Management Plan of NKSJ Group

November 26, 2012

NKSJ Holdings, Inc.

Main points of Management Plan

- Upwardly revised the NKSJ Group's numerical management targets for fiscal 2015.
- Return the Group to a sustainable growth cycle by maximizing the benefits from the merger of Sompo Japan and Nipponkoa.
- Strive to enhance corporate value on a net assets basis by building an optimal business portfolio.

Main points of strategies

Domestic P&C insurance business

- Achieve the industry's highest level of business efficiency and profitability through the merger
- Strengthen measures to enhance profitability primarily in the mainstay automobile insurance business

Domestic life insurance business

- Allocate management resources to this business - the largest engine of growth
- Conduct management with emphasis on MCEV, a highly reliable and transparent indicator

Overseas insurance business

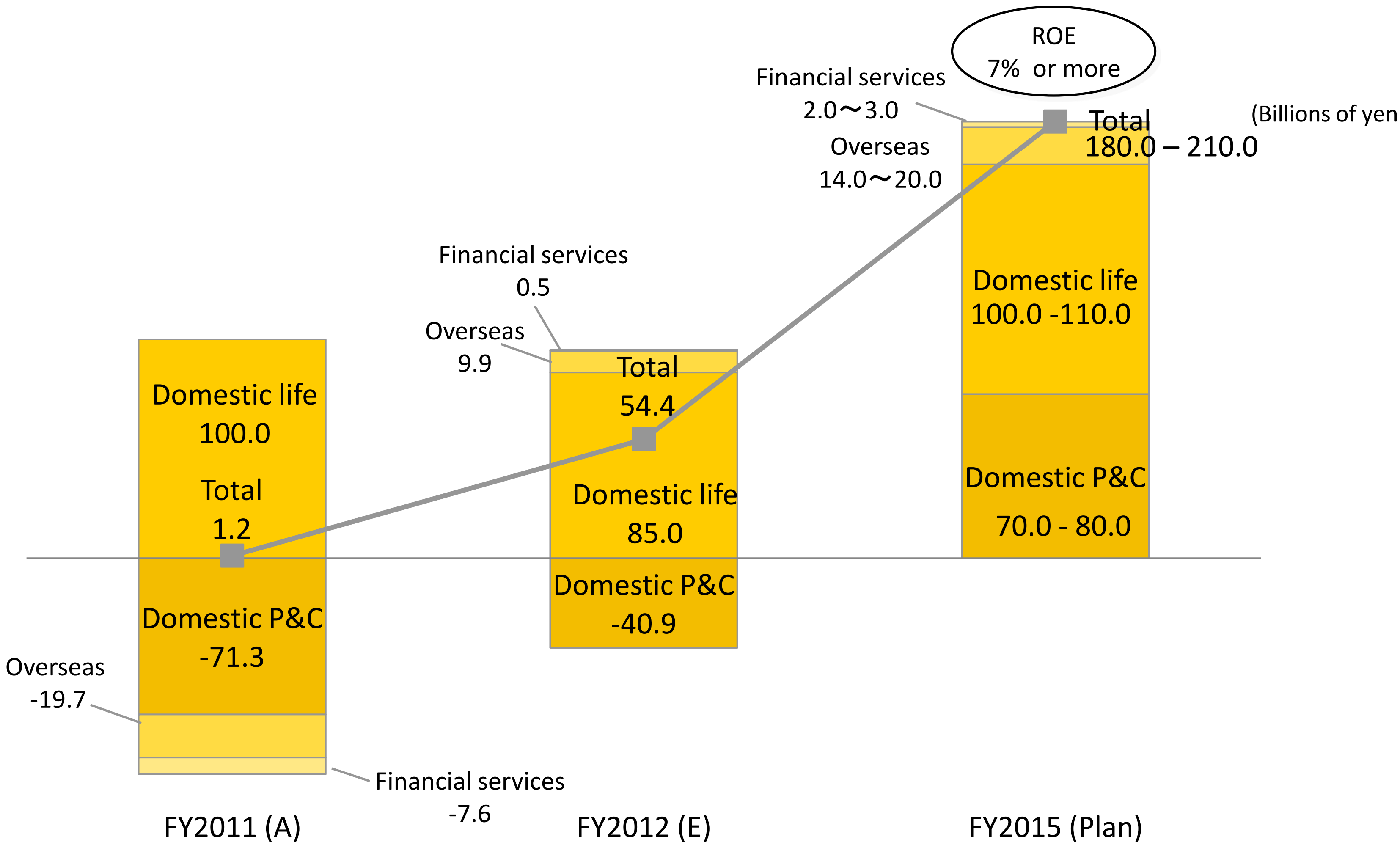
- Accelerate the integration of overseas sites
- Steadily increase profits by continuing to execute carefully selected investments

Capital management policy

- Enhance capital efficiency while controlling risk
- Conduct flexible stock buybacks under the basic policy of maintaining a stable dividend

Numerical management targets of the group

- Substantial improvement from current conditions across all businesses.
- Given that the domestic P&C insurance business will still be capturing merger benefits in fiscal 2015, there will still be potential for additional profit growth thereafter.



Revision from the previous plan

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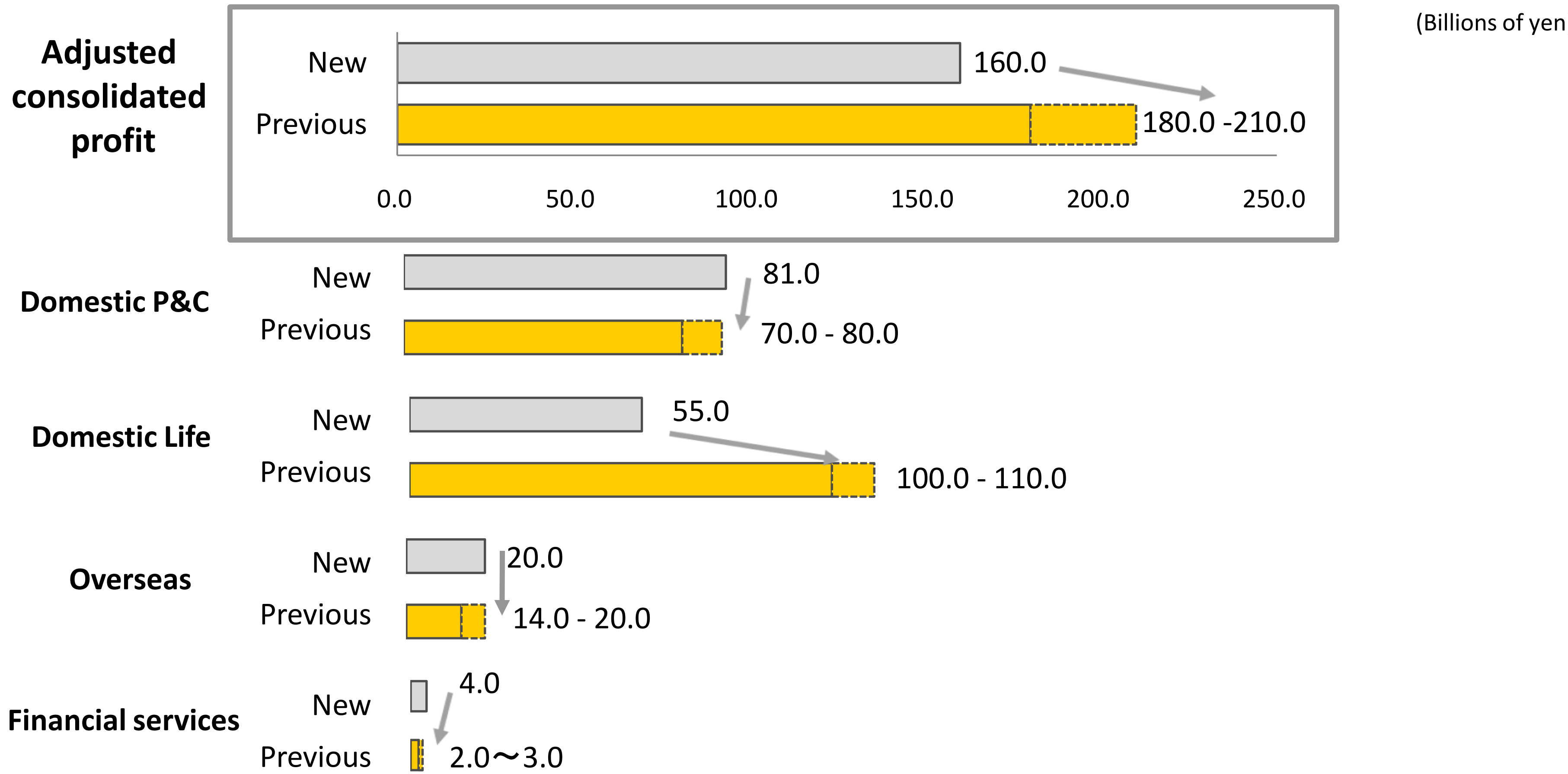
◆ Upwardly revised numerical targets

- Domestic P&C : Revised down slightly, reflecting precise estimates of one-time merger costs along with the current business environment.
- Domestic life : Upwardly revised, reflecting the penetration of a strategy focused on high-margin products by the newly merged company.



Domestic P&C insurance business

- Achieve the industry’s highest level of business efficiency and profitability through the merger
- Strengthen measures to enhance profitability primarily in the mainstay automobile insurance business

Summary of strategies
- Domestic P&C Insurance Business

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- Sompo Japan and Nipponkoa will merge in the first half of fiscal 2014, forming Sompo Japan Nipponkoa Insurance Inc.
- Provide services of the industry's highest level of quality, with the aim of earning the highest evaluation from customers.
- Achieve the industry's highest level of business efficiency and profitability by rapidly maximizing the benefits of higher efficiency through the merger.

Japan's Best / No.1 in terms of customer evaluations

- Further enhance the quality of customer service at the direct point of contact with customers.
- Timely provide community-focused, heartfelt services that offer peace of mind.

Achieve the industry's highest level of business efficiency and profitability

- Begin measures to effect the merger from fiscal 2013
- Improve profitability in the automobile insurance

Measures to effect the merger in fiscal 2013

Domestic P&C insurance business

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◆ Promote the Joint Head Office system, co-location of sales offices and standardization and streamlining of operations prior to the merger of the two P&C insurance companies.

Items	Measures implemented	Measures to be implemented
Number of employees	■ A call for voluntary early retirement	
Joint Head Office	■ Began co-locating sites, and started concurrent posts system. Co-location of all sites planned for completion in the beginning of FY2013.	■ Transform all departments into integrated departments by April 2013, and commence the joint Head Office system.
Unification of officers of both companies	■ Mutual participation of various officer-level meetings.	■ Planned to unify officers of both companies by having officers holding concurrent posts at the two P&C insurance companies from April 2013
Sales office sites and claims payment office sites	■ Started co-locating sites. Co-location planned for completion by the end of September 2013.	■ Unify the organization at the department and branch level from April 2013 ■ Unify all department and branch general manager posts, in principle, by October 2013.
Personnel-related	■ Commenced joint recruitment activities. ■ Established a new overseas training base in Singapore.	

Merger synergies

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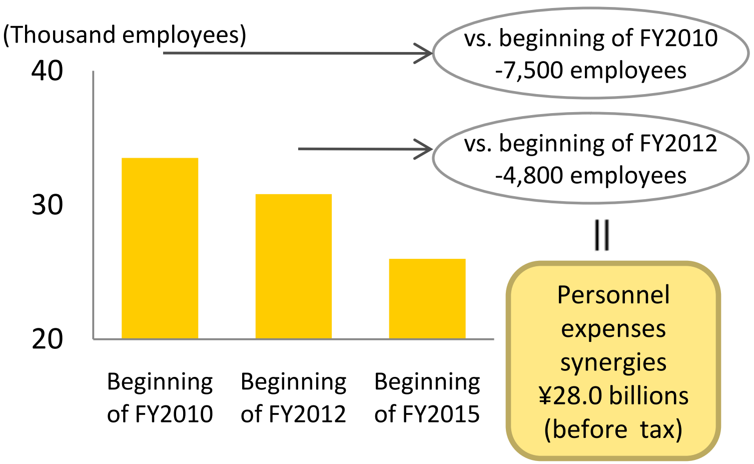
◆ Merger synergies in fiscal 2015 are projected at ¥56 billion (personnel expenses: ¥28 billion, non-personnel expenses: ¥28 billion)

◆ Fiscal 2015 will be a milestone for capturing merger benefits. Merger synergies are projected to expand further in fiscal 2016 and beyond, mainly due to cost reductions following the completion of the transition to new information systems.

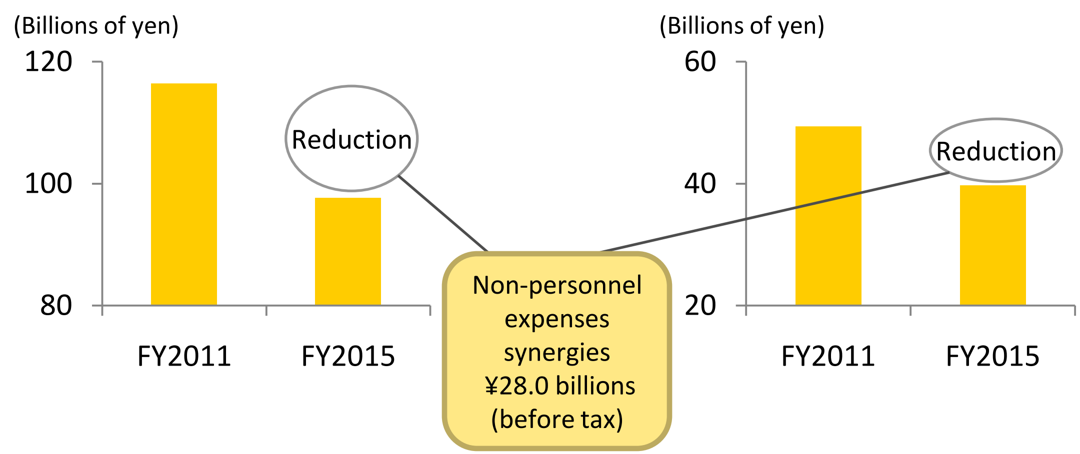
Number of employees



- Reduce the number of employees through voluntary retirement in addition to natural attrition
- Target the industry's highest level of personnel efficiency by fiscal 2015.

Non-personnel expenses (excl. system costs)

Non-personnel expenses (system costs)



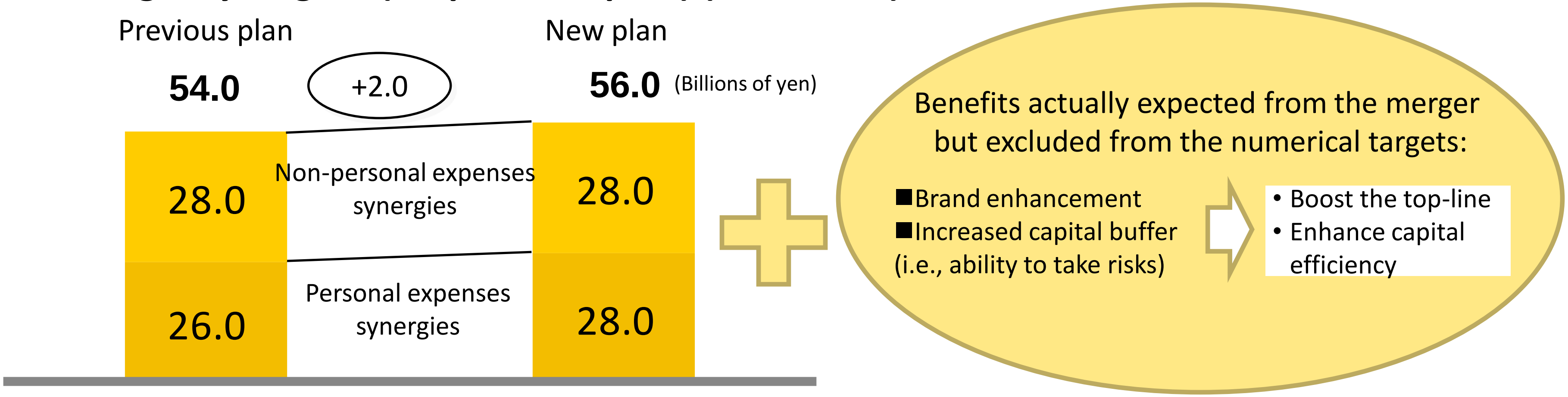
- Reduce property rent and other related expenses by co-locating sales offices nationwide.
- Reduce administration and printing costs through standardization.
- Reduce employee dormitory rent, travel costs and other related expenses by reducing the number of personnel.

- Reduce running costs by integrating systems.
- Transfer data of long-term policies after the merger, and integrate systems completely.

Merger synergies (versus previous plan)

- Adopt more conservative measurement standards that count only personnel and non-personnel expenses reduction as synergies. Projected synergies of ¥56 billion as numerical targets.
- In practice, we also expect brand enhancement and increased capital buffer from the merger to boost the top-line and enhance capital efficiency.

Merger synergies (vs. previous plan) (before tax)



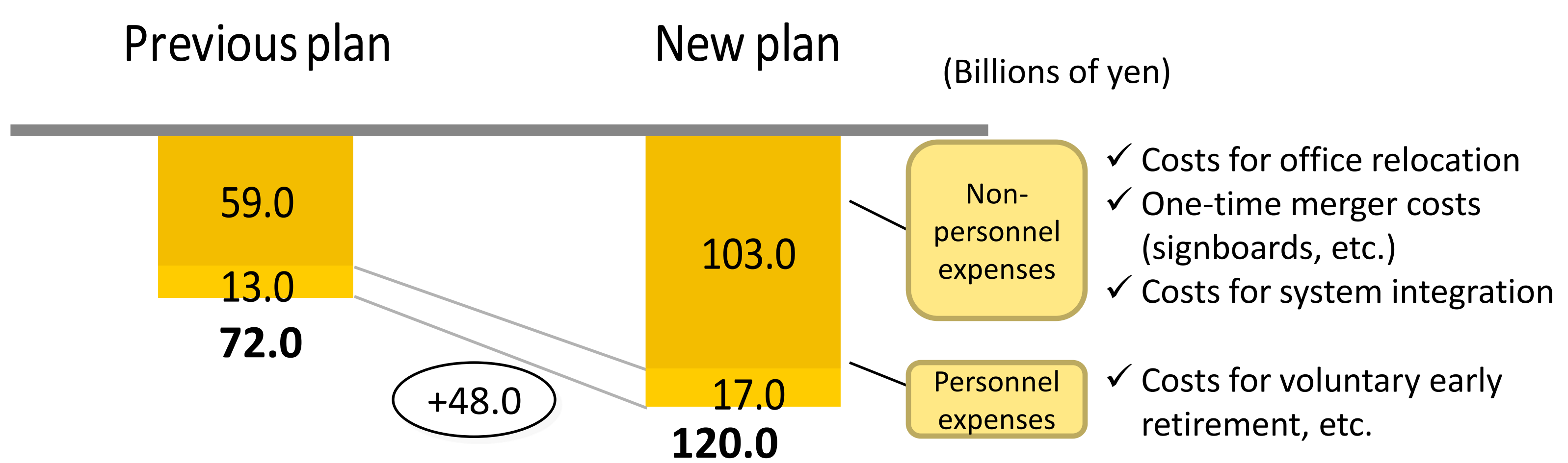
- The figure of ¥54 billion shown under previous plan in the above chart is based on the revised measurement standard.
- Under the new plan, we revised our standards for measuring synergies to conservative one. Specifically, we limited synergies to projected savings in personnel and non-personnel expenses on a financial accounting basis, while excluding the benefits of increased premiums and reduced payment of insurance claims.
- The followings are the main reasons for the difference of ¥16 billion between the projected synergies of ¥70 billion in the previous plan (September 2011) and ¥54 billion shown under previous plan in the above chart:

  ・Exclusion of the positive impacts of increased premiums and reduced insurance claim payments projected previously (¥6 billion)
  ・Change in the base year for comparison from the end of fiscal 2009 to the end of fiscal 2011 (¥10 billion)
  * Actual cost savings of ¥10 billion materialized from fiscal 2010 to fiscal 2011.

One-time merger costs (versus previous plan)

- One-time merger costs are projected at ¥120 billion (cumulative for fiscal 2012-2015)
- Following the switch in integration method to a merger, we precisely estimated the one-time costs. As a result, we now expect one-time costs to increase by a certain amount.

One-time merger costs (vs. previous plan (before tax))



(Background of the increase)

As a result of precise estimation of the one-time costs associated with the merger, we project the following additional costs:

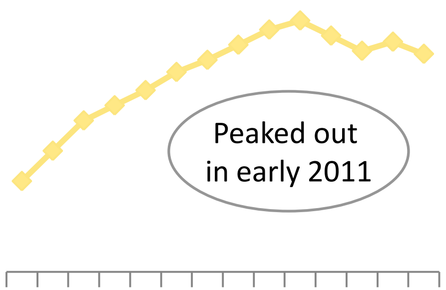
Non-personnel expenses : an increase of ¥44 billion mainly due to relocation of sales offices and change in company name (including information systems)

Personnel expenses : an increase of ¥4 billion mainly due to an increase in the number of applicants for voluntary retirement

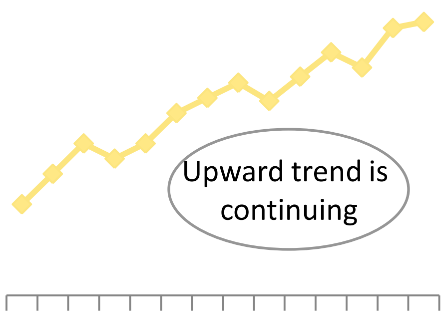
Automobile insurance – current status

◆ Although the number of accidents has peaked out, the insurance payments per claim have continued to increase, which has kept the loss ratio high.

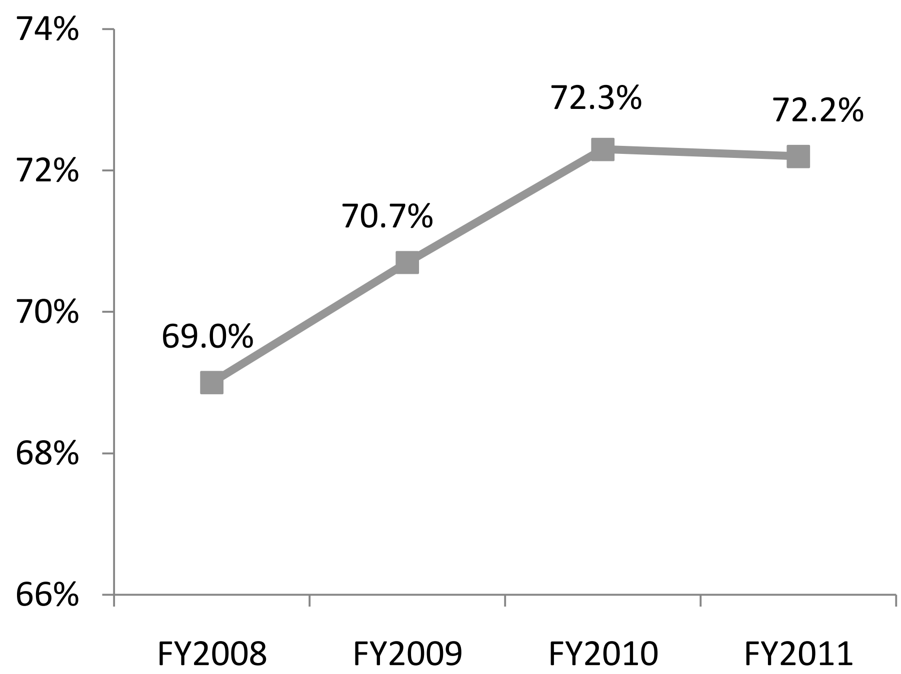
Trends of number of accidents (picture)



Trends of insurance payments per claim (picture)



Trends of Loss Ratio



• Simple sum of Sompo Japan and Nipponkoa.

Automobile insurance - improve profitability

Domestic P&C insurance business

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◆ We aim to rapidly improve profitability through result-focused measures such as strengthening underwriting, in addition to amended driver rating systems, along with premium rate revisions.

Measures to improve Loss Ratio

Reflect in the plan's targets

- Implement continuous premium rate revisions

  Continuously revise products to ensure an appropriate premium level

  → Reflect continuous rate revisions

- Benefits of revising the premium rate structure for the non-fleet driver rating system

  The effect of the revision of non-fleet driver rating system is expected to start materializing in stages, and should help to curtail the impact of reducing premiums.

  → Reflect the benefit of ending the decrease in insurance premiums

- Strengthen underwriting

  Strengthen appropriate underwriting for policies with high loss ratios, while promoting awareness and popularization of eco-friendly, safe driving practices.

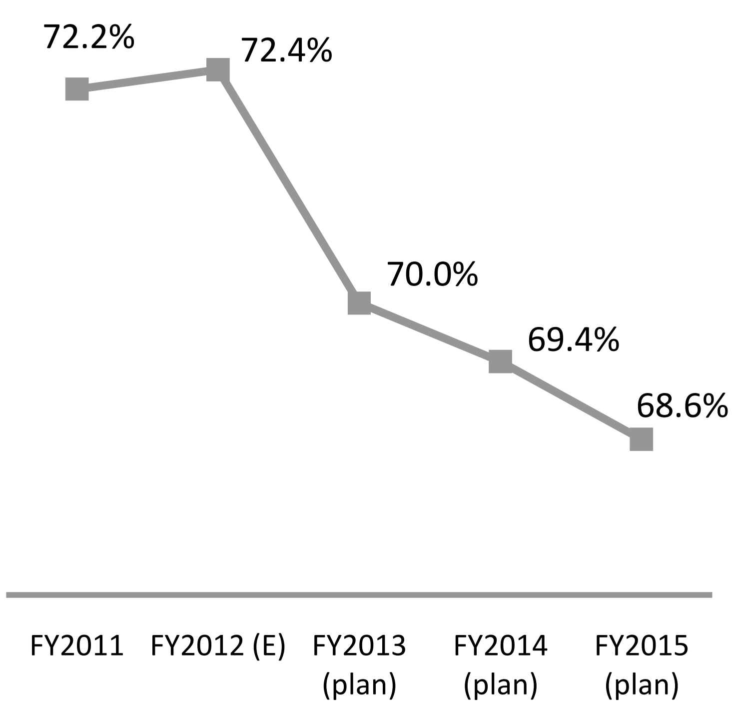
  → Assume the number of accidents stays flat

- Ensure appropriate insurance payments per claim

  Promote appropriate unit repair costs mainly through the active use of eco-friendly/recycled parts and delivery of vehicles to prime maintenance centers.

  → Assume continuous rise in insurance payments per claim

Trends of Loss Ratio for automobile insurance (Plan)

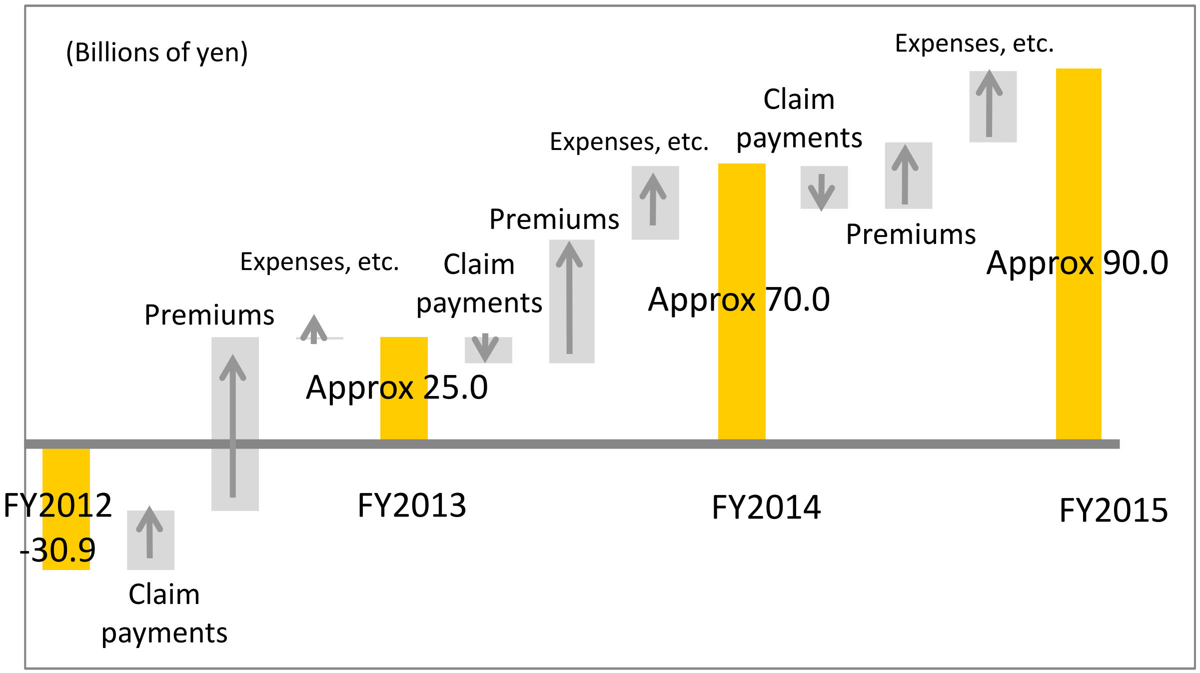


- Simple sum of Sompo Japan and Nipponkoa. Sompo Japan Nipponkoa Inc. on and after fiscal 2014.

Picture of earnings recovery

- Main factors for increase in underwriting balance in the domestic P&C insurance business are reduced operating expenses and improved profits in the automobile insurance business
- Achieve a combined ratio of 95% in fiscal 2015

Underwriting balance (before tax) and factors behind changes



	FY2012	FY2013	FY2014	FY2015
Combined Ratio	102%	98.5%	96%	95%
(Reference) One-time merger cost	¥24.0 billion	¥16.0 billion	¥75.0 billion	¥5.0 billion

Accumulated benefits by element (impact on combined ratio)

Elements	Impact
Claim payments	±0pt
Increase in premiums	5pt improvement
Decrease in expenses, etc.	2pt improvement
Total	7pt improvement

*Calculation standard of underwriting balance and combined ratio shown here are as follows:
- One-time merger costs are excluded.
- Spread Impact of natural disasters evenly (annually ¥38.5 billion)
- Impact of the increase in Japan's consumption tax rate is not reflected
- CALI is excluded.

Picture of improving profitability – versus previous plan

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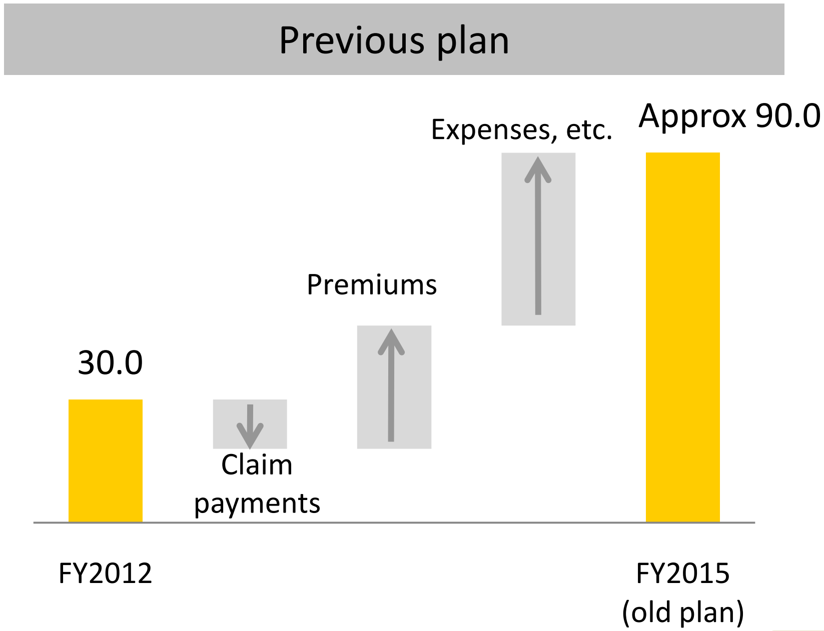
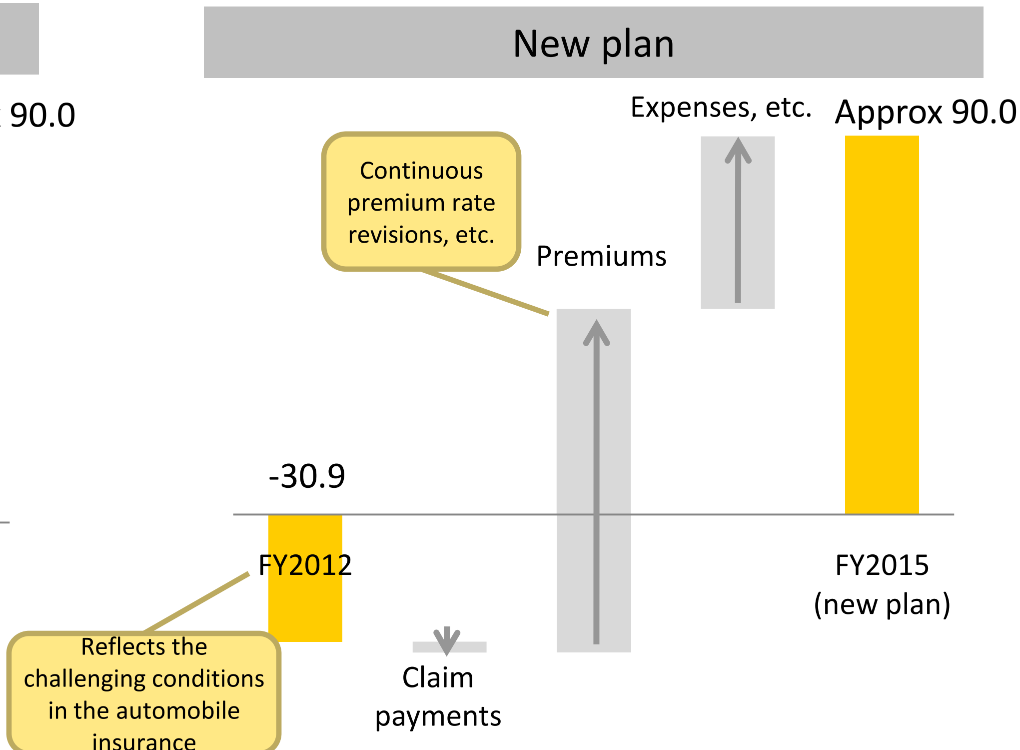
- Lower starting point in fiscal 2012, reflecting the challenging conditions in the automobile insurance
- Overcome negative factors through continuous premium rate revisions in the automobile insurance and expansion in the overseas reinsurance business

Factors behind changes in underwriting balance (before tax)

(Billions of yen)



(Billions of yen)



*1 The figures exclude one-time merger costs, and spread impact of natural disasters evenly (¥38 billion annually). CALI is excluded.

*2 Impact of the increase in Japan's consumption tax rate is not reflected.

Direct automobile insurance business

Domestic P&C insurance business

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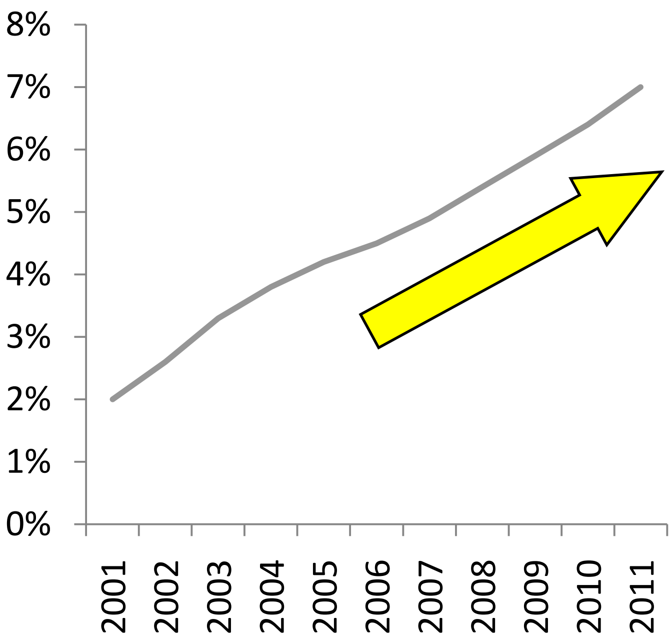
- With a growing share in direct sales, strengthen this business to encourage growth to outperform the market
- As the NKSJ Group, aim to expand share of the entire automobile insurance market in Japan

Market share of direct sales in automobile insurance market (non-fleet)



(Source) The General Insurance Association of Japan

Automobile insurance vehicles in NKSJ group

Types	Vehicles	Position
Agency sales	Sompo Japan Nipponkoa Sonpo 24	• Core business • Achieve Japan's Best / No.1 in terms of customer evaluations
Direct Sales	Saison Automobile & Fire	• Full-fledged deployment from second half of fiscal 2011 • Aim for growth outperforming the market by winning high customer evaluations and strategic targeting

As the NKSJ Group, expand share of the entire automobile insurance market

Domestic life Insurance business

- Allocate management resources to this business - the largest engine of growth
- Conduct management with emphasis on MCEV, a highly reliable and transparent indicator

Domestic life insurance business that continues to grow

- In the contracting domestic life insurance market, grow steadily leveraging the strengths of having P&C distribution channels in the Group
- MCEV is expanding due to growth in highly profitable protection-type products (medical insurance, etc.)

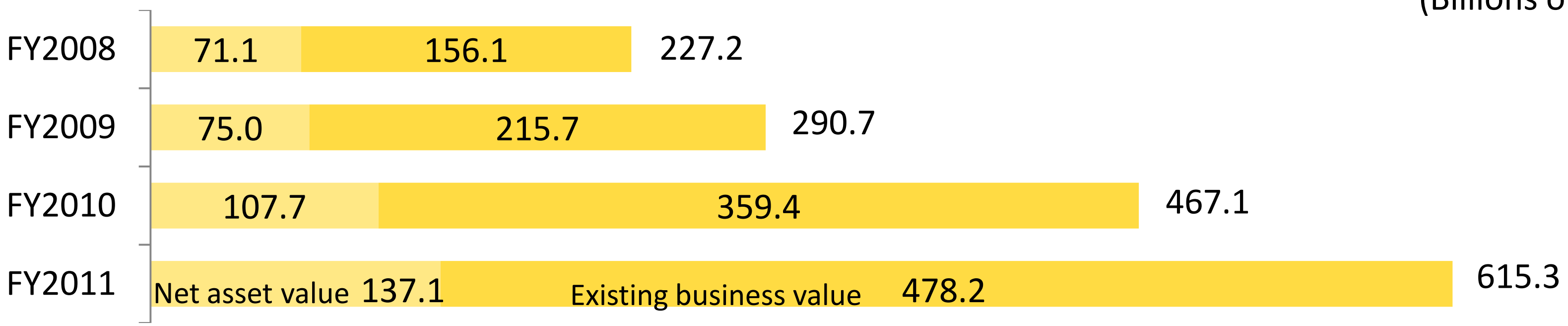
Trends of annualized premium of business in force

(Billions of yen)

*FY2008-2009 : Sompo Japan Himawari Life FY2010 : Sum of Sompo Japan Himawari Life and Nipponkoa Life FY2011 : NKSJ Himawari Life

Trends of MCEV

(Billions of yen)



•FY2008-2009 : Sompo Japan Himawari Life FY2010 : Sum of Sompo Japan Himawari Life and Nipponkoa Life FY2011 : NKSJ Himawari Life
Nipponkoa Life disclosed its TEV at the time of announcement of financial results for fiscal 2010 however its figures shown above are MCEV which was provisionally calculated afterward.

Management focused on expanding embedded value (EV)

Domestic life insurance business

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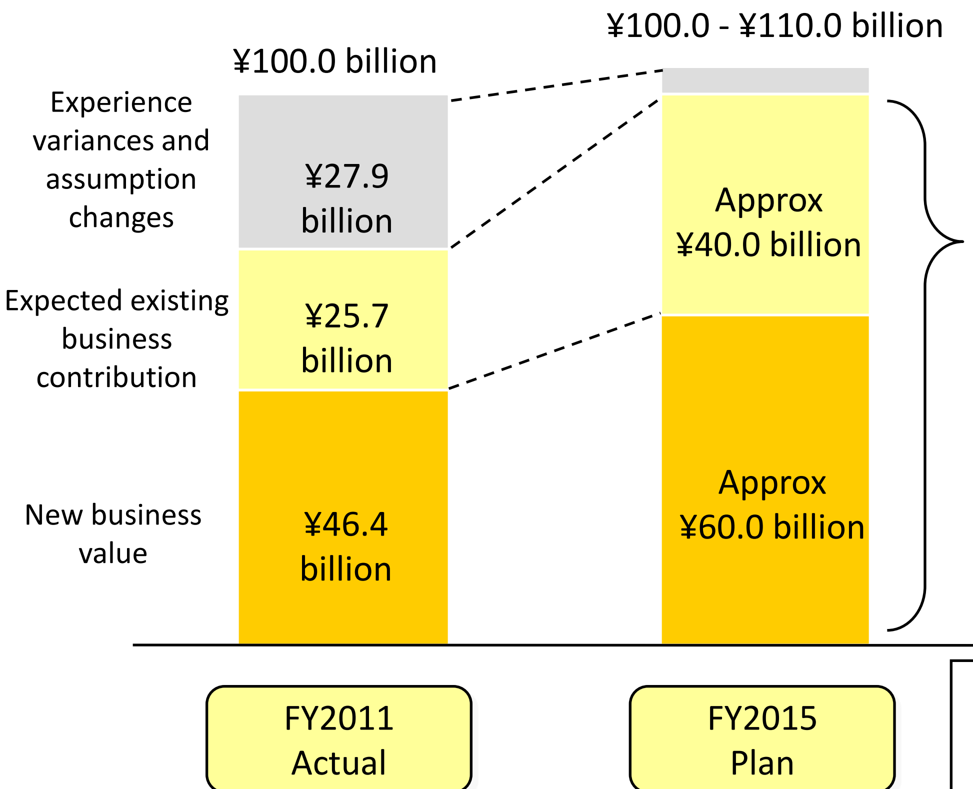
- Use MCEV, a highly reliable and transparent standard
- From the life insurance merger in October 2011 onwards, steady penetration of product strategies emphasizing EV and promotion of P&C insurance channels to sell life insurance products
- Going forward, aim for further expansion while maintaining product and channel strategies

◆Breakdown of increased amount of adjusted EV



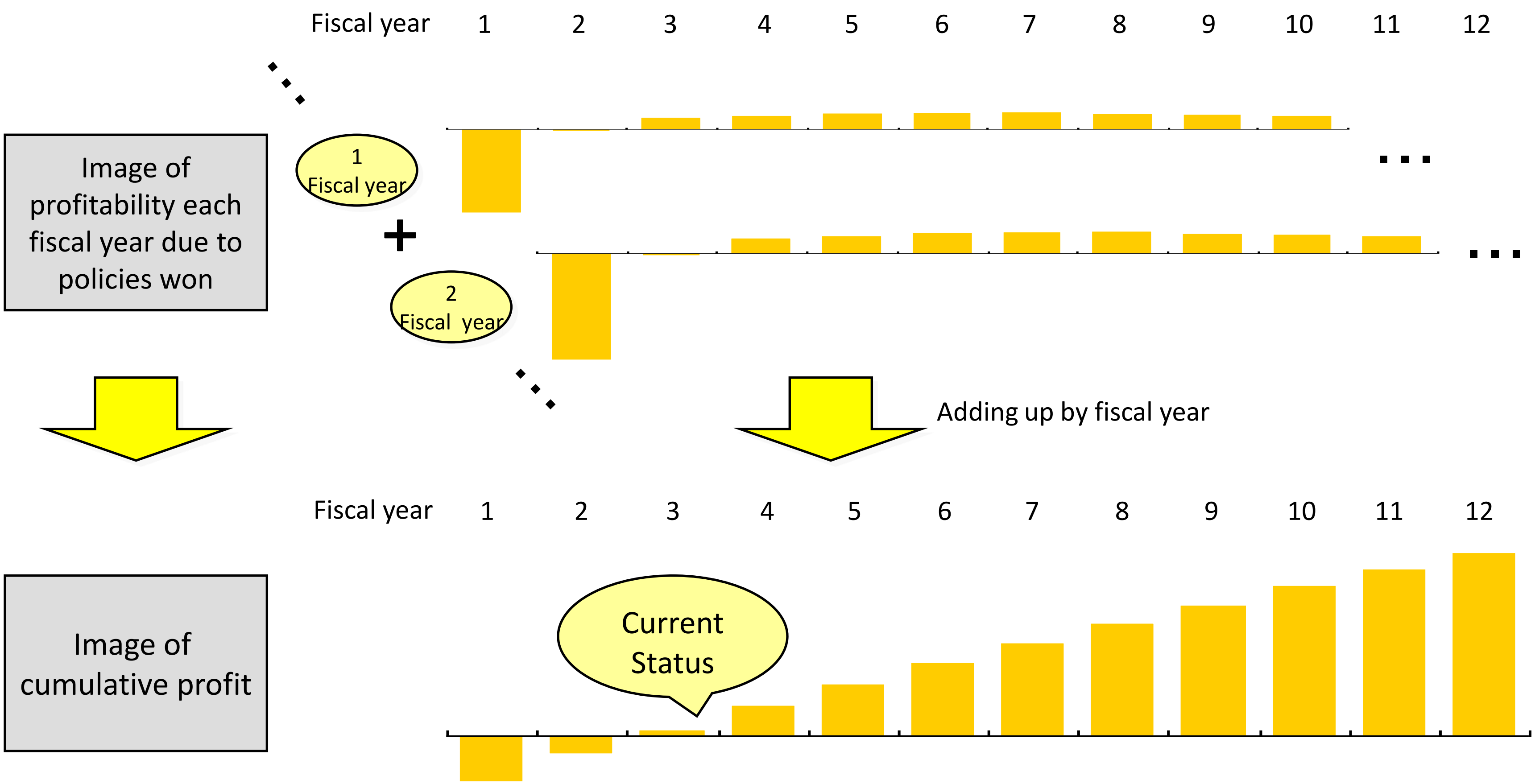
Points to achieve numerical targets

- Continue to win new policies, thereby steadily increasing the amount of business in force
- Maintain a product portfolio emphasizing EV

- New business value: Increases according to the new policies won in the fiscal year
- Expected existing business contribution: Release of the discount effect on in-force business with the passage of time, and the monetary difference between the expected asset investment yield and the risk-free rate
- "Experience variances and assumption changes": changes in in-force business value due to changes in surrender and lapse rates, mortality rate, business expenses rate, etc.

(Reference) Image of MCEV profit contribution

- Looking at the cash flows, there is a loss in the fiscal year that policies are won mainly due to policy acquisition expenses, but from the third year there is a stable profit at about 1/10 of the value of the new business
- Net income will remain low during the term of this management plan, but will increase going forward due to expansion of the amount of business in force



(Reference)
Superiority of MCEV as an indicator

- There are 3 types of EV: TEV, EEV, and MCEV
- Among these, we adopted MCEV because its assumptions are the most consistent with the market assumptions, enabling elimination of the arbitrariness of the company. The increase in adjusted EV* is used as a management indicator.

*The impact of interest-rate fluctuations, which is uncontrollable, is excluded.

1. TEV (Traditional Embedded Value)

- Since the early 1990s, life insurance companies have announced EV information as well as financial information to the general public.
- In Europe and Asia, many listed insurance companies and mutual companies announce EV information.
- There are sizeable differences between companies as regards the methods and assumptions used in TEV, and so other-company comparisons are difficult.

2. EEV (European Embedded Value)

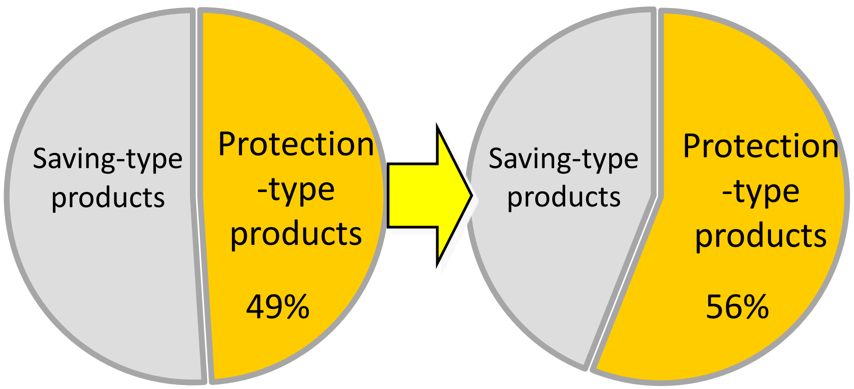
- In May 2004, the European Embedded Value (EEV) principles were announced (CFO Forum*)
  12 principles and additional guidelines
  The CFO Forum member companies encouraged compliance up until December 31, 2005
  *In 2002, founded by the CFOs (Chief Financial Officers) of 19 major European life insurance companies
- In general, although oriented toward the EEV principles, various calculation methods are allowed

3. MCEV (Market Consistent Embedded Value)

- In June 2008, the MCEV principles were announced as an international standardization of EV disclosure standards (CFO Forum)
  17 principles and additional guidelines
  Ensures consistency with market prices of assets as one method of compliance with the EEV principle
- In October 2009, part of the MCEV principles was reviewed (to reflect the liquidity premium in reference interest rates for non-liquid liabilities)
  Moreover, the MCEV principles are continuously checked because they correspond to the market environment

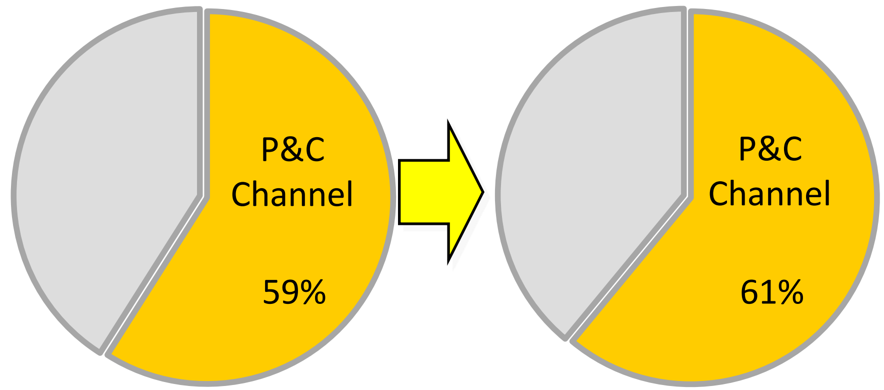
- Since the merger of the 2 life insurance companies in October 2011, sales centered on the highly profitable protection-type products have become well-established
- P&C channel weight is increasing due to the penetration of cross-selling to our P&C customer base of 20 million people

Weight of protection-type products (ANP : Annualized new premium)



Oct.2010 - Sept. 2011*	Oct.2011 - Sept. 2012
(One year before the merger)	(One year after the merger)

Weight of P&C insurance channel (ANP : Annualized new premium)



Oct.2010 - Sept. 2011*	Oct.2011 - Sept. 2012
(One year before the merger)	(One year after the merger)

* The figures for October 2010 – September 2011 are the simple sum of actual figures of Sompo Japan Himawari Life and Nipponkoa Life.

Future expansion strategies

Domestic life insurance business

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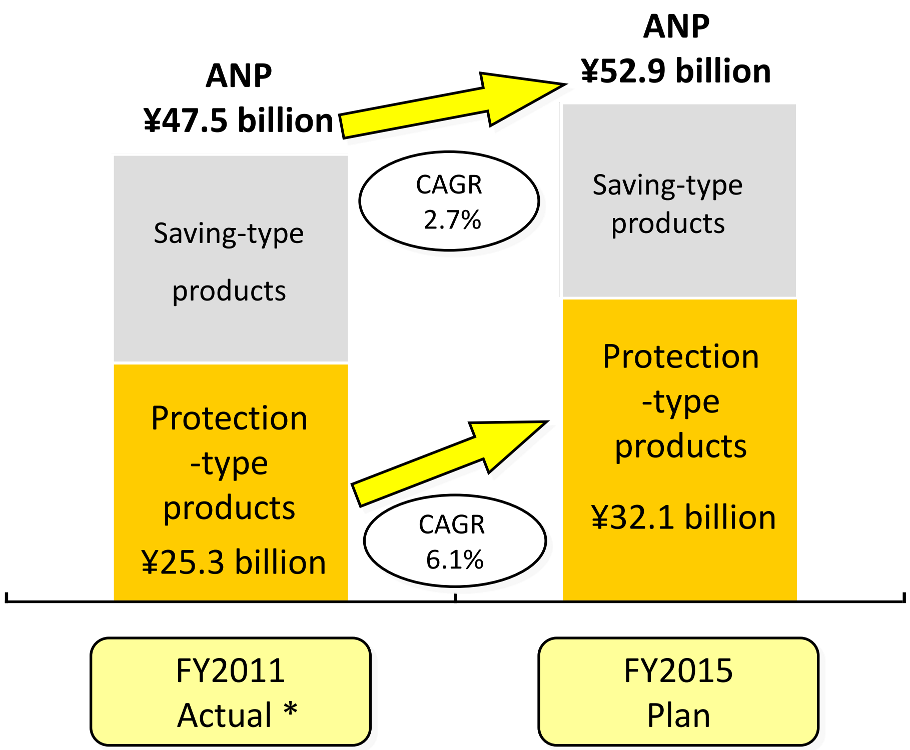
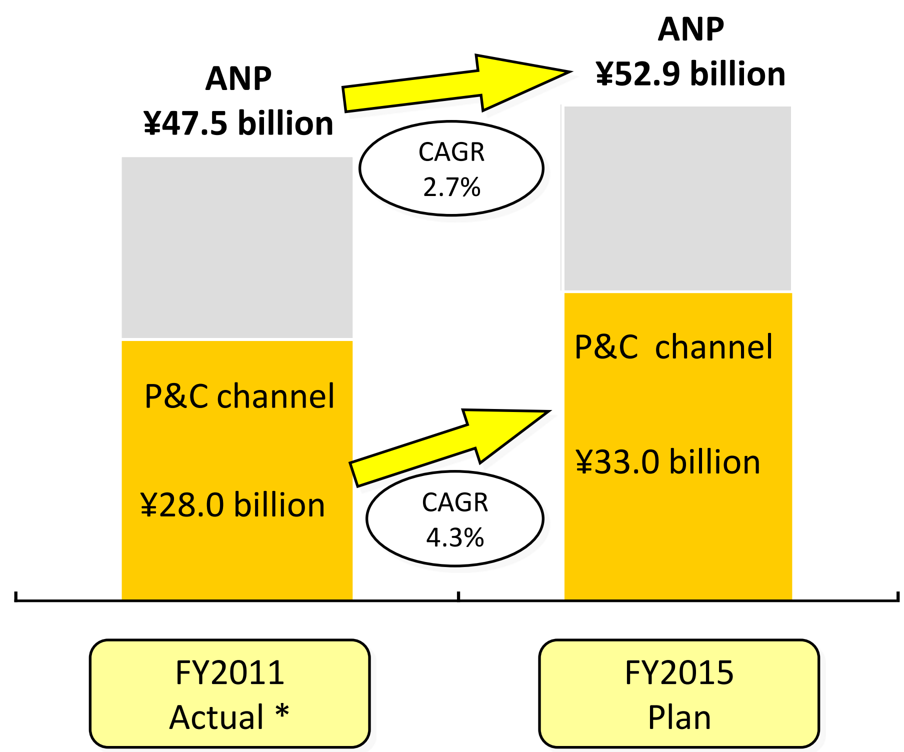
- Continue sales centered on the highly profitable protection-type products
- Strengthen approach to Japan's largest P&C customer base, and expand sales centered on P&C channel

Expansion of the sales of protection-type products



Expansion of the sales through P&C channel



* Actual figures of 1st half of FY2011 is the simple sum of the actual figures of Sompo Japan Himawari Life and Nipponkoa Life.

Overseas insurance business

- Accelerate integration of overseas sites
- Steadily increase profits by continuing to execute carefully selected investments

Integration of overseas sites and profit targets

Overseas insurance business

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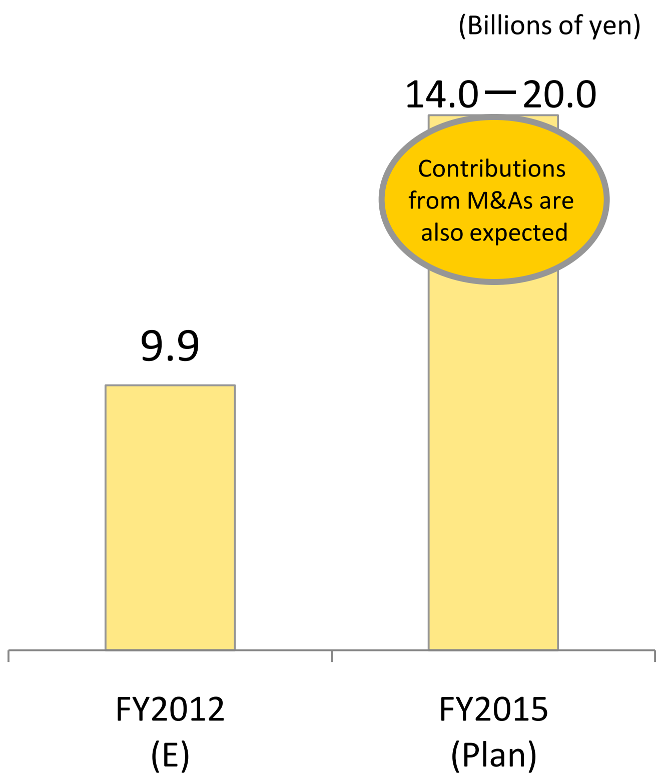
- Integration of overseas sites of the 2 P&C insurance companies to be essentially completed during fiscal 2013
- Aim for net income of ¥14-20 billion in fiscal 2015, including contributions from M&As

Examples of management integration of overseas sites

Countries /Regions	Existing entities	Integration method (new company's name)	Time
Europe	■ Sompo Japan Europe ■ Nipponkoa Europe	Consolidation (Sompo Japan Nipponkoa Europe)	Jan. 2014
China	■ Sompo Japan Insurance (China) ■ Nipponkoa Insurance (China)	Merger (Sompo Japan Nipponkoa Insurance (China))	Jan. 2014
Hong Kong	■ Sompo Japan Hong Kong ■ Nipponkoa Asia	Consolidation (Sompo Japan Nipponkoa Hong Kong)	Jan. 2013
Singapore	■ Tenet ■ Sompo Japan Singapore ■ Nipponkoa Singapore branch	Consolidation (Tenet Sompo) after the merger of Tenet and Sompo Japan Singapore in Jan. 2013.	Jan. 2014
Indonesia	■ Sompo Japan Indonesia ■ Nipponkoa Indonesia	Merger (Sompo Japan Nipponkoa Indonesia)	Apr. 2013

Profit targets of overseas insurance business



Stance toward overseas investment

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- Avoid dispersion of management resources by focusing on and prioritizing regions targeted for investment
- Execute well-disciplined investments and achieve both growth and shareholder value improvement

<table>
<tr><th>Sectors</th><th>Basic policy</th><th colspan="2">Regions/countries</th></tr>
<tr><td rowspan="2">Retail sector</td><td rowspan="2">• Capture growth in emerging countries
• Centered on automobile insurance business
Focus on regions and countries targeted for investment</td><td>Key regions</td><td>• Already achieved a certain rank (about 10th in the industry)
• Aim to be a major player
Brazil Turkey Malaysia</td></tr>
<tr><td>Business platform development regions</td><td>• Anticipating future growth
• Developing retail business platform
Thailand Indonesia India China</td></tr>
<tr><td>Corporate sector</td><td>• Contribute to stable earnings</td><td colspan="2">• Specialty fields* in Western countries
* Markets where highly specialized and individualized risk is underwritten using advanced underwriting expertise.</td></tr>
</table>

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Management of concentration risk of overseas natural disasters

- Start to rebuild the aggregate risk management system for overseas natural disasters, following the floods in Thailand and the expansion of overseas insurance business
- Re-evaluate all the regions and risks for which we have exposures, and ensure that there are no large aggregate risks about which we are unaware
- Policy of continuously strengthening our risk management system for natural disasters

Concentration amount of overseas natural disasters (picture)

Overseas reinsurance business

- To diversify global risk exposures, continue to develop the overseas reinsurance business
- Based on rigorous risk management, expand businesses with profit

Prioritized categories

General risk in Asia

- Markets with high growth potential
- In Hong Kong, etc. Over 20 years track redord

General risk in western countries

- Huge markets centered on developed countries
- Highly stable earnings

Risk of overseas natural disasters

- Risk of natural disasters mainly in Europe and the U.S.
- Conduct quantitative assessments and analysis using the latest technology

Mid-term vision

	FY 2011	FY2012 (E)	FY2015(Plan)
Overseas assumed reinsurance net premiums written	¥23.7 billion	¥30.0 billion	60.0 billion
vs. total net premium written	1.4%	1.8%	3.4%

- CALI is excluded from total net premium written.
- Overseas assumed reinsurance net premium written is included in domestic P&C insurance business as management numerical targets.

Capital Management Policy

- Enhance capital efficiency while controlling risk
- Conduct flexible stock buybacks under the basic policy of maintaining a stable dividend

Capital management policy

- The NKSJ Group will balance three imperatives, namely "maintaining financial soundness," "improving capital efficiency," and "increasing shareholder returns," while aiming to increase corporate value.

Maintaining financial soundness

- Conduct integrated risk and capital management on a Group-wide basis, with a target credit rating of AA
- Continuously reduce strategic-holding stocks

Improving capital efficiency

- Aim to achieve adjusted consolidated ROE of 7% or more in fiscal 2015 by increasing adjusted profit
- Allocate part of capital buffer generated by reduction in strategic-holding stocks to growth business investments such as overseas M&As

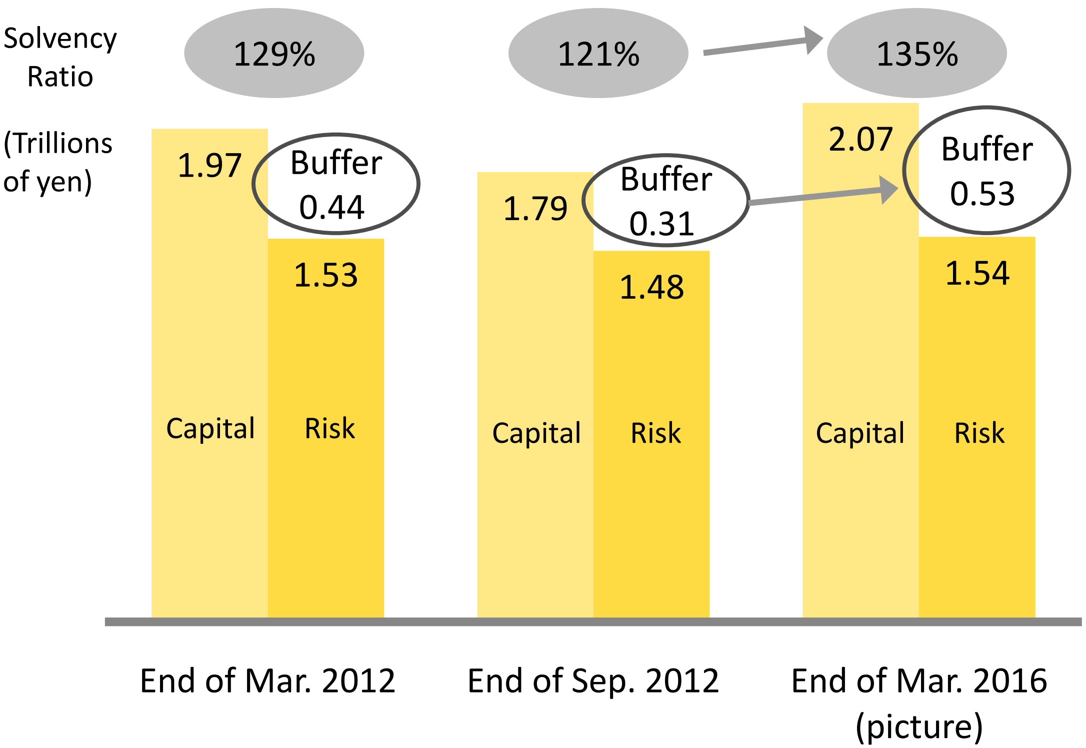
Increasing shareholder returns

- Pay a stable dividend, supplemented by the option of stock buybacks where depending on the capital conditions
- A medium-term target for the total payout ratio of 50% of adjusted consolidated profit (excluding the domestic life insurance business)

Financial soundness
- Internal standard on Economic Value Basis

Capital management policy

◆ Carrying out the management plan, the capital buffer increases as the profits are piled up.



Solvency ratio (internal standard) Sensitivity
(as at September 30, 2012)

30% increase in stock price	+9.0%
30% decrease change in stock price	-13.5%
10% appreciation in yen exchange rate	-3.2%
1% increase in interest rates	-1.2%
1% decrease in interest rates	-6.6%
30% decrease in stock price 1% decrease in interest rates	-18.3%

Definition, etc.

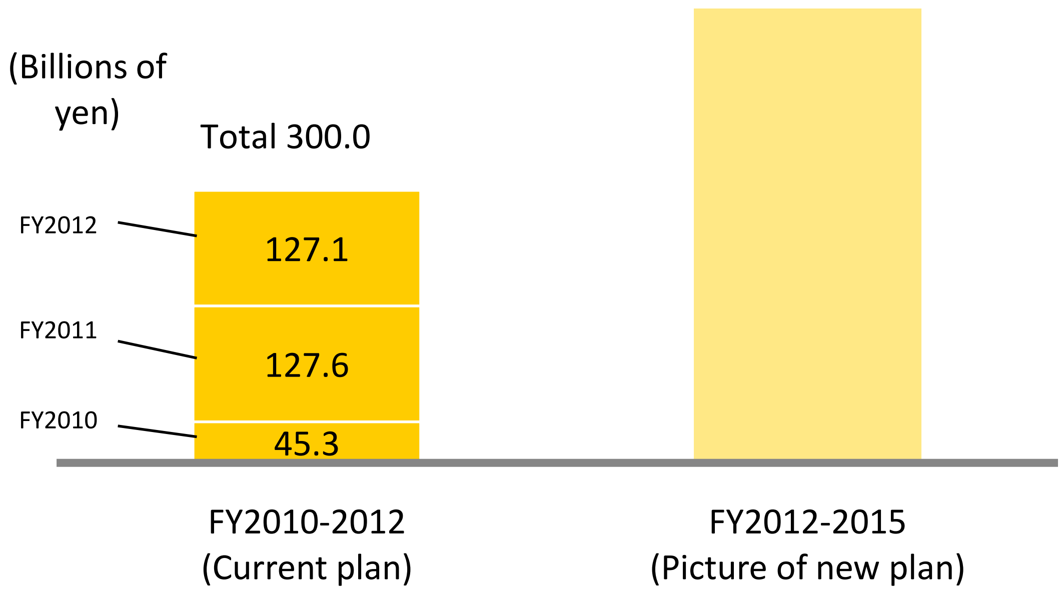
- Risk: 1 year holding period, 99.95% VaR (AA equivalent confidence level)
- Capital: Sum of net assets on the balance sheet, subordinated debt, catastrophe loss reserve, reserve for price fluctuations, etc.
- After-tax basis (calculated based on European Solvency II)
- Solvency margin ratio: Ratio of capital / risk

*We assume that amount of annual shareholder return (the sum of dividends and stock buybacks) is equivalent to 80 yen per share from fiscal 2012. However, an actual amount will be decided after considering the management environment, capital conditions, the level of the company's stock price and other factors at each time.

Reducing Strategic-holding Stocks

◆ Strategic-holding stocks are being reduced to an unprecedented extent during fiscal 2012−2015.

Scale image of reducing strategic-holding stocks

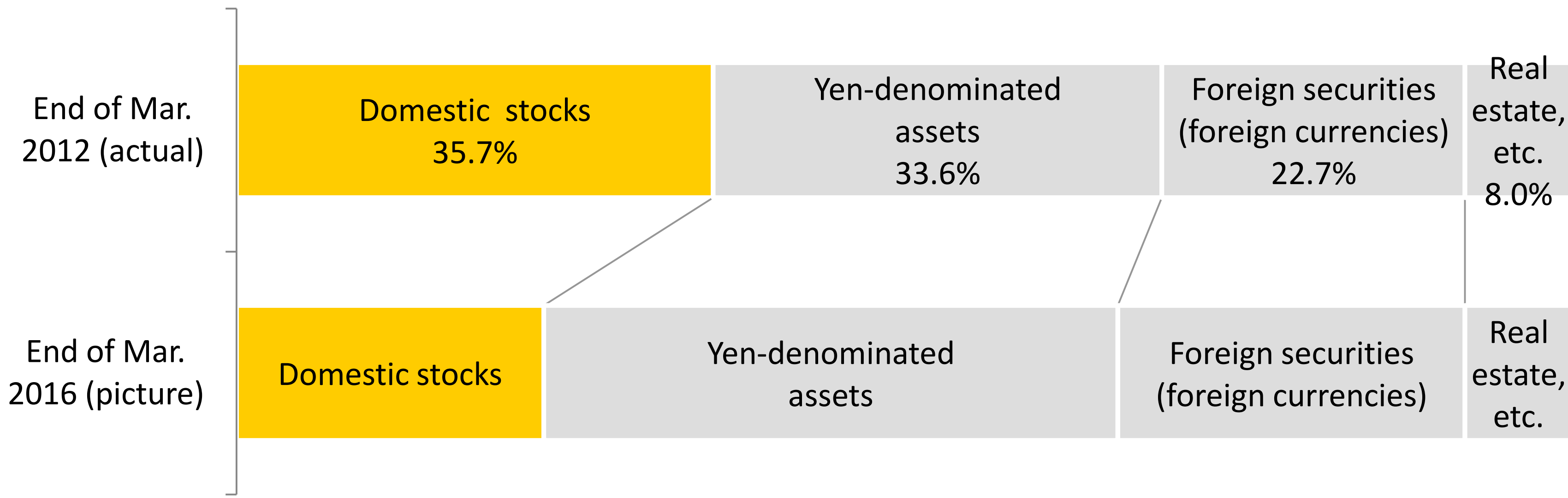


Improvement of asset portfolio

◆ Greatly reduce domestic stocks and reallocate to investments in overseas insurance companies, as well as to fixed income assets.

Trends of general account composition ratio of P&C insurers

* End of March 2012 : Simple sum of Sompo Japan and Nipponkoa End of March 2016: Sompo Japan Nipponkoa, Inc.



Saving type account of P&C insurers and assets of life insurers

Continue to conduct asset management focused mainly on yen fixed income assets, considering cash flow and duration of liabilities

Capital allocation and profitability by business

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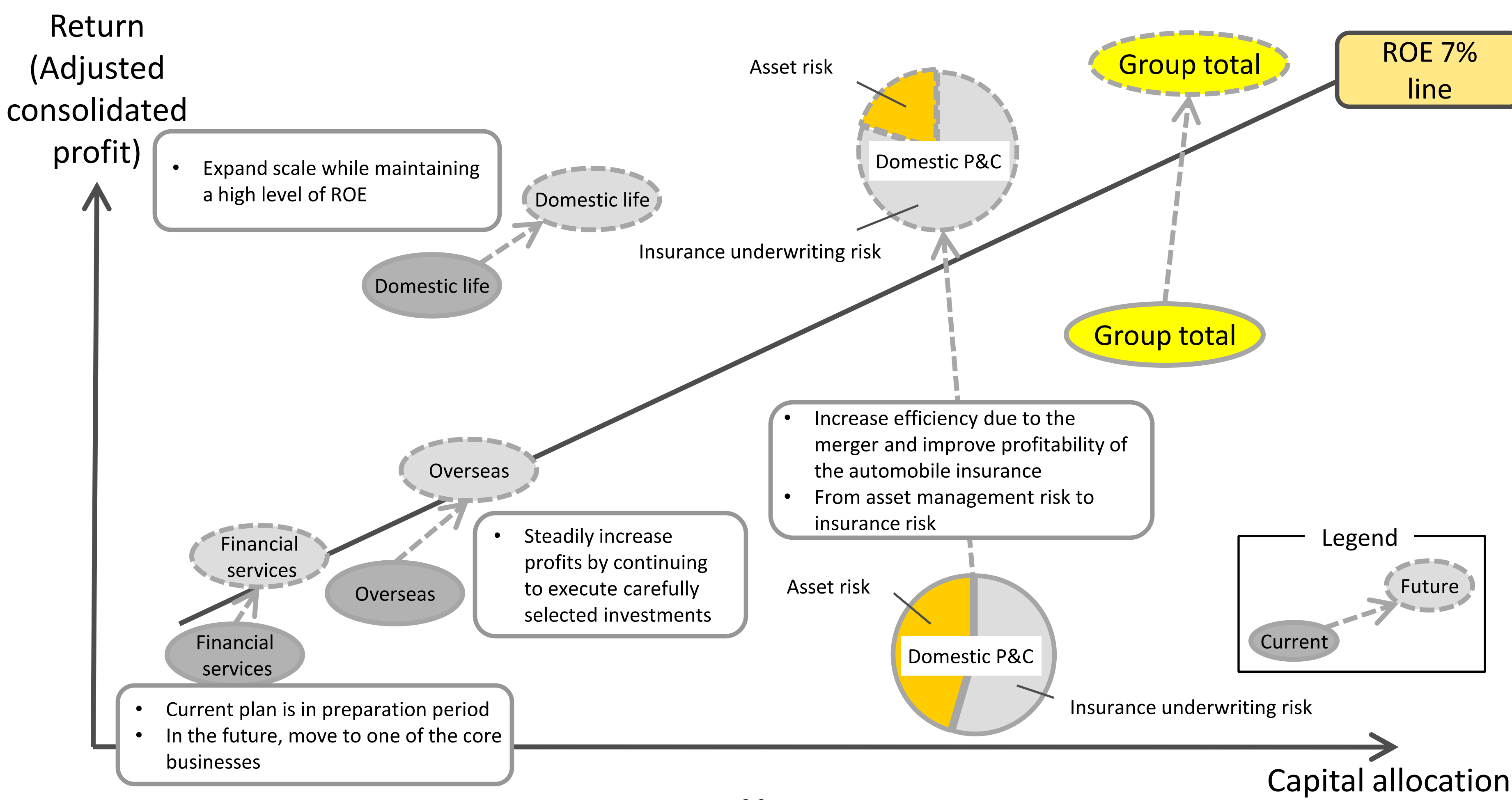
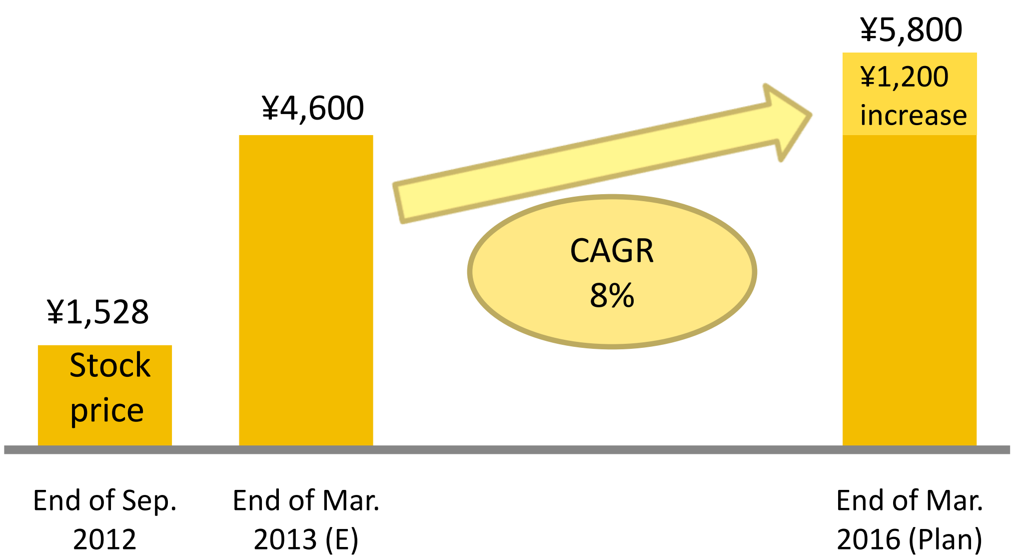
- Allocate the capital buffer generated by reduction in strategic-holding shares to growth fields
- In the domestic P&C insurance business, increase profits without increasing allocated capital, and improve capital efficiency



Improvement of corporate value in net asset value basis

◆ Expect 8% CAGR of adjusted consolidated net asset value (NAV) per share, due to achieving numerical targets

Expected changes in adjusted consolidated net asset value (NAV)[*1] per share (including dividend, approximate calculation)

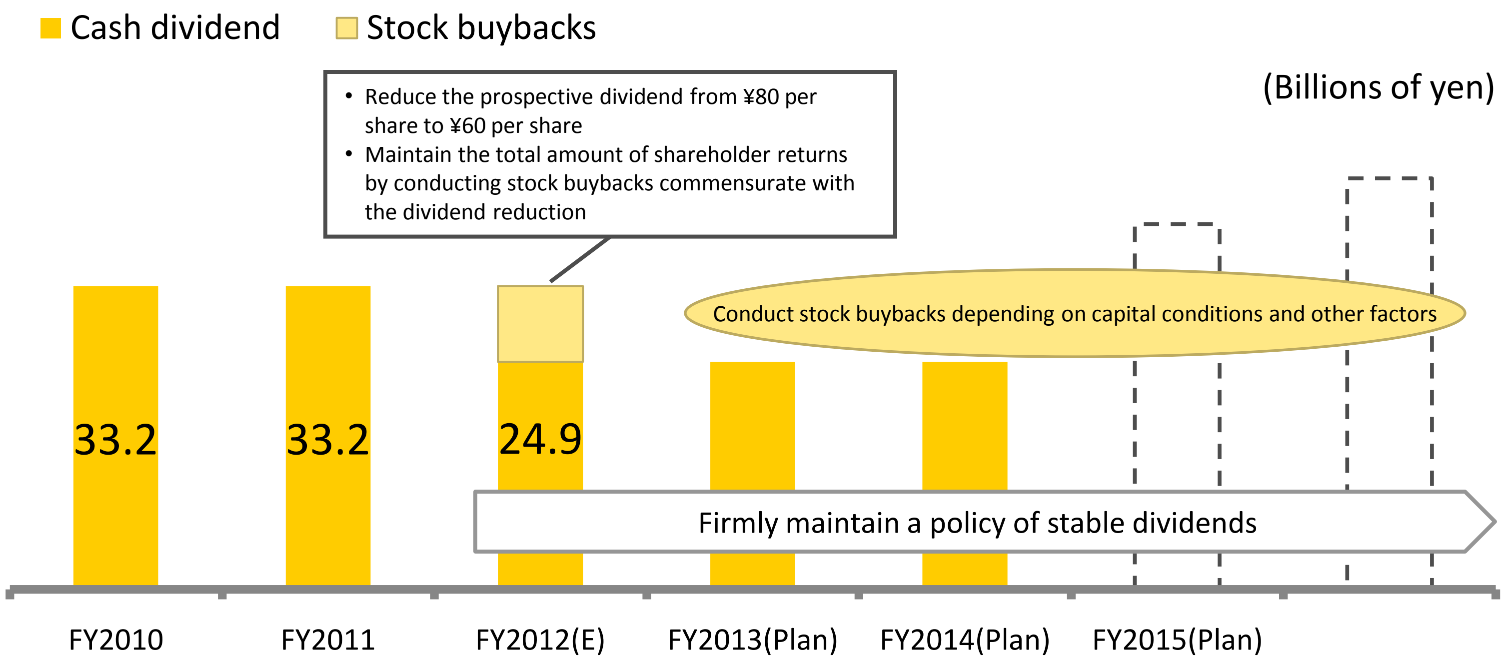


Contributions by factors for accumulated NAV increase per share (approximate calculation)	
Domestic P&C insurance adjusted profit cumulative total [*2]	¥170
Domestic Life insurance adjusted profit cumulative total	¥720
Overseas insurance adjusted profit cumulative total	¥100
Financial services adjusted profit cumulative total	¥20
Stock buybacks[*3]	¥190
Sum of increased amount	¥1,200

*1 adjusted consolidated net asset value (NAV) = consolidated net assets (excluding life insurance subsidiaries' net asset) + catastrophic loss reserve (after tax) + price fluctuation reserve (after tax) +life insurance subsidiaries' EV
*2Merger one-time costs are included.
*3We assume we will maintain our dividend of ¥60 per share, while conducting the stock buybacks needed to maintain the level of shareholder returns in line with fiscal 2012. However, an actual amount will be decided after considering the management environment, capital conditions, the level of the company's stock price and other factors at each time.

Shareholder returns

- While maintaining the stable dividend policy, aim at shareholder returns flexibly reflecting management environment, capital conditions, the level of the Company's stock price and other factors. A medium-term target for the total payout ratio of 50% of adjusted consolidated profit (excluding the domestic life insurance business). (No change.)
- Reduce our prospective dividend for fiscal 2012 from ¥80 per share to ¥60 per share. Meanwhile, buy back our own stock in an amount nearly equivalent to that of the dividend reduction, maintaining the total amount of shareholder returns.
- Commence payment of interim dividends from fiscal 2013



* Stock buybacks shown under fiscal 2012 in the graph are scheduled to be conducted in fiscal 2013.

Numerical management targets of the new management plan

(Billions of yen)

			FY2011(A)	FY2012(E)	FY2015(Target)
Domestic P&C insurance business	Adjusted profit		-71.3	-40.9	70.0 -80.0
Numerical targets of two P&C insurers	Net premium written		1,911.7	1,919.0	2,040.0
		(Exc. CALI)	1,654.0	1,651.8	1,740.0
	Loss ratio		81.9%	74.4%	65.6%
		(Exc. CALI/Fin. Guarantee)	79.7%	71.5%	62.8%
	Expense ratio		33.7%	33.9%	30.6%
		(Exc. CALI)	35.4%	35.8%	32.6%
	Combined ratio		115.6%	108.3%	96.2%
		(Exc. CALI/Fin. Guarantee)	115.1%	107.3%	95.3%
Domestic life insurance business	Growth in embedded value (EV)		100.0	85.0	100.0 - 110.0
Overseas insurance business	Net income as reported in financial statements		-19.7	9.9	14.0 - 20.0
Financial services, etc.	Net income as reported in financial statements		-7.6	0.5	2.0 - 3.0
Group total	Adjusted consolidated profit		1.2	54.4	180.0 - 210.0

Adjusted ROE	0.1%	2.8%	7% or more

Definition of Adjusted Profit

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	Definition of business	Calculation of adjusted profit
Domestic P&C insurance business	Sum of Sompo Japan Insurance Inc. , Nipponkoa Insurance Company, Limited (Sompo Japan Nipponkoa Insurance Inc. in FY2015), Saison Automobile & Fire Insurance Company, Limited and Sonpo 24 Insurance Company Limited. (non-consolidated)	Net income + provisions to catastrophic loss reserve (after tax) + provisions to price fluctuation reserve (after tax) - gains/losses on securities sales and securities impairment losses (after tax) - extraordinary items *One-time costs arising from the merger of the two P&C insurance companies are excluded because these costs are treated as special factors. (Approx. ¥24 billion in FY2012 and approx. ¥5 billion in FY2015)
Domestic life insurance business	NKSJ Himawari Life Insurance Inc.(non-consolidated)	Growth in embedded value (EV) - capital account transactions - changes in EV attributable to interest rate movements
Overseas insurance business	Overseas insurance subsidiaries of Sompo Japan Insurance Inc. and Nipponkoa Insurance Company, Limited (Sompo Japan Nipponkoa Insurance Inc. for FY2015)	Net income as reported in financial statements
Financial services, etc.	Sompo Japan DIY Life Insurance Co. Ltd., financial services, healthcare, etc.	Net income as reported in financial statements

* In conjunction with the latest revision of the management plan, Saison Automobile & Fire Insurance Company, Limited and Sonpo 24 Insurance Company Limited were reclassified from financial and other services to the domestic P&C insurance business from FY2012.

(Calculation of adjusted ROE)

$$\text{Adjusted ROE} = \frac{\text{Adjusted consolidated profit}}{\text{Consolidated net assets (excluding life insurance subsidiaries' net assets)} + \text{catastrophic loss reserve (after tax)} + \text{reserve for price fluctuation (after tax)} + \text{life insurance subsidiaries' EV}}$$

*All values in the denominator are the average of the fiscal-year opening and closing balances.

Note Regarding Forward-looking Statements

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.

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