761
Foreign securities	1,089,936	1,046,672	(43,263)	1,051,294	985,958	(65,335)
Others	80,774	83,230	2,456	79,696	80,227	530
Total	4,657,441	5,081,440	423,998	4,504,376	4,801,336	296,960

## Notes)

As of March 31, 2011	As of December 31, 2011
<p>1. Securities available for sale which are considered extremely difficult to figure out their fair value are not included in the above table.</p> <p>2. Certificate of deposit classified as cash and deposits and beneficial interests in the loan trusts classified as monetary receivables bought in the consolidated balance sheet are included in "Others" above.</p> <p>3. For the fiscal year ended March 31, 2011, impairment losses on securities available for sale (excluding securities available for sale which are considered extremely difficult to figure out their fair value) amount to 20,124 million yen (domestic stocks: 19,731 million yen, foreign securities: 393 million yen). Basically, NKSJ Holdings, Inc. and its domestic consolidated subsidiaries recognize impairment losses on securities if fair value declines by 30% or more from their cost at the end of the fiscal year.</p>	<p>1. Securities available for sale which are considered extremely difficult to figure out their fair value are not included in the above table.</p> <p>2. Certificate of deposit classified as cash and deposits and beneficial interests in the loan trusts classified as monetary receivables bought in the quarterly consolidated balance sheet are included in "Others" above.</p> <p>3. For the nine months ended December 31, 2011, impairment losses on securities available for sale (excluding securities available for sale which are considered extremely difficult to figure out their fair value) amount to 110,477 million yen (domestic bonds: 2,741 million yen, domestic stocks: 105,027 million yen, foreign securities: 2,676 million yen, others: 31 million yen). Of this amount, impairment losses on beneficial interests in the loan trusts, which are classified as other investment expenses in the quarterly consolidated statement of income, amount to 31 million yen. Basically, NKSJ Holdings, Inc. and its domestic consolidated subsidiaries recognize impairment losses on securities if fair value declines by 30% or more from their cost at the end of the third quarter.</p>

## (5) Derivative Transactions (Consolidated)

(Millions of yen)

Type	Transaction	As of March 31, 2011			As of December 31, 2011		
		Notional amount	Fair value	Unrealized gains (losses)	Notional amount	Fair value	Unrealized gains (losses)
Currency derivatives	Forward foreign exchanges:						
	Short	46,994	(1,337)	(1,337)	36,518	812	812
	Long	10,181	116	116	8,653	72	72
	Currency options:						
	Short	5,911			9,236		
	6*	(7)	(1)	4*	(3)	1	
	Long	5,300			8,810		
	6*	—	(6)	4*	2	(1)	
Equity derivatives	Equity index futures:						
	Short	6,546	(773)	(773)	8,115	87	87
Bond derivatives	Bond futures:						
	Short	—	—	—	2,746	(28)	(28)
	Long	1,730	(2)	(2)	300	3	3
Others	Credit derivatives:						
	Short	9,000	17	17	9,000	(65)	(65)
	Long	1,000	(1)	(1)	—	—	—
	Weather derivatives:						
	Short	597			1,342		
		21*	(9)	12	46*	(59)	(13)
	Long	—			100		
		—*	—	—	—*	—	—
	Earthquake derivatives:						
	Short	3,560			3,980		
	103*	(0)	103	124*	(10)	114	
Long	3,195			3,582			
	314*	77	(236)	366*	135	(231)	
Total		—	(1,921)	(2,110)	—	947	750

Notes)

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