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# FY2012 Results and Business Strategy

May 28, 2013

**NKSJ Holdings, Inc.**

## Progress of the management plan

- Progress during the management plan's first year was greater than initially anticipated
  - The main contributing factor was signs of an improved profitability outlook in automobile insurance.

## Improved profitability in the domestic P&C

- Execute initiatives to improve profitability, without letting up on current management efforts
  - Earnings structure reforms leveraging the merger of the two P&C insurance companies
  - Continuous products and rates revision

## Growth strategy

- Rigorously promote growth strategy
  - (Life) Broaden cross-selling targeting the P&C insurance customer base
  - (Overseas) Disciplined execution of overseas strategies

## Capital management

- Take full advantage of the favorable financial environment, while adhering to basic policies
  - Bolster capital by reducing strategic-holding stocks timely

## Contents of the presentation material

1. Overview of FY2012 Consolidated Results

2. Business Forecasts for FY2013

3. Business Strategy

4. Balance Sheet  
Capital / Risks / Asset Management /  
Strategic-Holding-Stocks / Shareholder  
Returns

## 1. Overview of FY2012 Consolidated Results

## 2. Business Forecasts for FY2013

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Capital / Risks / Asset Management / Strategic-Holding-Stocks / Shareholder Returns

# Overview of FY2012 Results

## – NKSJ Consolidated

◆ Ordinary profit and net income increased significantly, along with top-line growth

| (Billions of yen)                   | FY2011  | FY2012  | Change       |
|-------------------------------------|---------|---------|--------------|
| Ordinary income (NKSJ consolidated) | 2,790.5 | 2,843.2 | +52.6(+1.9%) |
| P&C net premium written             | 1,973.7 | 2,062.6 | +88.8(+4.5%) |
| Life insurance premiums             | 250.1   | 264.7   | +14.5(+5.8%) |
| Ordinary profit (NKSJ consolidated) | -51.8   | 104.7   | +156.5       |
| Sompo Japan + Nipponkoa             | -3.7    | 129.6   | +133.4       |
| NKSJ Himawari Life*1                | 1.1     | 8.0     | +6.8         |
| Overseas subsidiaries               | -16.5   | 10.4    | +27.0        |
| Consolidated adjustment*2/others    | -32.6   | -43.3   | -10.7        |
| Net Income (NKSJ consolidated)      | -92.2   | 43.6    | +135.8       |
| Sompo Japan + Nipponkoa             | -60.1   | 62.4    | +122.5       |
| NKSJ Himawari Life*1                | -11.1   | 4.4     | +15.5        |
| Overseas subsidiaries               | -17.2   | 9.1     | +26.3        |
| Consolidated adjustment*2/others    | -3.9    | -32.4   | -28.5        |

\*1 Sum of Sompo Japan Himawari Life and Nipponkoa Life for 1H FY2011 and NKSJ Himawari Life for 2H FY2011 and FY2012. This is applied to other pages.

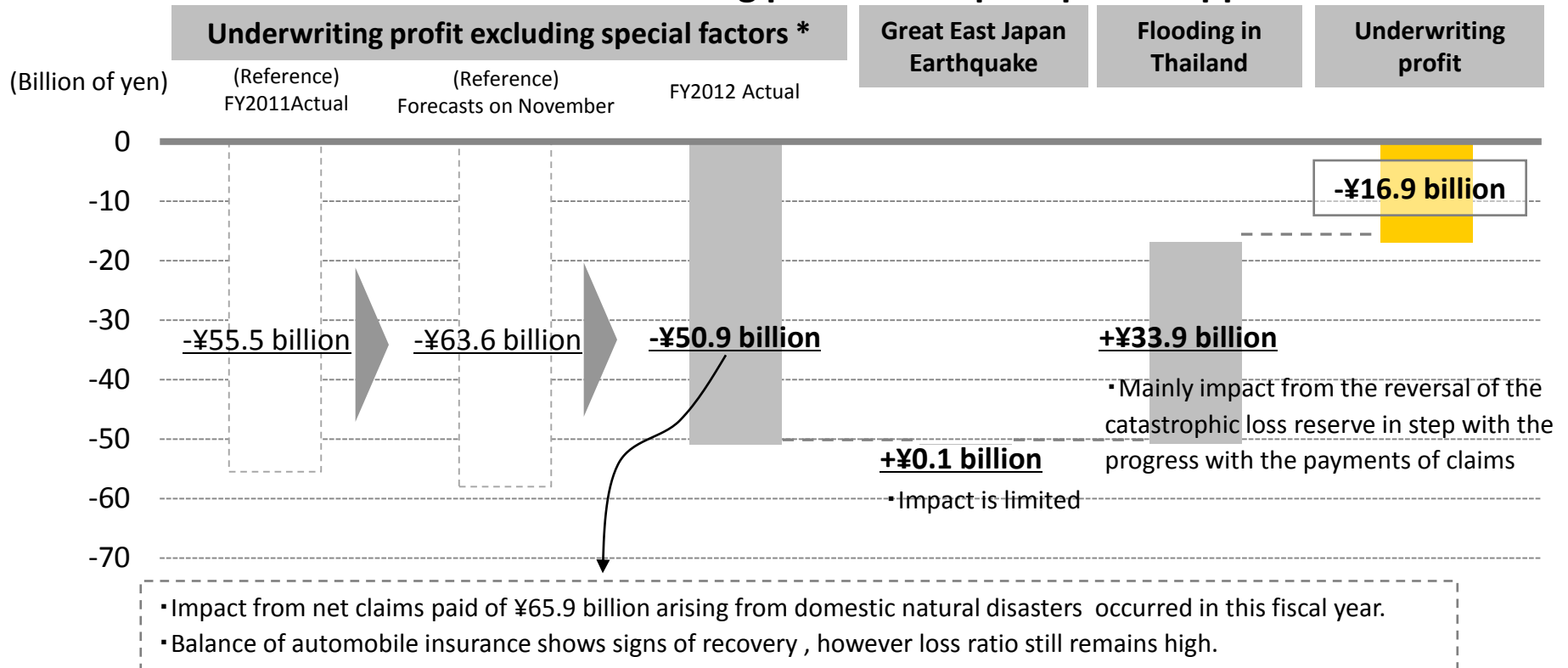
\*2"Purchase method" accountings was adopted in establishing NKSJ Holdings. In NKSJ consolidated financial statements, assets and liabilities of Nipponkoa are booked at the market value as of the completion of business integration. Therefore, book value used in Nipponkoa's statements and that used in NKSJ' consolidated statements are different. As a result, in calculating NKSJ consolidated profit, adjustments are necessary in Nipponkoa's realized gains on securities, etc. These adjustments are included in "consolidated adjustments" shown in the above table.

# Main points of FY2012 results

## - Underwriting profit of Domestic P&C

- ◆ Posted underwriting loss due to the high loss ratio of auto insurance and the adverse impact of domestic natural disasters, including severe storms.
- ◆ However, balance of automobile insurance shows signs of recovery.

### Break down of underwriting profit – Sampo Japan + Nipponkoa



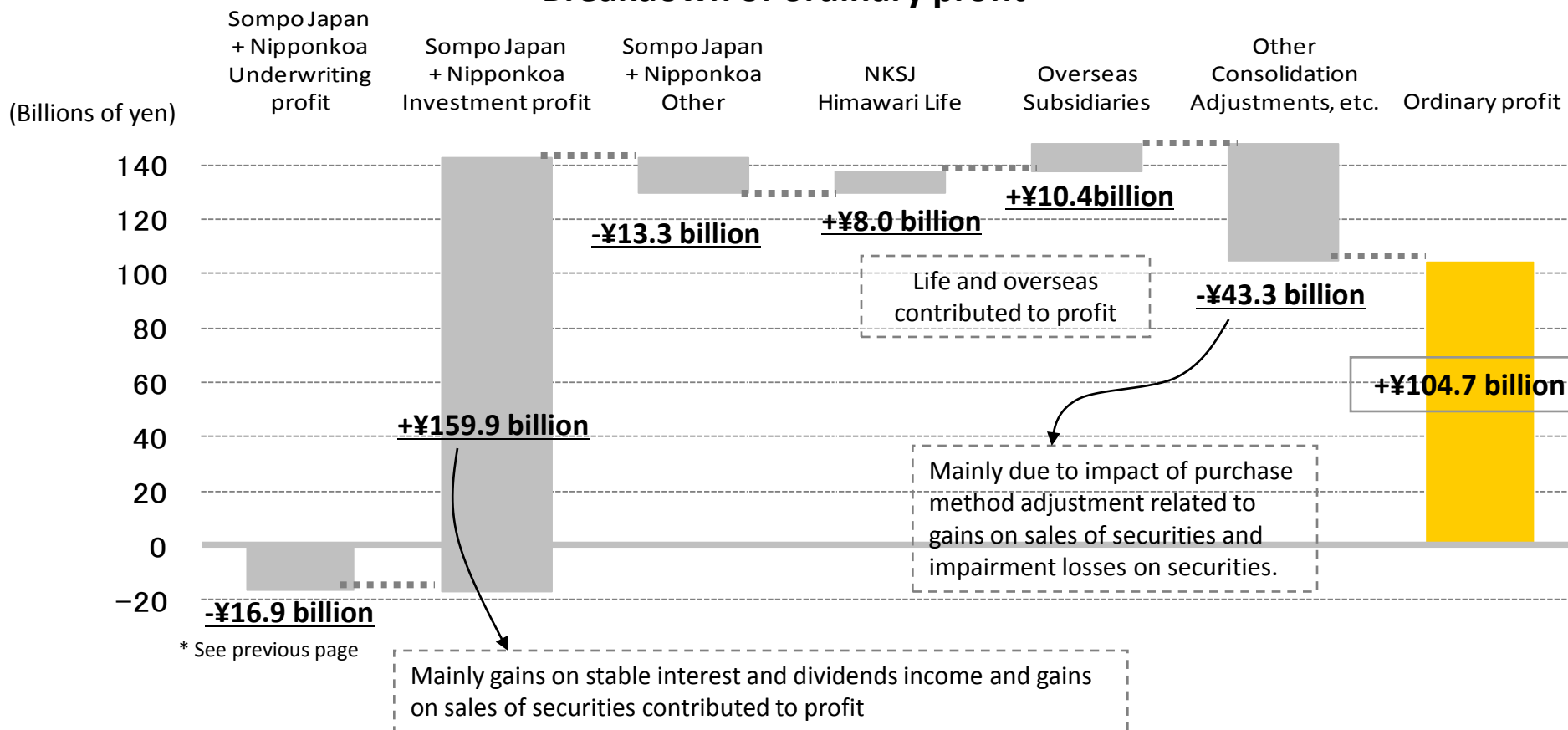
\*Special factors: The Great East Japan Earthquake and Flooding in Thailand

# Main points of FY2012 results

## - Ordinary profit (NKSJ consolidated)

- ◆ Consolidated ordinary profit of more than ¥100 billion was generated mainly due to progress on sale of strategic-holding stocks in step with the stock market recovery, as well as contribution of the domestic life insurance and the overseas insurance business.

### Breakdown of ordinary profit

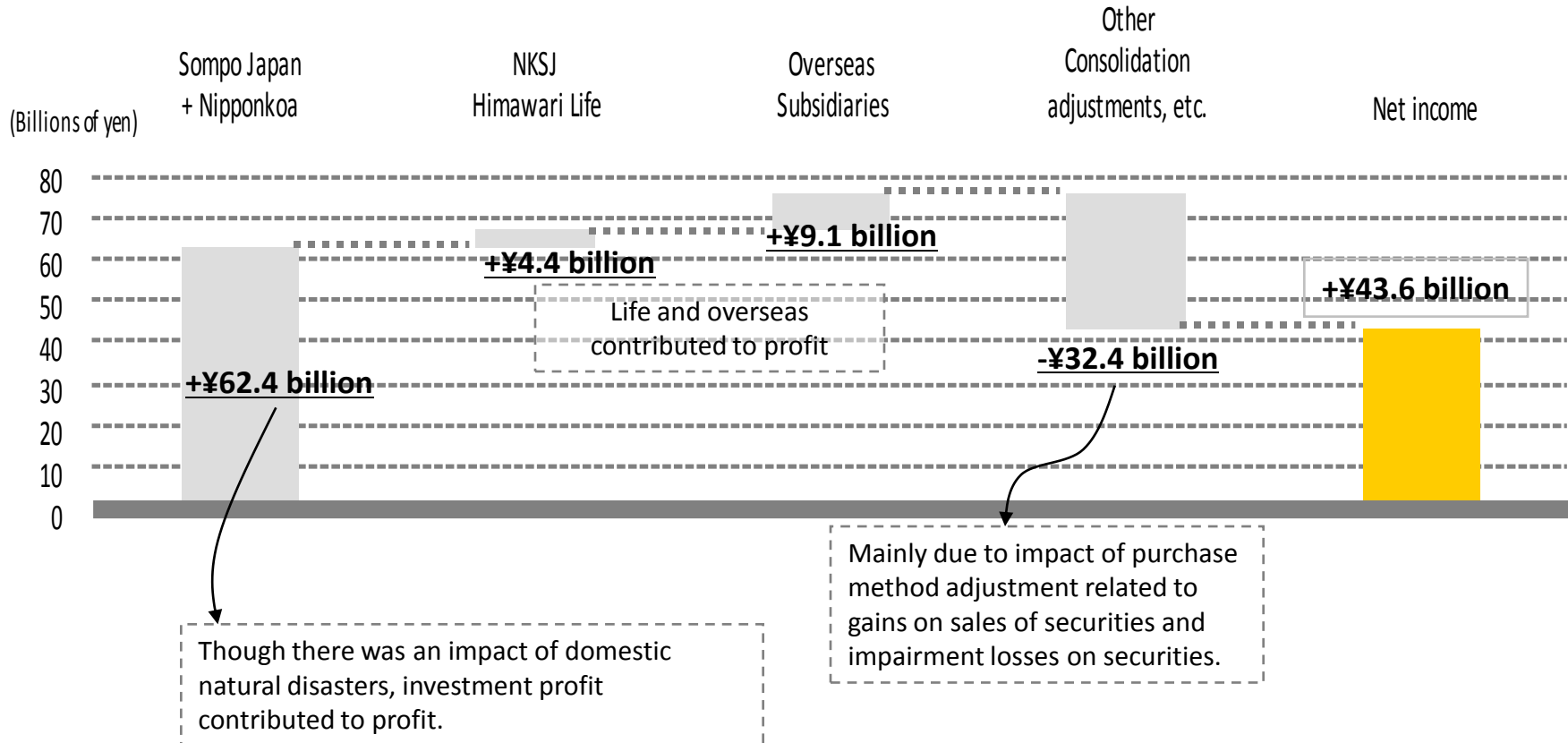


# Main points of FY2012 results

## -Net income (NKSJ consolidated)

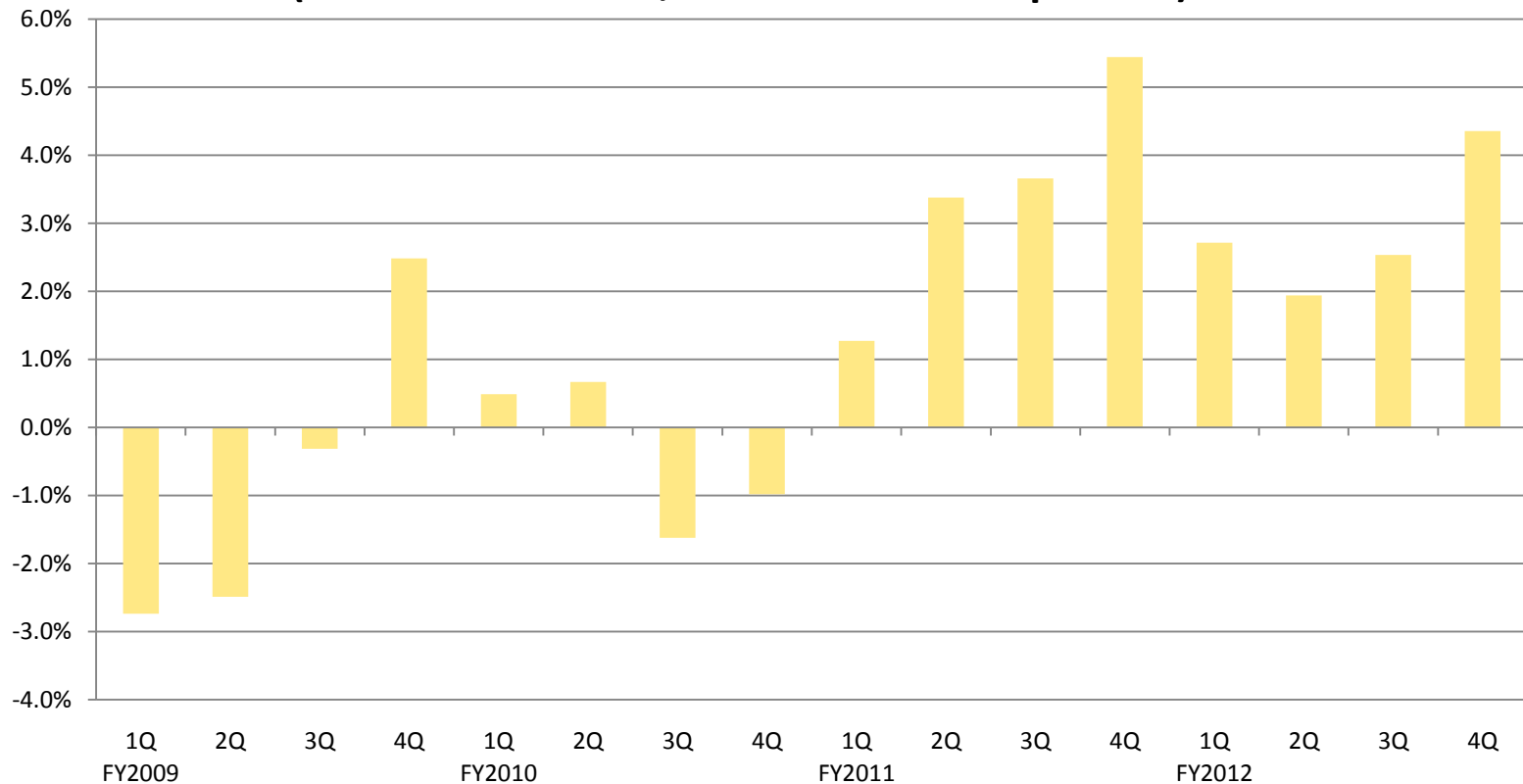
- ◆ Net income moved back into the black at ¥43.6 billion with each business contributing to profit.

### Breakdown of net income



◆ The top line has continued to grow since FY2011.

### Quarterly Trends of Increase (General lines total, Year-on-Year Comparison)

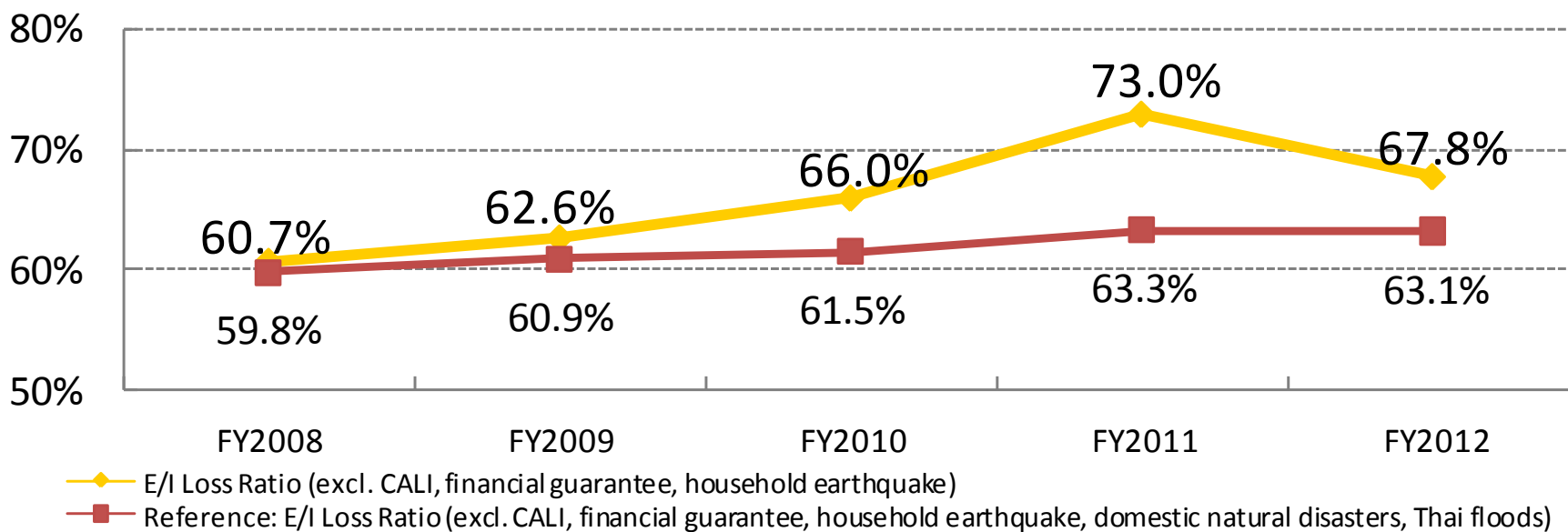


\* Sum of Sompo Japan and Nipponkoa



- ◆ There was a large drop in the earned/incurred loss ratio for FY2012, reflecting the absence of flooding in Thailand.
- ◆ Excluding the adverse impact of natural disasters, the level was about the same as FY2011.

### Trends of Loss Ratio (E/I) (excl. CALI, financial guarantee, household earthquake)

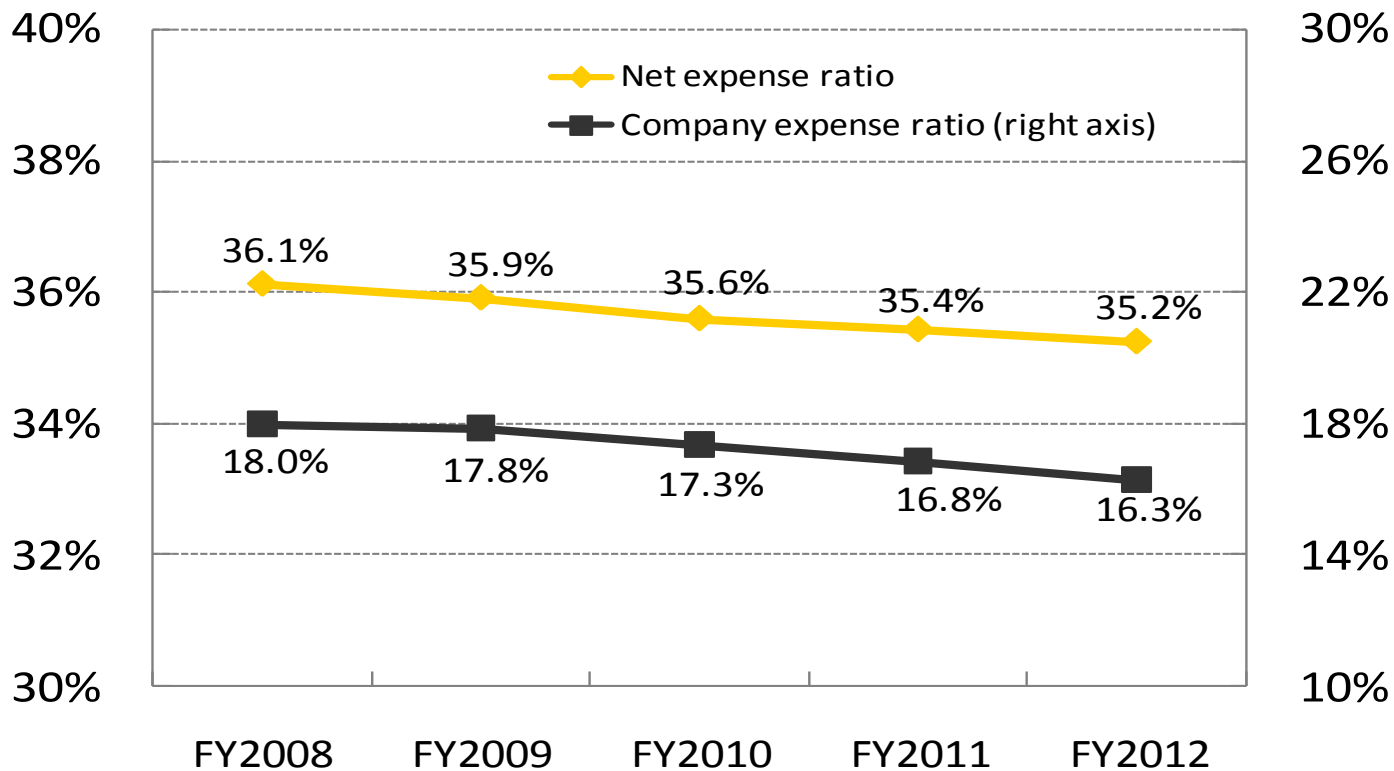


\* Sum of Sompo Japan and Nipponkoa

# Domestic P&C Insurance Business - Net Expense Ratio

◆ The net expense ratio and the company expense ratio both steadily declined in each period.

### Trends of Net Expense Ratio (excl. CALI)



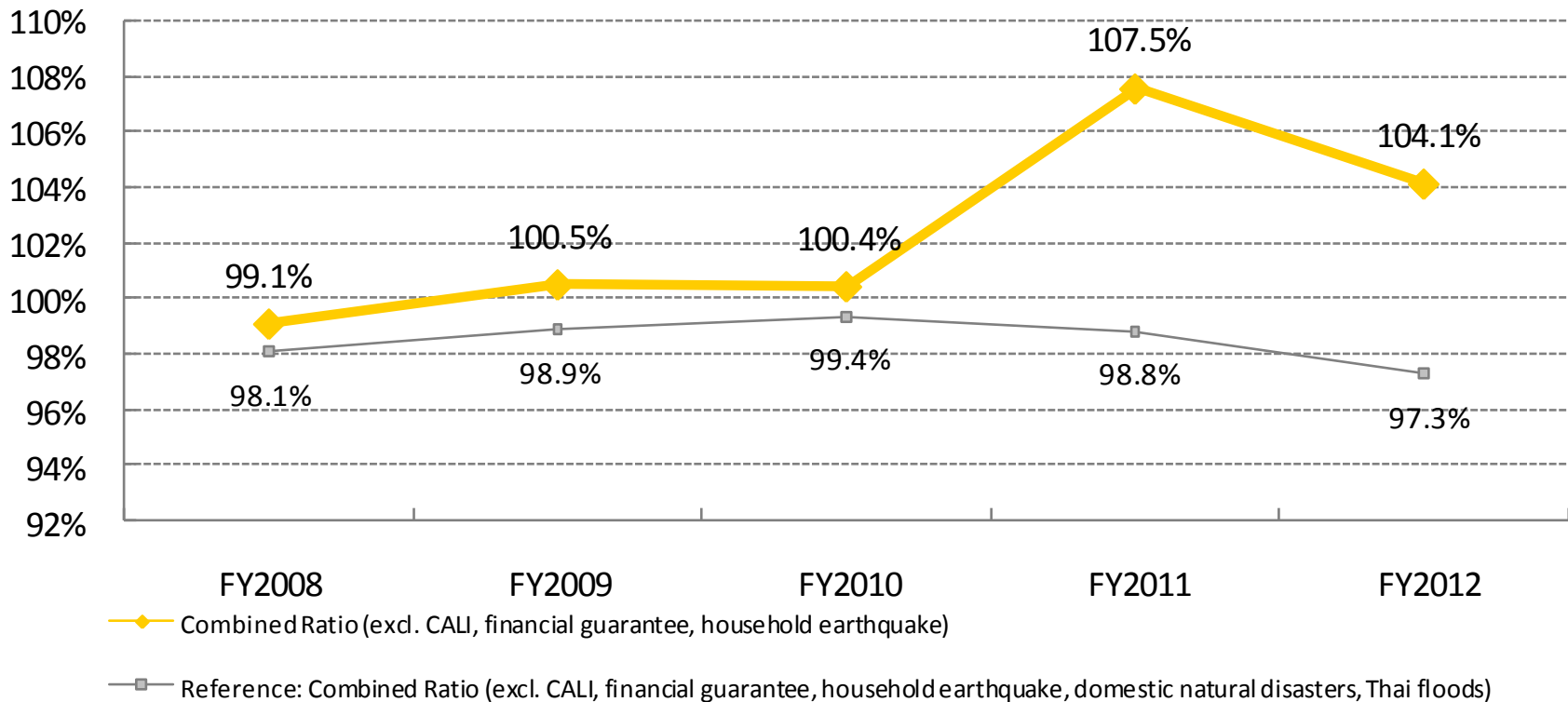
\*Sum of Sampo Japan and Nipponkoa

\*Company expense ratio is the ratio of operating, general and administrative expenses for underwriting against net premium written.

# Domestic P&C Insurance Business - Combined Ratio

- ◆ The combined ratio was high due to the adverse impact of natural disasters worldwide.
- ◆ However, there has been a steady improvement excluding the adverse impact of natural disasters.

## Trends of Combined Ratio (excl. CALI, financial guarantee, household earthquake)

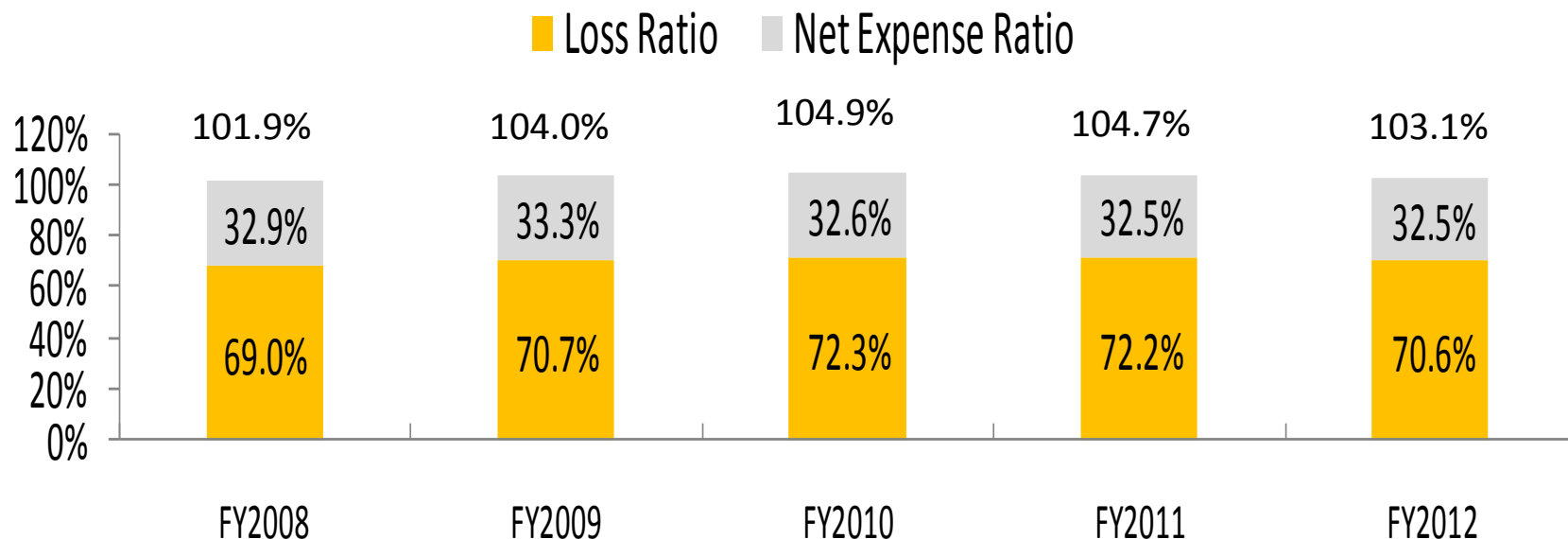


\* Sum of Sompo Japan and Nipponkoa

# Voluntary Automobile Insurance - Combined Ratio

- ◆ The combined ratio is declining due to a drop in the loss ratio resulting from the positive impact of premium rate revisions, etc.
- ◆ However, it is necessary to work for more improvement as it is still above 100%.

## Trends of Voluntary Automobile Insurance Combined Ratio



(Reference) Trends of combined ratio excluding impact of natural disasters

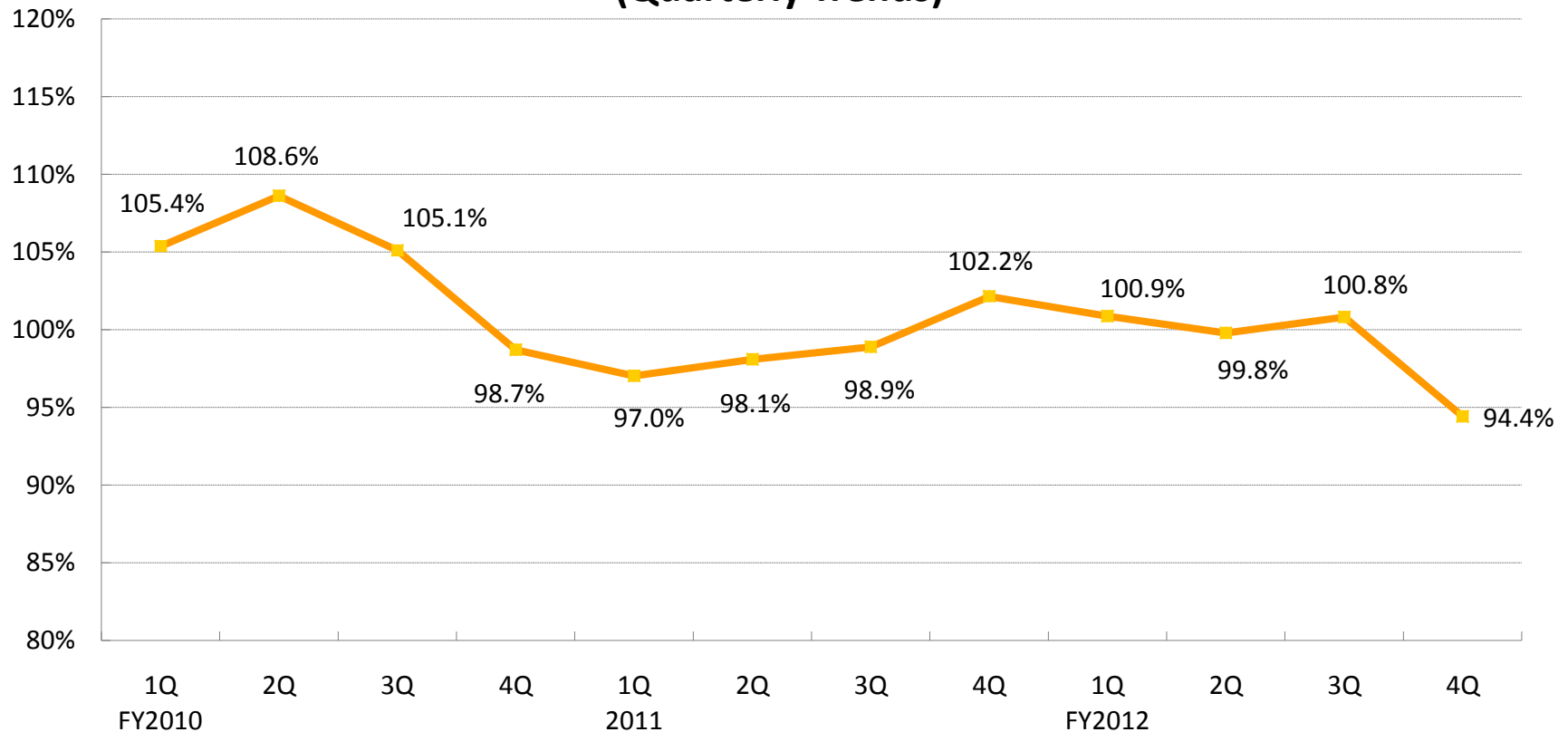
|                | FY2008 | FY2009 | FY2010 | FY2011 | FY2012 |
|----------------|--------|--------|--------|--------|--------|
| Combined Ratio | 101.6% | 103.7% | 104.8% | 103.9% | 102.1% |

\* Sum of Sompo Japan and Nipponkoa

# Voluntary Automobile Insurance - Number of reported claims

◆ The number of reported claims in FY2012 was lower than the previous year.

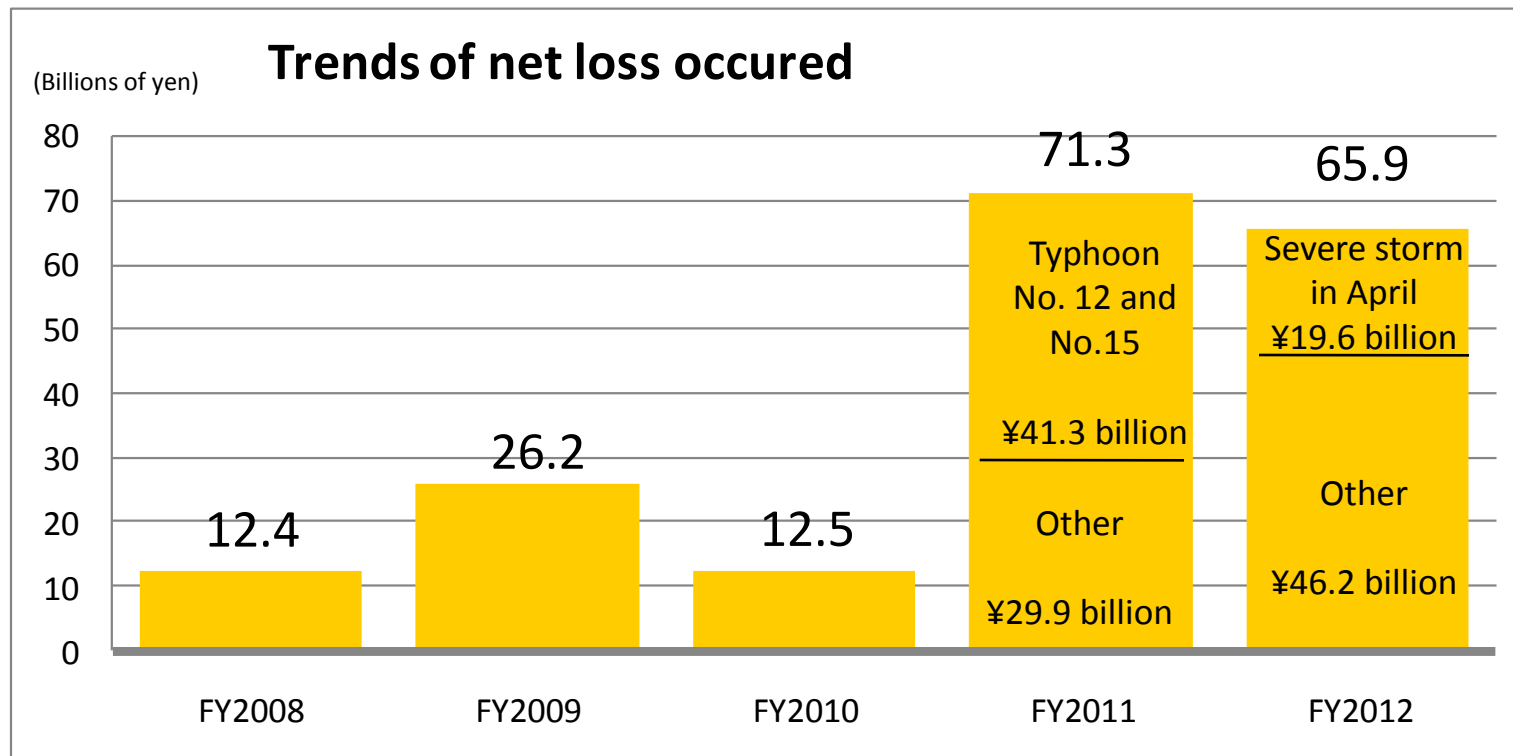
### Year-on-Year comparison of number of reported claims (Quarterly Trends)



\* The Great East Japan Earthquake, typhoon No. 12 and 15 in fiscal 2011, and the severe storm in April 2012 are excluded.

◆ Incurred losses were higher than the full year estimate (¥58.0 billion), mainly due to damage from severe storms, typhoons, and other events.

**Year-on-year comparison of the impact of domestic natural disasters  
(only events that occurred in the fiscal year)**



\* Excluding the Great East Japan Earthquake

- ◆ Posted ¥40.2 billion profit due to reversal of catastrophic loss reserve etc. (of which, ¥33.9 billion posted by two domestic P&C insurers)

(Billions of yen)

|  | FY2011      | FY2012      |             |           |                       |
|--|-------------|-------------|-------------|-----------|-----------------------|
|  | Group Total | Group Total | Sompo Japan | Nipponkoa | Overseas subsidiaries |
| Paid Claims                            | 18.6        | 32.5        | 7.2         | 17.5      | 7.7                   |
| Provision of outstanding loss reserve  | 84.1        | -48.0       | -10.0       | -23.8     | -14.0                 |
| Net loss occurred                      | 109.8*      | -15.4       | -2.7        | -6.3      | -6.3                  |
| Provision of catastrophic loss reserve | -18.0       | -24.8       | -7.2        | -17.5     | -                     |
| Impact on ordinary profit              | -91.8       | 40.2        | 10.0        | 23.8      | 6.3                   |

Sum of two domestic P&C companies were ¥33.9 billion.

- Percentage of paid amount among incurred losses on cumulative basis is 70% in gross basis and 60% in net basis.

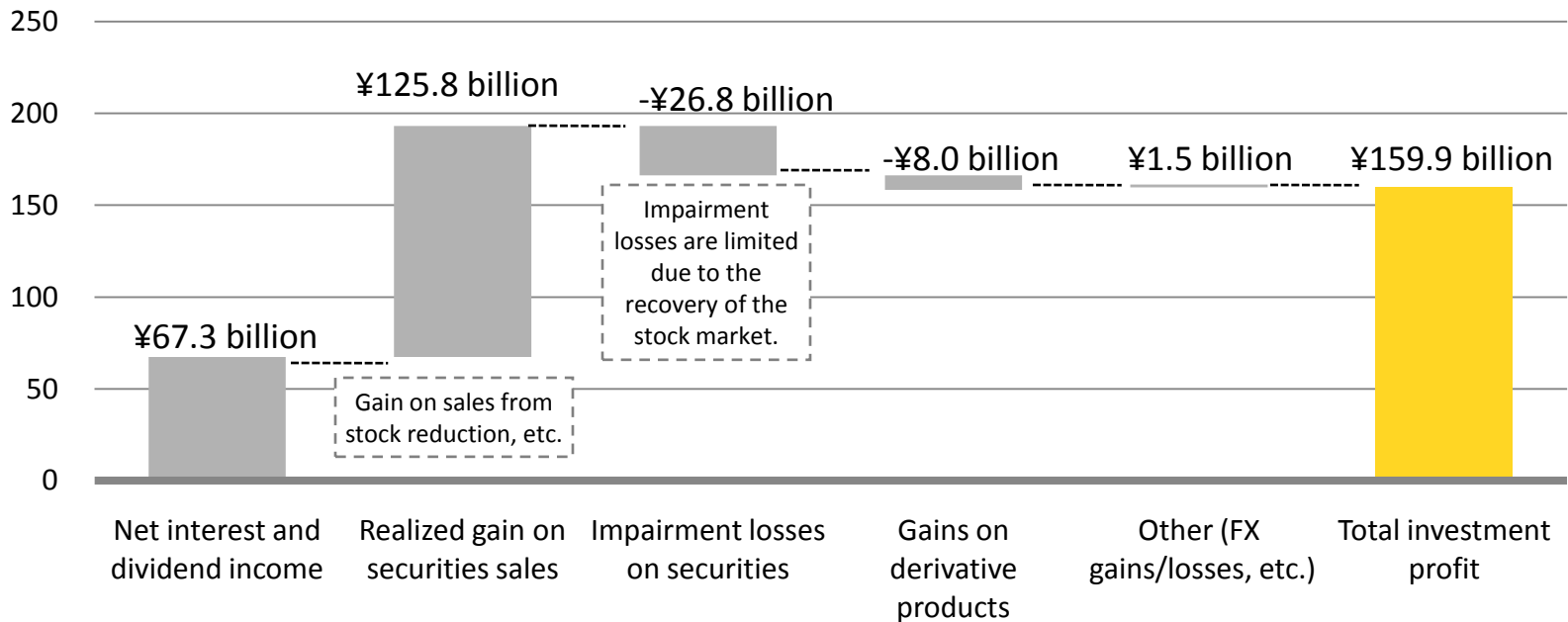
\*Incurred losses in FY2011 includes 7 billion yen impairment losses on stocks of a non-consolidated subsidiary.

# Investment profit and loss - Domestic P&C Insurance

- ◆ Investment profit is improved greatly from the previous year, mainly due to gains on sales resulting from stock reduction.

## Breakdown of investment profit (Sompo Japan and Nipponkoa)

FY2012 Actual



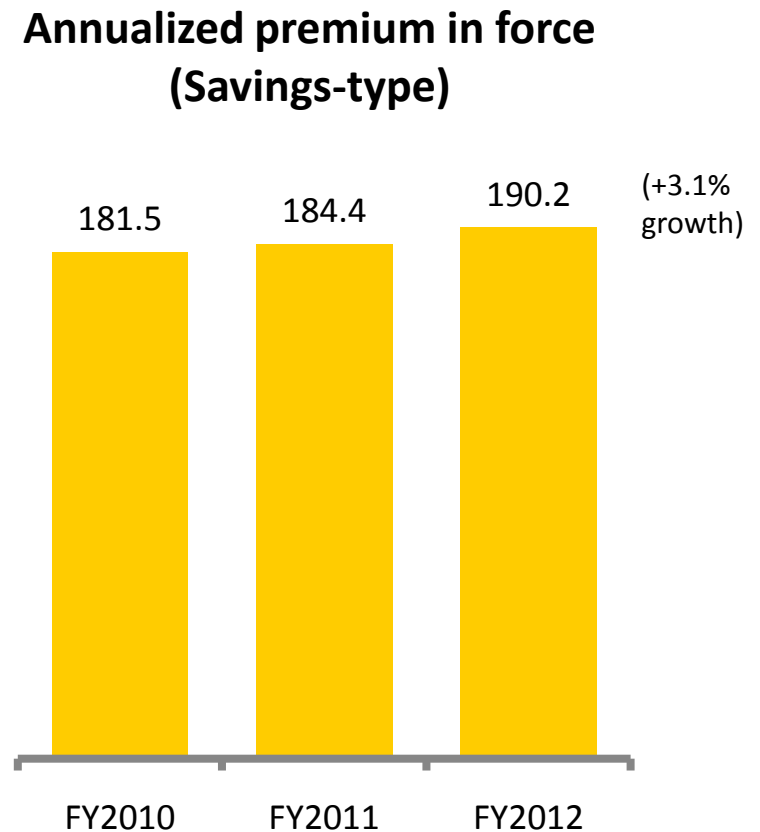
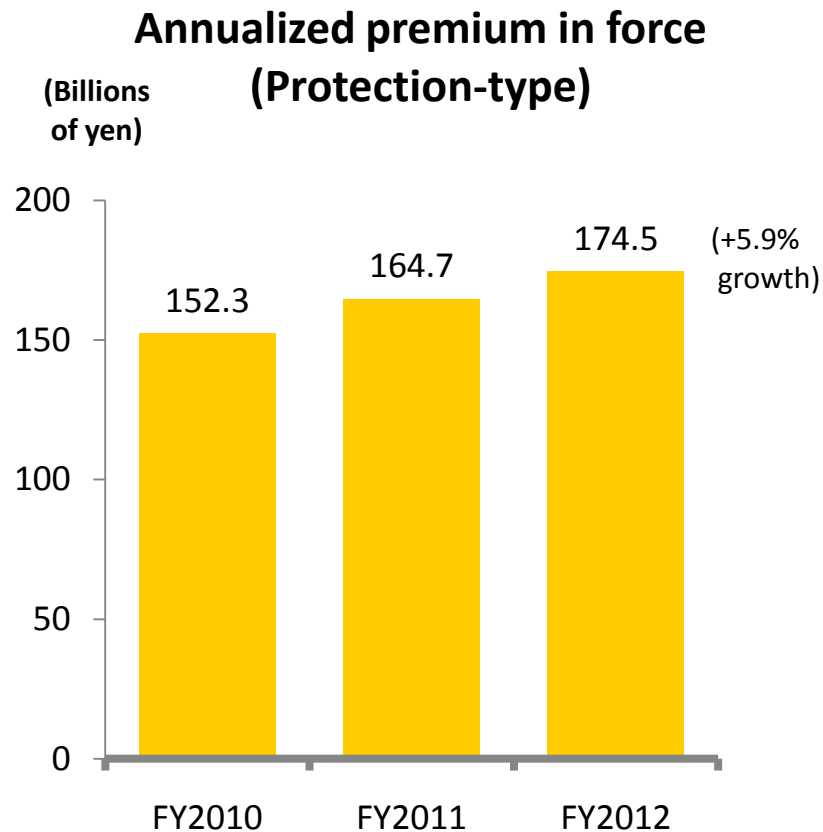
|  |               |                |                |              |                |               |
|--|---------------|----------------|----------------|--------------|----------------|---------------|
| (Ref)FY2011 Actual                       | ¥63.7 billion | ¥36.1 billion  | -¥19.9 billion | ¥0.8 billion | -¥19.0 billion | ¥61.7 billion |
| (Ref)FY2012 Forecasts<br>(Nov. 19, 2012) | ¥53.9 billion | ¥107.9 billion | -¥60.7 billion | ¥4.3 billion | -¥9.9 billion  | ¥95.5 billion |



# Domestic Life Insurance Business

## - Annualized premium in force

- ◆ Annualized premium in force for protection-type products has risen with a high growth rate maintained.

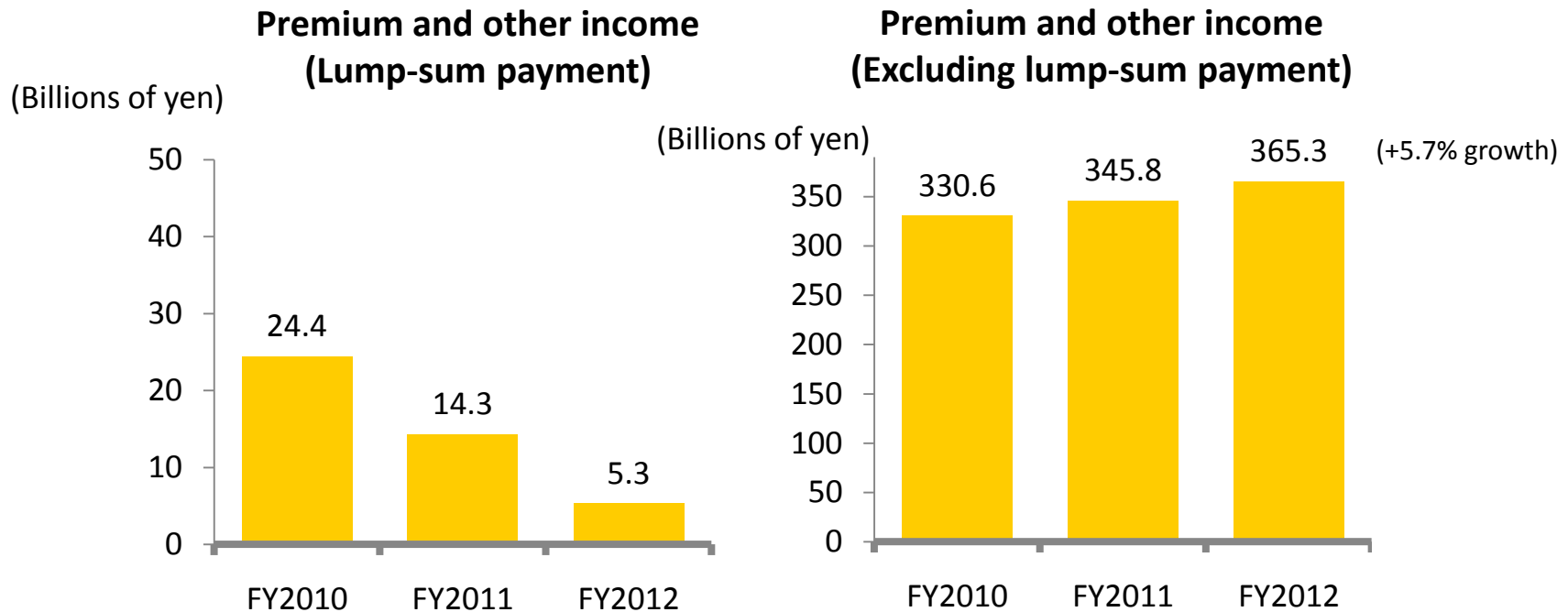


Annualized premium in force : In-house standard annualized premiums in force (Simple annualized premiums)

# Domestic Life Insurance Business

## - Premium and other income

- ◆ Premium and other income steadily increased, excluding low-margin lump-sum payment products.



(Billions of yen)

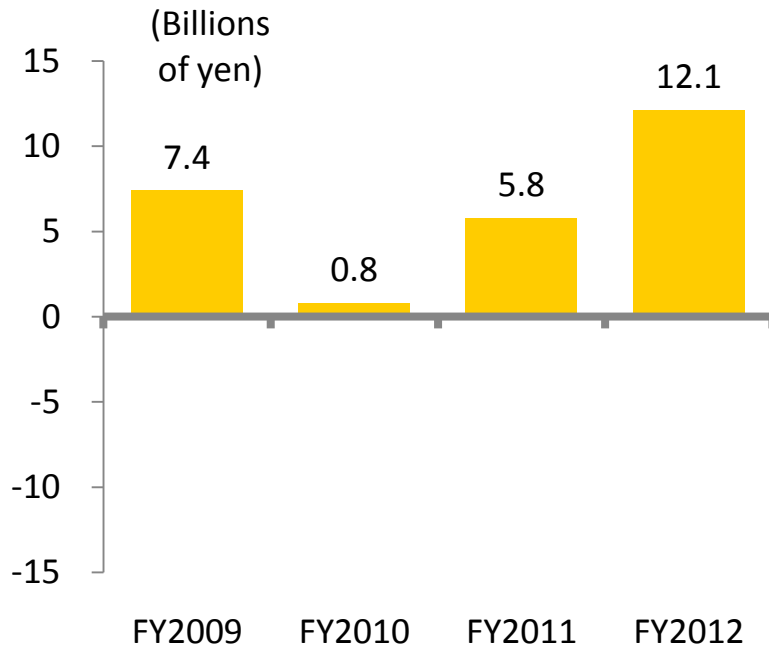
|                                       | FY2010 | FY2011 | %Change | FY2012 | %Change |
|---------------------------------------|--------|--------|---------|--------|---------|
|                                       | Actual | Actual |         | Actual |         |
| Premium and other income              | 355.1  | 360.1  | +1.4%   | 370.7  | +2.9%   |
| of which, lump sum payments           | 24.4   | 14.3   | -41.3%  | 5.3    | -62.8%  |
| of which, excluding lump-sum payments | 330.6  | 345.8  | +4.6%   | 365.3  | +5.7%   |

# Domestic Life Insurance Business

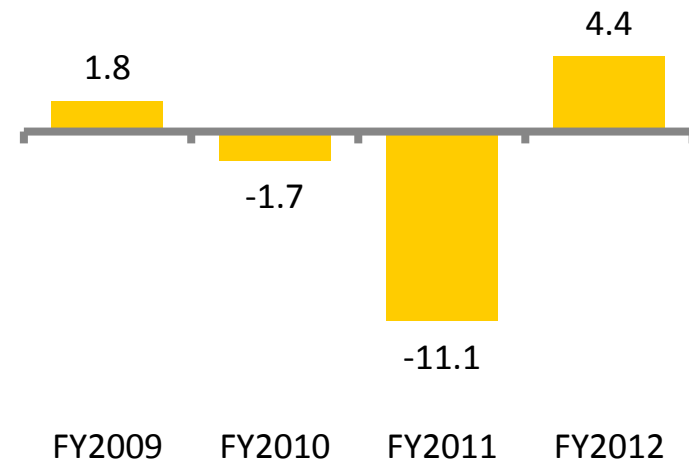
## - Profit (J-GAAP)

- ◆ Basic profit continues to increase due to the accumulation of business in force.
- ◆ Net income moved back into the black.

### Basic Profit



### Net income



• Basic Profit

Akin to a general business corporation's operating profit or a bank's business profit, basic profit is after deduction of capital gain or loss, such as gain or loss on the sale of securities from recurring profit, and one-time gains or losses such as provision for contingency reserve.

Principal special factors in fiscal 2011  
 (1) Extraordinary loss related to merger -¥11.7 billion  
 (2) Impact of change in the corporate tax rate -¥3.6 billion

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4. Balance Sheet

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# Summary of Business Forecasts

## – NKSJ Consolidated

◆ Projecting net income of ¥34 billion, assuming continued top-line growth.

| (Billions of yen)                   | FY2012<br>Actual | FY2013<br>Forecasts | Change |         |
|-------------------------------------|------------------|---------------------|--------|---------|
| Ordinary income (NKSJ consolidated) | 2,843.2          | 2,860.0             | +16.7  | (+0.6%) |
| P&C net premium written             | 2,062.6          | 2,227.0             | +164.3 | (+8.0%) |
| Life insurance premiums             | 264.7            | 269.5               | +4.7   | (+1.8%) |
| Ordinary profit (NKSJ consolidated) | 104.7            | 81.0                | -23.7  |         |
| Sompo Japan + Nipponkoa             | 129.6            | 114.9               | -14.7  |         |
| NKSJ Himawari Life                  | 8.0              | 10.0                | +1.9   |         |
| Consolidated adjustment*/others     | -32.8            | -43.9               | -11.0  |         |
| Net Income (NKSJ consolidated)      | 43.6             | 34.0                | -9.6   |         |
| Sompo Japan + Nipponkoa             | 62.4             | 63.0                | +0.5   |         |
| NKSJ Himawari Life                  | 4.4              | 6.0                 | +1.6   |         |
| Consolidated adjustment*/others     | -23.2            | -35.0               | -11.7  |         |

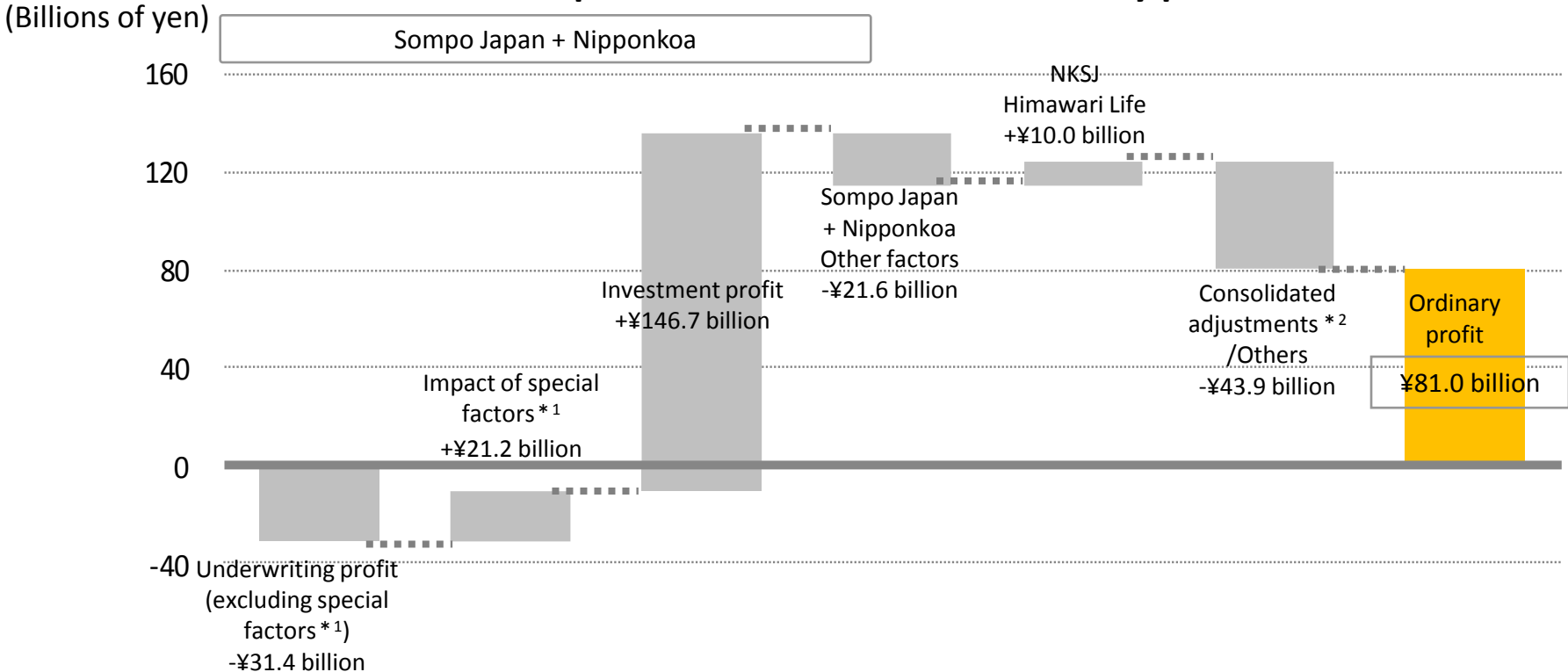
\*"Purchase method" accountings was adopted in establishing NKSJ Holdings. In NKSJ consolidated financial statements, assets and liabilities of Nipponkoa are booked at the market value as of the completion of business integration. Therefore, book value used in Nipponkoa's statements and that used in NKSJ' consolidated statements are different. As a result, in calculating NKSJ consolidated profit, adjustments are necessary in Nipponkoa's realized gains on securities, etc. These adjustments are included in "consolidated adjustments" shown in the above table.

# Main points of Business Forecasts

## - Ordinary profit (NKSJ consolidated)

- ◆ Consolidated ordinary profit is projected to be ¥81 billion.
  - Underwriting profit: Profitability of automobile insurance is improving, and steady progress is expected due to products and premium rate revisions, etc.
  - Investment profit : Stable interest and dividends income and gains on sales of securities contribute.
  - Himawari Life: ¥10 billion profit contribution

### Main components of consolidated ordinary profit



\*1 Special factors are the Great East Japan Earthquake and Flooding in Thailand

\*2 Consolidated adjustments are mainly purchase method adjustments. (-¥36.8 billion)

# Business Forecasts

## - Domestic P&C Insurance Business

| (Billions of yen)  | FY2012<br>Actual | FY2013<br>Forecasts | Change         |
|--|------------------|---------------------|----------------|
| Net premiums written   | 1,966.2          | 2,035.0             | +68.8 (+3.5%)  |
| (Excl. CALI)   | 1,691.7          | 1,742.6             | +50.8 (+3.0%)  |
| Loss Ratio   | 72.0%            | 68.0%               | -4.0pt         |
| (Excl. financial guarantee and CALI)   | 68.8%            | 64.8%               | -4.0pt         |
| (Excl. financial guarantee, CALI, Great East Japan Earthquake and Thai Floods) | 67.2%            | 63.3%               | -4.0pt         |
| El Loss Ratio (excl. CALI and household earthquake insurance)                  | 67.8%            | 64.6%               | -3.2pt         |
| (Excl. financial guarantee, the Great East Japan Earthquake and Thai Floods)   | 68.2%            | 64.3%               | -3.9pt         |
| Net Expense Ratio  | 33.4%            | 32.8%               | -0.6pt         |
| (Excl. CALI)   | 35.2%            | 34.9%               | -0.3pt         |
| Combined Ratio   | 105.4%           | 100.8%              | -4.6pt         |
| (Excl. financial guarantee and CALI)   | 104.1%           | 99.7%               | -4.4pt         |
| (Excl. financial guarantee, CALI, Great East Japan Earthquake and Thai Floods) | 102.5%           | 98.2%               | -4.3pt         |
| Underwriting profit  | -16.9            | -10.2               | +6.7 (—)       |
| Investment profit  | 159.9            | 146.7               | -13.1 (-8.2%)  |
| Ordinary profit  | 129.6            | 114.9               | -14.7 (-11.4%) |
| Net income   | 62.4             | 63.0                | +0.5 (+0.9%)   |

\*Sum of Sompo Japan and Nipponkoa

# Assumption of Business Forecasts

## - Domestic P&C Insurance Business

|   |  |
|---|--|
| <b>Losses from domestic natural disasters</b><br>(occurring in the fiscal year) | ¥38.0 billion  |
| <b>Flooding in Thailand</b>   | Net claims paid : ¥21.1billion<br>*excluding the amount to be paid by overseas subsidiaries<br>(Assuming that remaining amount ¥6.1 billion is paid in FY2014) |
| <b>Catastrophic loss reserve</b>  | Net provision : ¥15.4 billion  |
| <b>Provision rate of Catastrophic loss reserve</b>                              | Provision rate of fire group : Sompo Japan : 10.0%, Nipponkoa : 9.2%<br>Provision rate of automobile group : Sompo japan : 5.5%、Nipponkoa : 6.2%               |
| <b>Market indicators</b>  | (Stock) Nikkei 225 : ¥12,397      (Interest yield) 10 y JGB : 0.55%<br>(Foreign exchange) 1US\$ : ¥94.05, 1Euro : ¥120.73                                      |
| <b>Interest and dividend income</b>   | Gross ¥100.0 billion    Net : ¥53.7 billion  |
| <b>Realized gains on securities</b>   | Realized gain on securities : ¥100.0 billion<br>Impairment losses on securities : ¥3.0 billion   |
| <b>Reserve for price fluctuation</b>  | Net provision ¥7.6billion  |

\*Sum of Sompo Japan and Nipponkoa



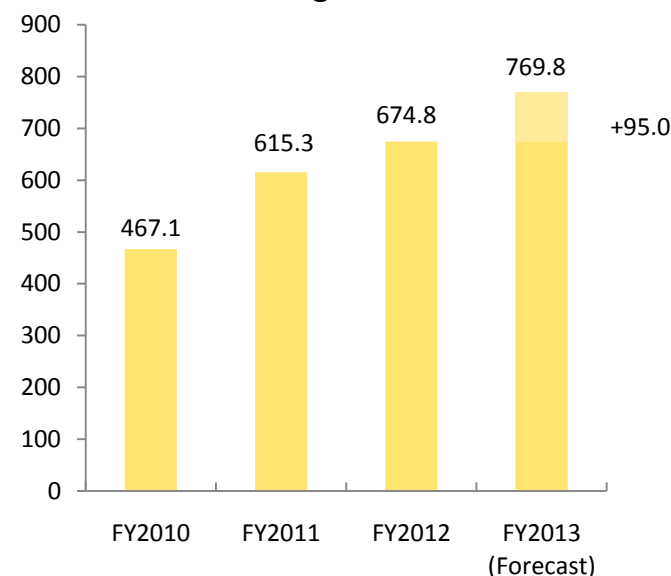
◆ A high level of growth in adjusted EV is expected to be sustained due to favorable sales of protection-type products.

(Billions of yen)

|  | FY2011<br>Actual | FY2012<br>Actual | FY2013<br>Forecast | Change        |
|--|------------------|------------------|--------------------|---------------|
| New Business Value *1                      | 46.4             | 47.1             | 53.0               | + 5.9         |
| Expected existing business contribution    | 25.7             | 33.8             | 39.0               | + 5.2         |
| Sub-total                                  | <b>72.1</b>      | <b>80.9</b>      | <b>92.0</b>        | <b>+ 11.1</b> |
| Experience variances and assumption change | 27.9             | 26.9             | 3.0                | -23.9         |
| <b>Growth in adjusted EV</b>               | <b>100.0</b>     | <b>107.8</b>     | <b>95.0</b>        | <b>-12.8</b>  |
| Other operating/non-operating variances *2 | 64.0             | -20.4            | -                  | + 20.4        |
| Economic variances                         | -15.7            | -28.0            | -                  | + 28.0        |
| Change of EV amount                        | 148.3            | 59.4             | 95.0               | + 35.6        |
| <b>EV as of the end of fisca year</b>      | <b>615.3</b>     | <b>674.8</b>     | <b>769.8</b>       | <b>+ 95.0</b> |

(Billions of yen)

Change of MCEV



• Change of MCEV does not agree with growth in adjusted EV because there are economic variances and other operating/non-operating variances.

\*1 Excludes the impact of a 6.4 billion yen corporate income tax reduction

from the 52.8 billion yen shown in the MCEV disclosure materials for FY2011 results. (The excluded amount of 6.4 billion yen is included in other operating/non-operating variances of 64.0 billion yen.)

\*2 Other operating/non-operating variances

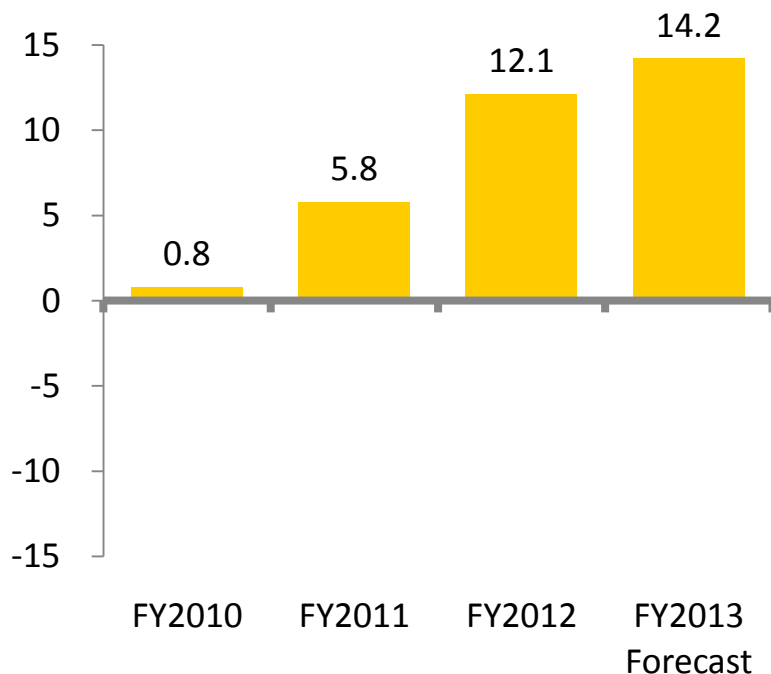
a) FY2011: Corporate tax reduction, model elaboration, etc.

b) FY2012 : Change in surrender risk factor in non-hedgeabel risks, and consumption tax rate increase, etc.

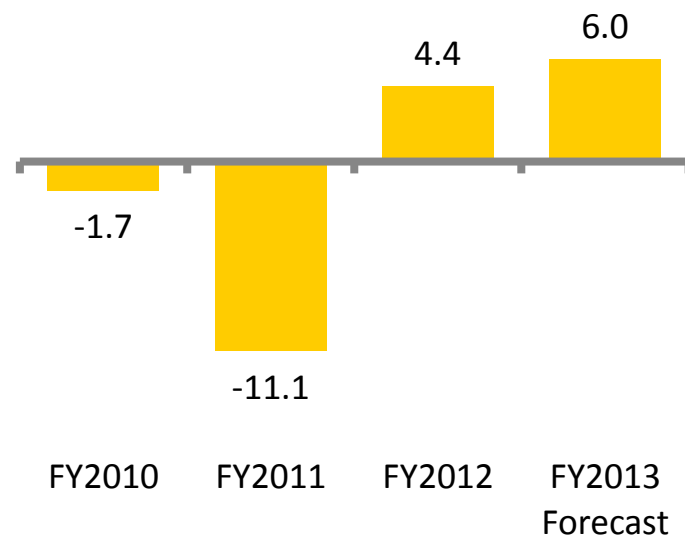
- ◆ Basic profit is expected to continue increasing due to the accumulation of business in force.
- ◆ Expects to record an increase in net income.

(Billions of yen)

### Basic Profit



### Net income



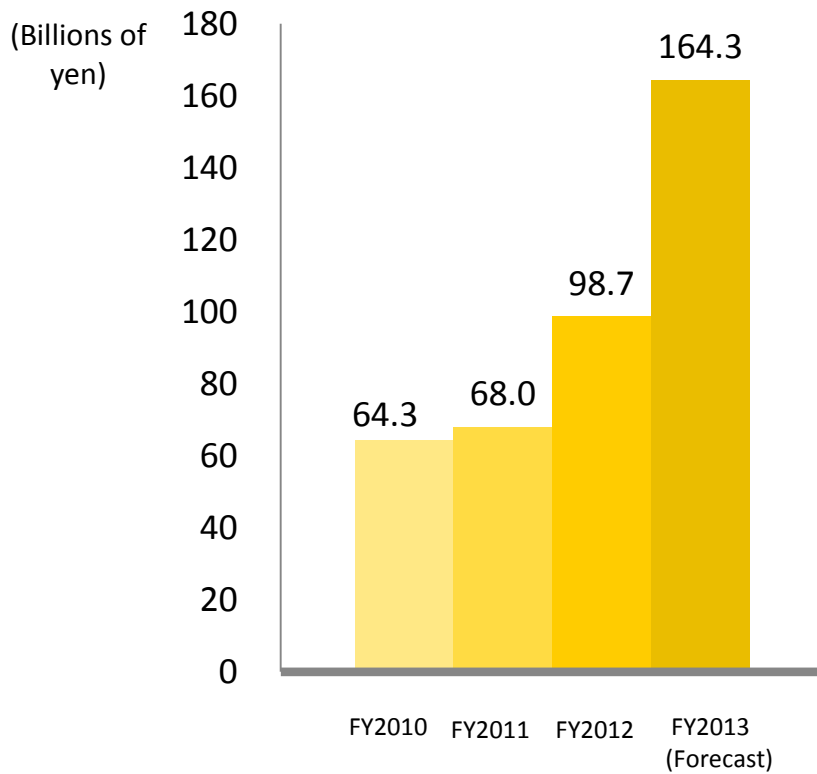
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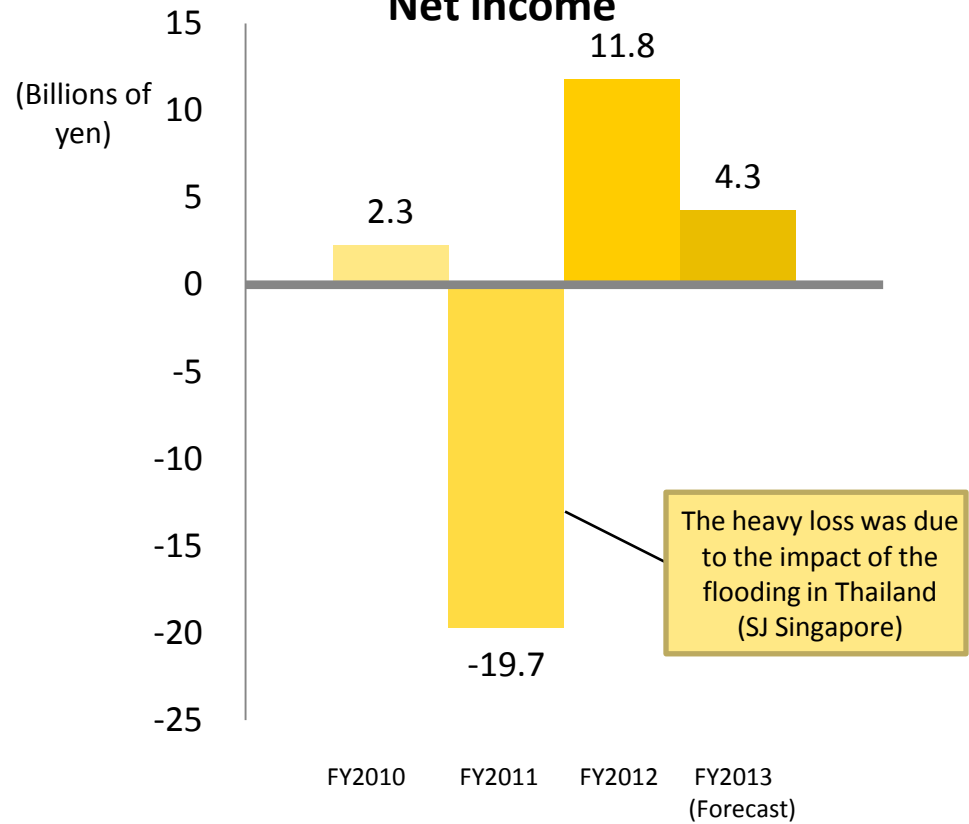
Principal special factors in fiscal 2011  
 (1) Extraordinary loss related to merger -¥11.7 billion  
 (2) Impact of change in the corporate tax rate -¥3.6 billion

◆ Increase steadily in top-line. Only halfway to generating stable earnings.

### Net premium written



### Net income



\* Net premiums written of subsidiaries and affiliates reflect holding shares of each company. This treatment does not coincide with financial statements.  
 \* Net income reflects holding shares of each subsidiary and affiliate, and figures are before consolidation adjustments excluding SJ Singapore, SJ Europe and SJAH.  
 \* SJ Singapore merged with Tenet in January 2013 and became Tenet Sompou.

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- ◆ 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

#### Overseas insurance business

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

#### 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

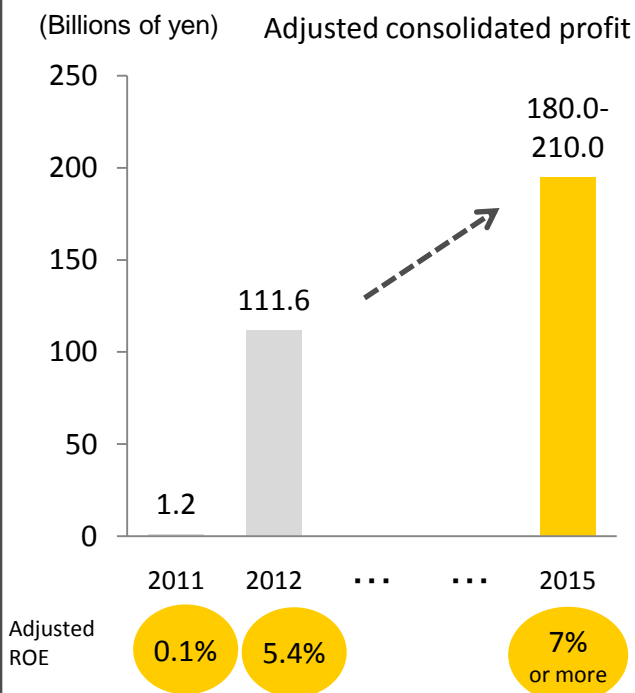
#### Capital management policy

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

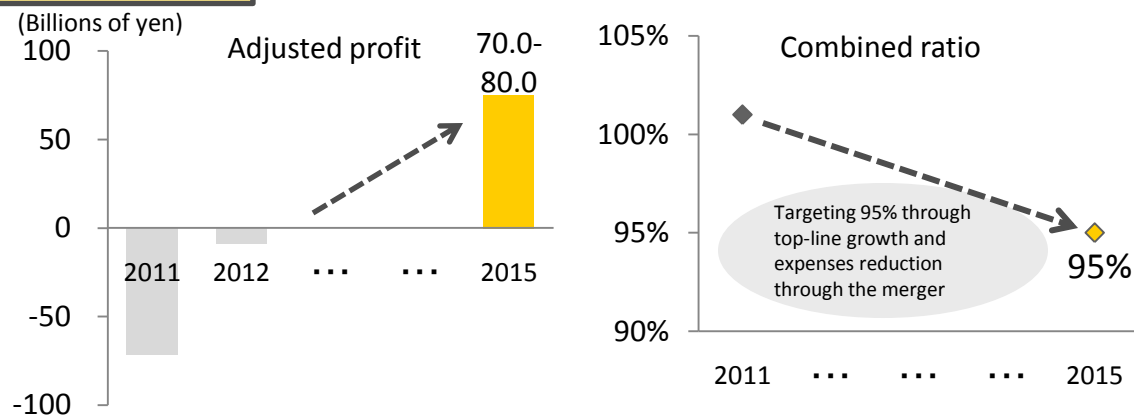
# Main points of numerical management targets of the group

- ◆ Aiming adjusted consolidated profit of ¥180 - ¥210 billion and Adjusted ROE of 7% or more in FY2015.
- ◆ The domestic P&C insurance achieves a dramatic improvement in earnings by leveraging the merger of the two P&C insurance companies. The targeted combined ratio is 95%.

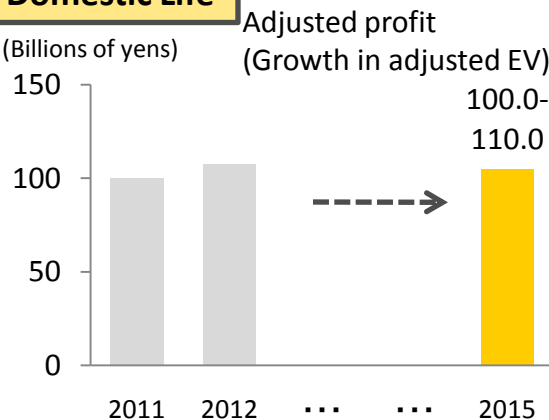
## Group total



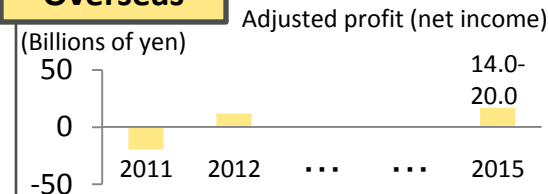
## Domestic P&C



## Domestic Life



## Overseas



## Financial services

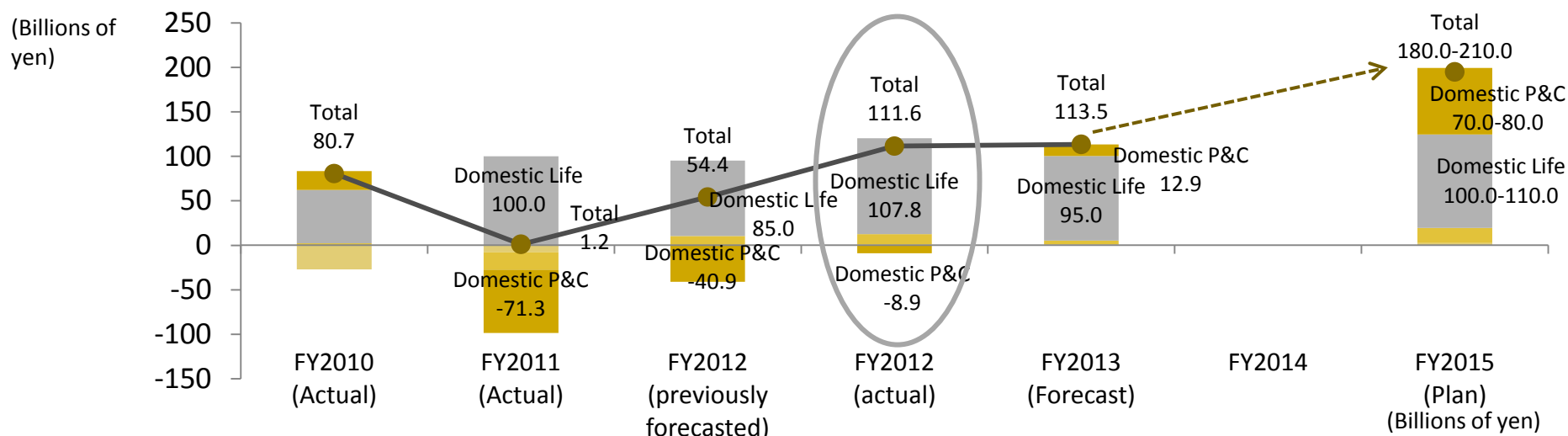


\*1 Definition of each business, adjusted profit and adjusted ROE are shown on page 80.

\*2 Combined ratio for domestic P&C insurance excludes CALI.

# Adjusted Consolidated Profit

- ◆ Thanks to Domestic P&C's rapid recovery (though it is still in red), adjusted consolidated profit went over ¥100 billion for FY2012.
- ◆ Domestic P&C continues to recover in FY2013, proceeding steadily toward FY2015 target.



|                                      |      |       |       |       |       |     |               |
|--------------------------------------|------|-------|-------|-------|-------|-----|---------------|
| Domestic P&C                         | 21.3 | -71.3 | -40.9 | -8.9  | 12.9  | ... | 70.0- 80.0    |
| Domestic Life                        | 59.8 | 100.0 | 85.0  | 107.8 | 95.0  | ... | 100.0 – 110.0 |
| Overseas                             | 2.4  | -19.7 | 9.9   | 11.8  | 4.3   | ... | 14.0 – 20.0   |
| Financial Services                   | -2.7 | -7.6  | 0.5   | 0.7   | 1.1   | ... | 2.0 – 3.0     |
| Total (Adjusted consolidated profit) | 80.7 | 1.2   | 54.4  | 111.6 | 113.5 | ... | 180.0 – 210.0 |
| Adjusted ROE                         | 4.2% | 0.1%  | 2.8%  | 5.4%  | 4.9%  | ... | 7% or more    |

\*One-time costs arising from the merger are excluded as special factors to compute adjusted profit. The amount are ¥30.8 billion (merger cost of ¥24.8 billion and other cost of ¥6.0 billion) in FY2012, ¥13.9 billion in FY2013, and ¥5.0 billion in FY2015.

\*Saison Automobile & Fire and Sonpo 24 were reclassified from financial and other services to the domestic P&C insurance business from FY2012.

\*Definition of each business, adjusted profit and adjusted ROE are shown on page 80.

- ◆ 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/decided  |
|---|---|
| Number of employees                               | <ul style="list-style-type: none"> <li>■ Voluntary early retirement (468 employees , End of March 2013)</li> </ul>  |
| Joint Head Office                                 | <ul style="list-style-type: none"> <li>■ Transform all departments into integrated departments, and commence the joint Head Office system. (April 2013)</li> </ul>  |
| Unification of officers of both companies         | <ul style="list-style-type: none"> <li>■ Unified officers of both companies by having officers holding concurrent posts at the two P&amp;C insurance companies. (April 2013)</li> </ul>   |
| Sales office sites and claims payment office site | <ul style="list-style-type: none"> <li>■ Started co-locating sites (To be completed in September 2013)</li> <li>■ Unified the organization at the department and branch level (April 2013)</li> <li>■ Unify all department and branch general manager posts, in principle (October 2013)</li> </ul> |
| Business performance evaluation                   | <ul style="list-style-type: none"> <li>■ Began evaluating business performance using aggregate results for the two P&amp;C insurance companies (April 2013)</li> </ul>  |
| Personnel-related                                 | <ul style="list-style-type: none"> <li>■ Joint recruitment activities</li> <li>■ Establishing a new overseas training base in Singapore</li> </ul>  |

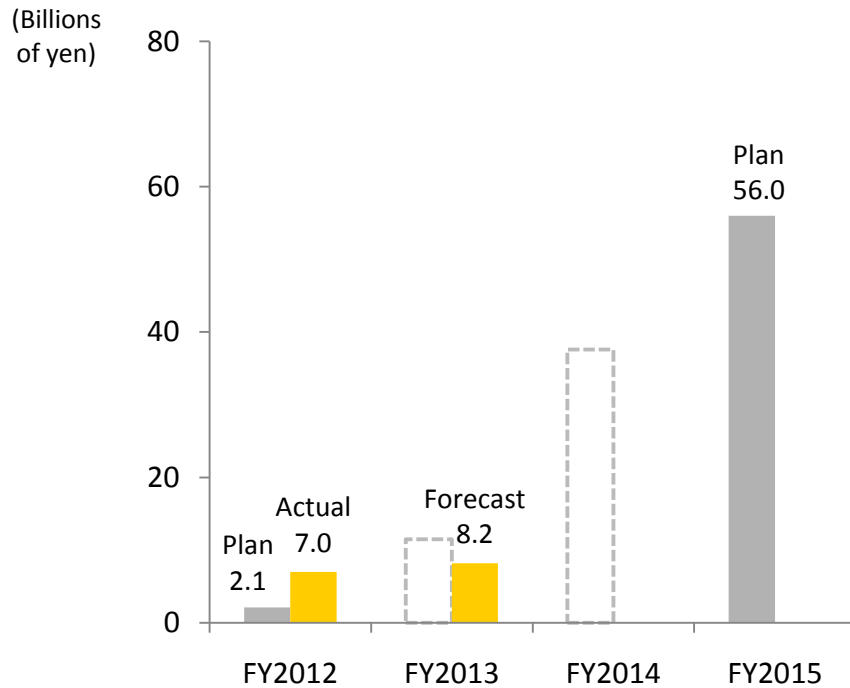
Aims of the effective merger

- Faster decision-making
- Capture merger synergies ahead of schedule
- Smoothly transition to the official merger

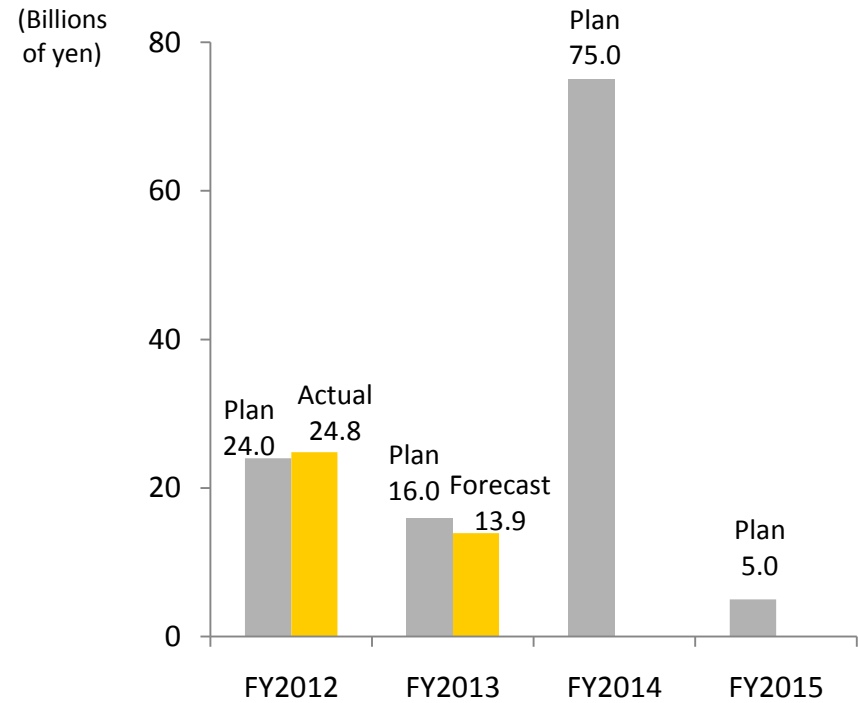


◆ Progress is in line with management plan expectations.

## Merger synergies



## One-time merger costs



“Plan” is the management plan formulated in November 2012. “Forecast” is the business forecast announced on May 20, 2013.

◆ 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

- Implement continuous premium rate revisions

Continuously revise products to ensure an appropriate premium level

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

Expect to curtail the decrease in insurance premiums per policyholder arising when drivers advance to better non-fleet driver ratings, while lowering the number of small insurance claim payments.

- Strengthen underwriting

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

- 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.

Reflect in the plan's targets

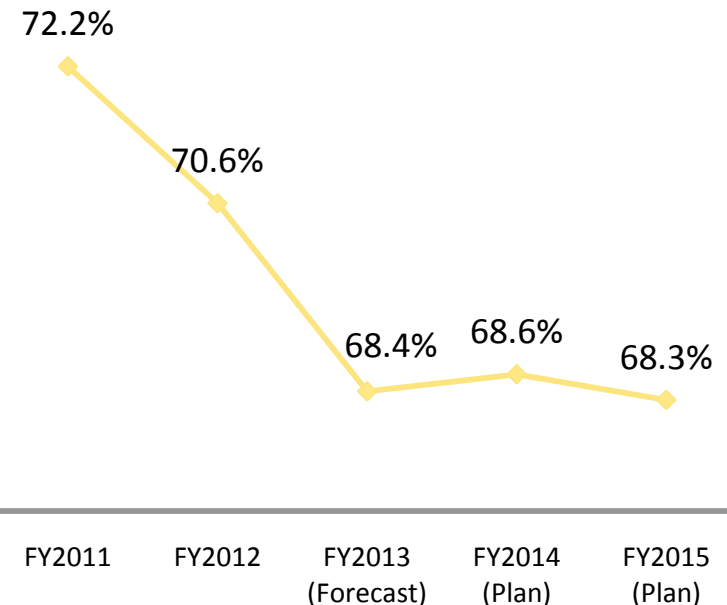
Reflect continuous rate revisions

Factor into our plan an end to the decrease in insurance premiums per policyholder, and a certain reduction in small insurance claim payments.

Assume the number of accidents stays flat

Assume continuous rise in insurance payments per claim

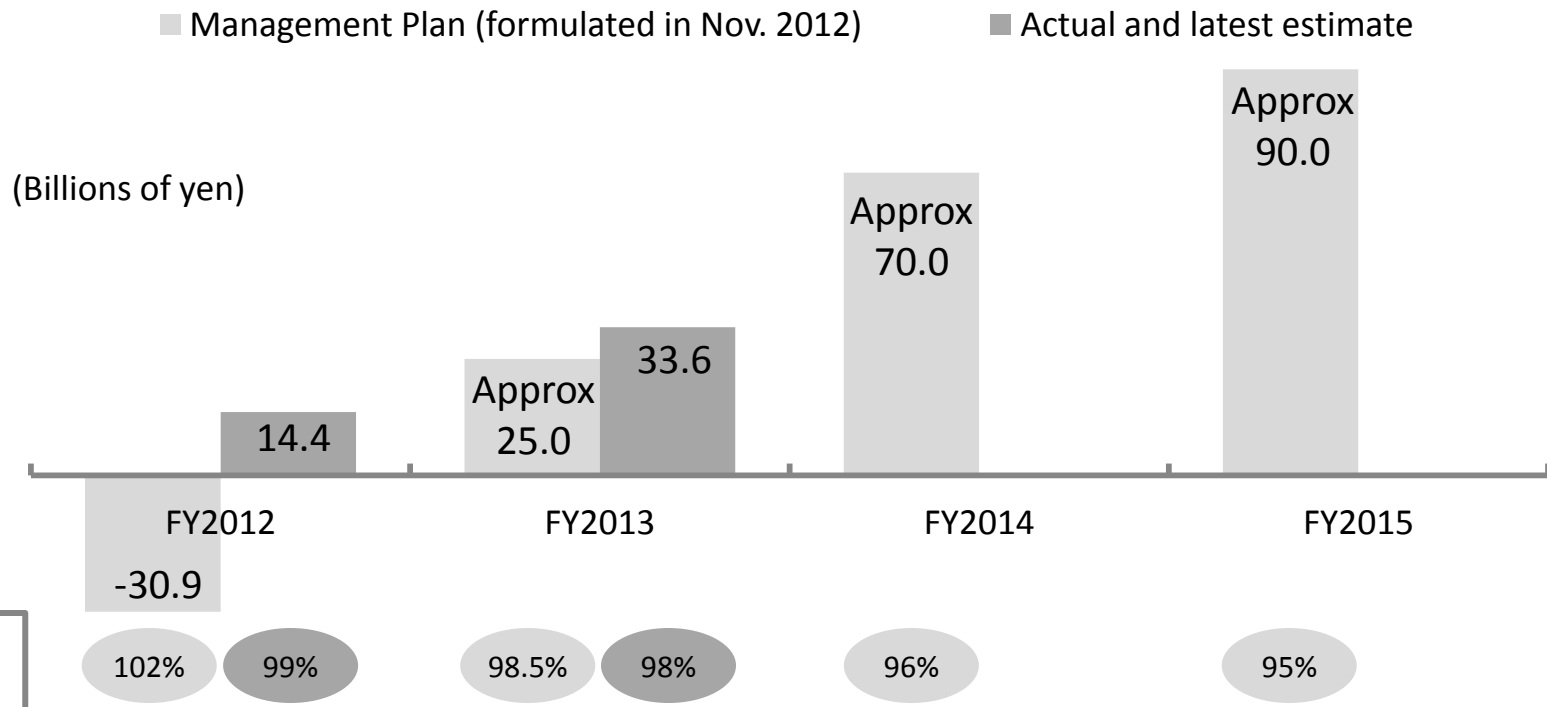
## Trends of Loss ratio for automobile insurance (Plan)



\*Sum of Sompo Japan and Nipponkoa.  
Sompo Japan Nipponkoa on and after FY2014.

- ◆ Our better-than-anticipated FY2012 performance has given us a head start toward our targets, but the hurdles still remain high.
- ◆ We will continue working to revise products and premium rates, along with reducing expenses.

### Trends of underwriting results (Before tax)



\*Calculation standard of underwriting result and combined ratio shown here are as follows:

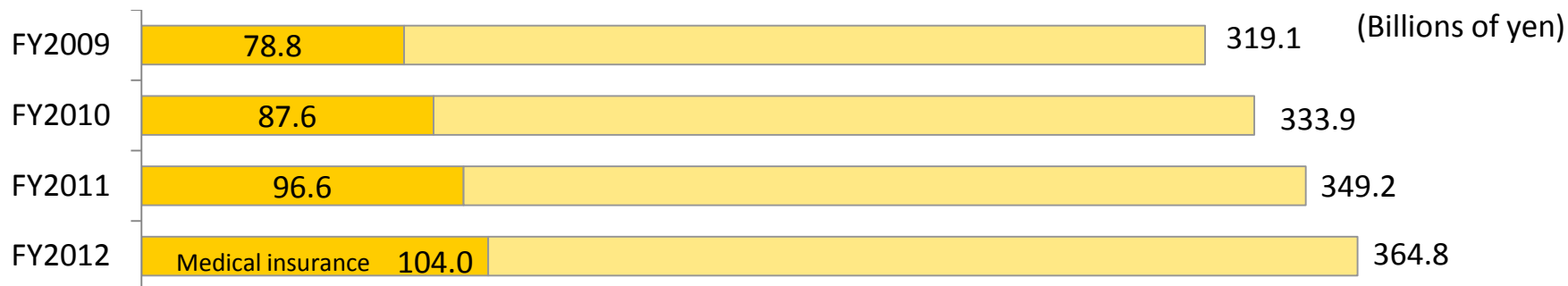
- One-time merger costs are excluded.
- Assumed Impact of natural disasters is ¥38.0 billion in every year.
- Impact of the increase in Japan's consumption tax rate is not reflected
- CALI is excluded.

# Domestic Life Insurance Business

## - Annualized premium in force, Trends of MCEV

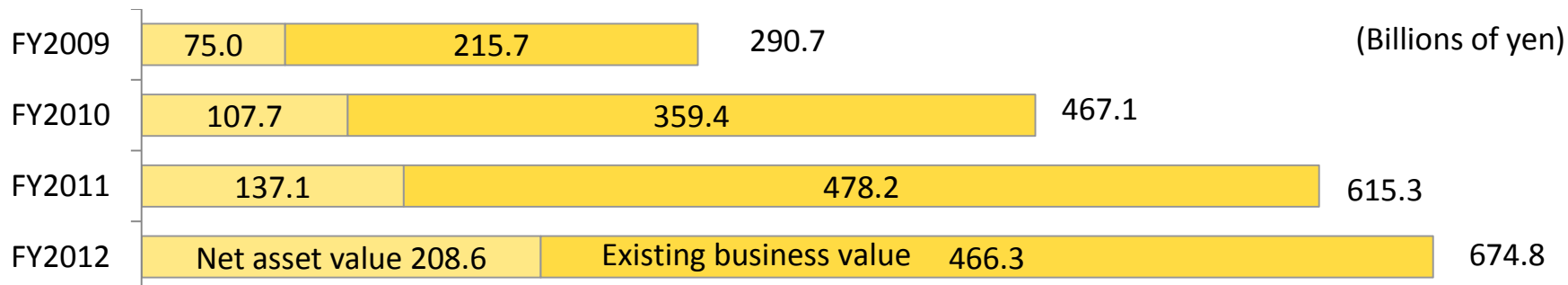
- ◆ In the contracting domestic life insurance market, grow steadily leveraging the strengths of having P&C distribution channels in the Group
- ◆ MCEV is expanding due to growth in highly profitable protection-type products (medical insurance, etc.)

### Trends of annualized premium in force



\*Sum of Sompo Japan Himawari Life and Nipponkoa Life for FY2009 and FY2010. NKSJ Himawari Life for FY2011 and FY2012.

### Trends of MCEV



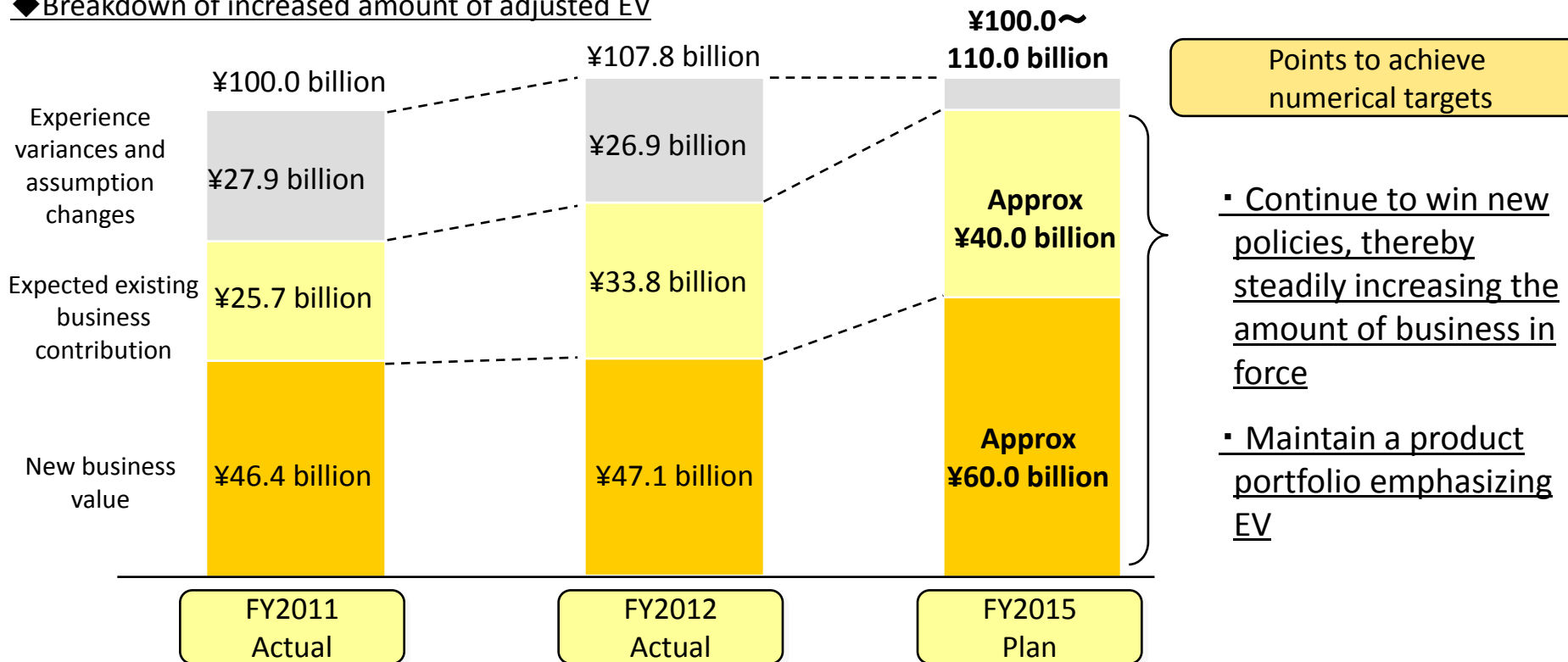
\*Sompo Japan Himawari Life for FY2009. Sum of Sompo Japan Himawari Life and Nipponkoa Life for FY2010. NKSJ Himawari Life for FY2011 and FY2012. Nipponkoa Life disclosed its TEV at the time of announcement of financial results for fiscal 2010 however its figures shown above are MCEV which was provisionally calculated afterward.

# Domestic Life Insurance Business

## - Factors of change in adjusted EV

- ◆ 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



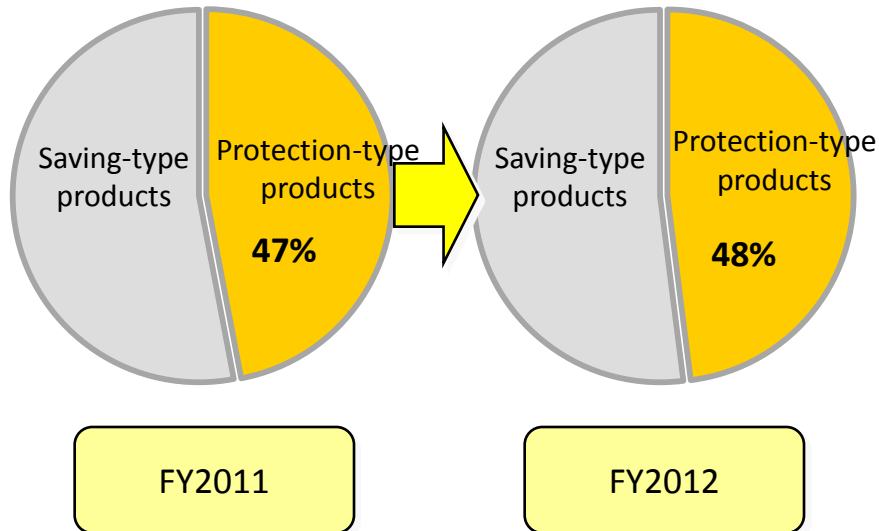
- New business value: Increases according to the new policies won in the fiscal year
- Expected existing business contribution: Release of the discount effect on in-force business with the passage of time, and the monetary difference between the expected asset investment yield and the risk-free rate
- "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.

# Domestic Life Insurance Business

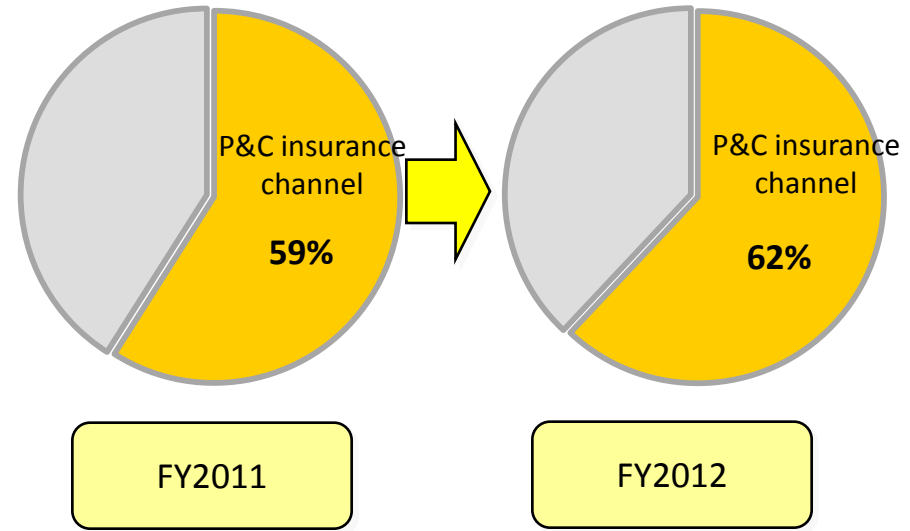
## - Products weight, Channel weight

- ◆ The weight of protection-type products has reached almost half of all products in terms of annualized premium in-force.
- ◆ P&C channel weight has increased as the activities of sales representatives centered on P&C insurance professionals expanded.

**Weight of protection type products  
(Annualized premium in force)**



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



- ◆ Broaden cross-selling to the P&C insurance customer base of 20 million customers
- ◆ Strengthen training of sales representatives who can sell protection-type products

### P&C insurance professional agency channel (including trainees)

- Expand the activities of sales representatives (Clarify targeted sales agencies and sales representatives)
- Bolster sales of death-protection products (expand use of consulting software)
- Shift to larger sales agencies (Expand the number of sales agencies with a track record of more than ¥10 million life insurance annual premium)
- Nurture trainees

### Other channels

- |                           |   |
|---------------------------|---|
| ▪ Financial Institutions  | Expand the death-protection consulting model for housing loan and other customers   |
| ▪ Corporates (group ins.) | Cultivate the market by strengthening ties among life insurance and P&C insurance companies   |
| ▪ Life professionals      | Strengthen customer service by leveraging the attributes of the various life insurance professionals (enhance points of contact with sales representatives, etc.) |

# Overseas Insurance Business

## -Overseas investment strategy

- ◆ Execute selective and disciplined investment by establishing targeted investment markets among countries the Group has already entered.
- ◆ Achieve sustained growth as the Group's growth driver and enhance shareholder value.

| Market   |              | Current                   | Directions   |                                       |                            |
|--|--------------|---------------------------|--|---------------------------------------|----------------------------|
|    | US<br>Europe | Commercial<br>(Specialty) | Writing commercial lines, mainly Japanese corporate clients (Consolidating subsidiaries of Sompo Japan and Nipponkoa in the US and Europe) |                                       |                            |
|    | Brazil       | Personal                  | Yasuda Seguros (established in 1958) and Maritima, acquiring in 2013, are 10 <sup>th</sup> in total in the market.                         | Key regions                           | Aim to be a major player   |
|    | Turkey       |                           | Sompo Japan Sigorta, acquired in 2010, is 11 <sup>th</sup> in the market.  |                                       |                            |
|    | Malaysia     |                           | Berjaya Sompo, acquired in 2011, is 12 <sup>th</sup> in the market.  |                                       |                            |
|    | Thailand     |                           | Sompo Japan Nipponkoa Thailand   | Business platform development regions | Anticipating future growth |
|  | Indonesia    |                           | Merging Sompo Japan Indonesia and Nipponkoa Indonesia .  |                                       |                            |
|  | India        |                           | Universal Sompo (A joint venture established in 2007)  |                                       |                            |
|  | China        |                           | Merging Sompo Japan China and Nipponkoa China .  |                                       |                            |

\*Rank in the market is based on Gross premium



- ◆ To diversify global risk exposures, continue to develop the overseas reinsurance business
- ◆ Based on rigorous risk management, expand businesses with profit. Progressed steadily in FY2012.

## Mid-term vision and its progress

|   | FY 2011<br>(actual) | FY2012<br>(estimate) | FY2012<br>(actual)   | FY2015<br>(Plan) |
|---|---------------------|----------------------|----------------------|------------------|
| Overseas assumed reinsurance net premiums written | ¥23.7 billion       | ¥30.0 billion        | <b>¥34.0 billion</b> | ¥60.0 billion    |
| (vs. total net premium written)                   | (1.4%)              | (1.8%)               | <b>(2.0%)</b>        | (3.4%)           |

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

## Prioritized categories

### General risk in Asia

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

### 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

1. Overview of FY2012 Consolidated Results

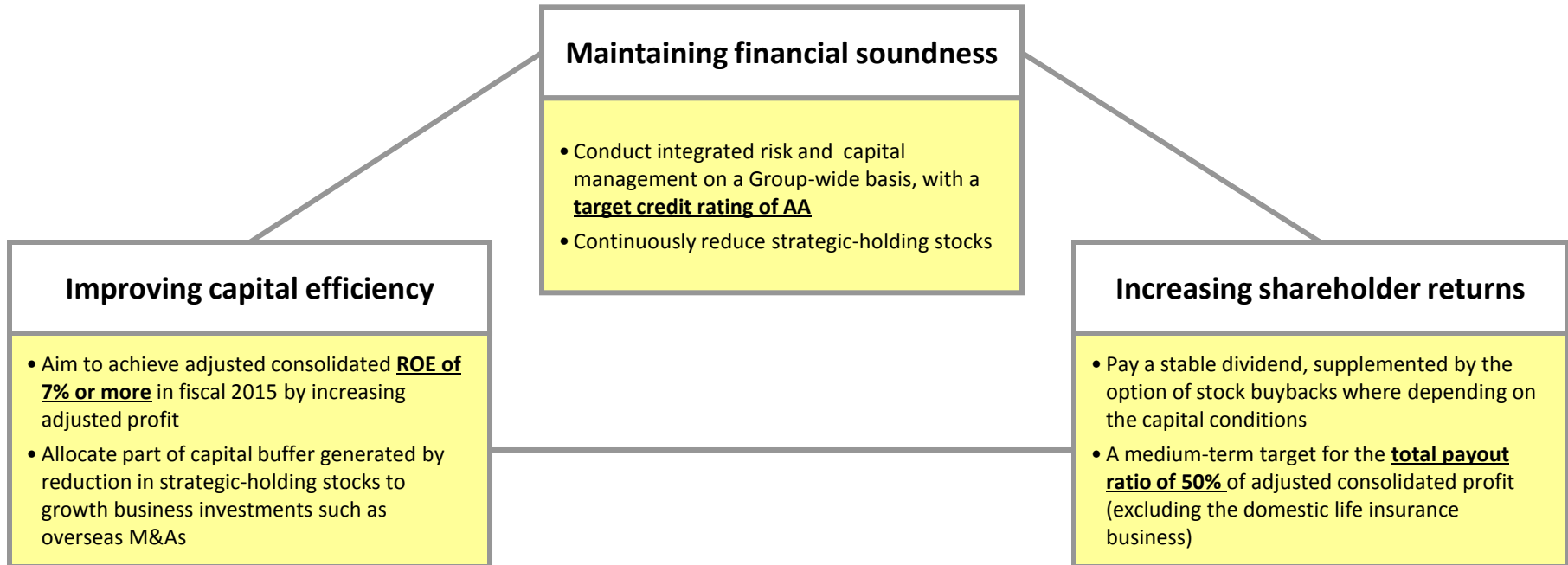
2. Business Forecasts for FY2013

3. Business Strategy

**4. Balance Sheet**

Capital / Risks / Asset Management / Strategic-Holding-Stocks / Shareholder Returns

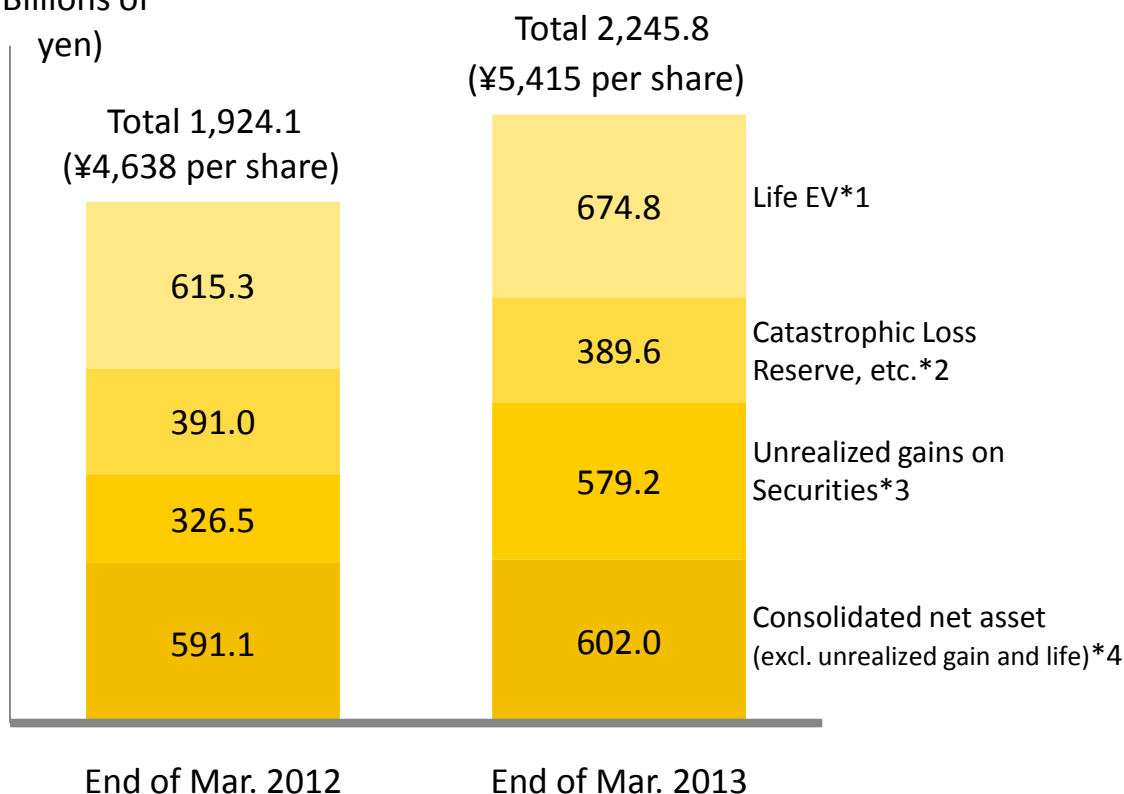
- ◆ The NKSJ Group will balance three imperatives, namely "maintaining financial soundness," "improving capital efficiency," and "increasing shareholder returns," while aiming to increase corporate value.



- ◆ Large increase in unrealized gains on securities available for sale due to rising prices of shareholdings.
- ◆ Adjusted consolidated net asset per share are over ¥5,400.

## Adjusted consolidated net assets

(Billions of yen)



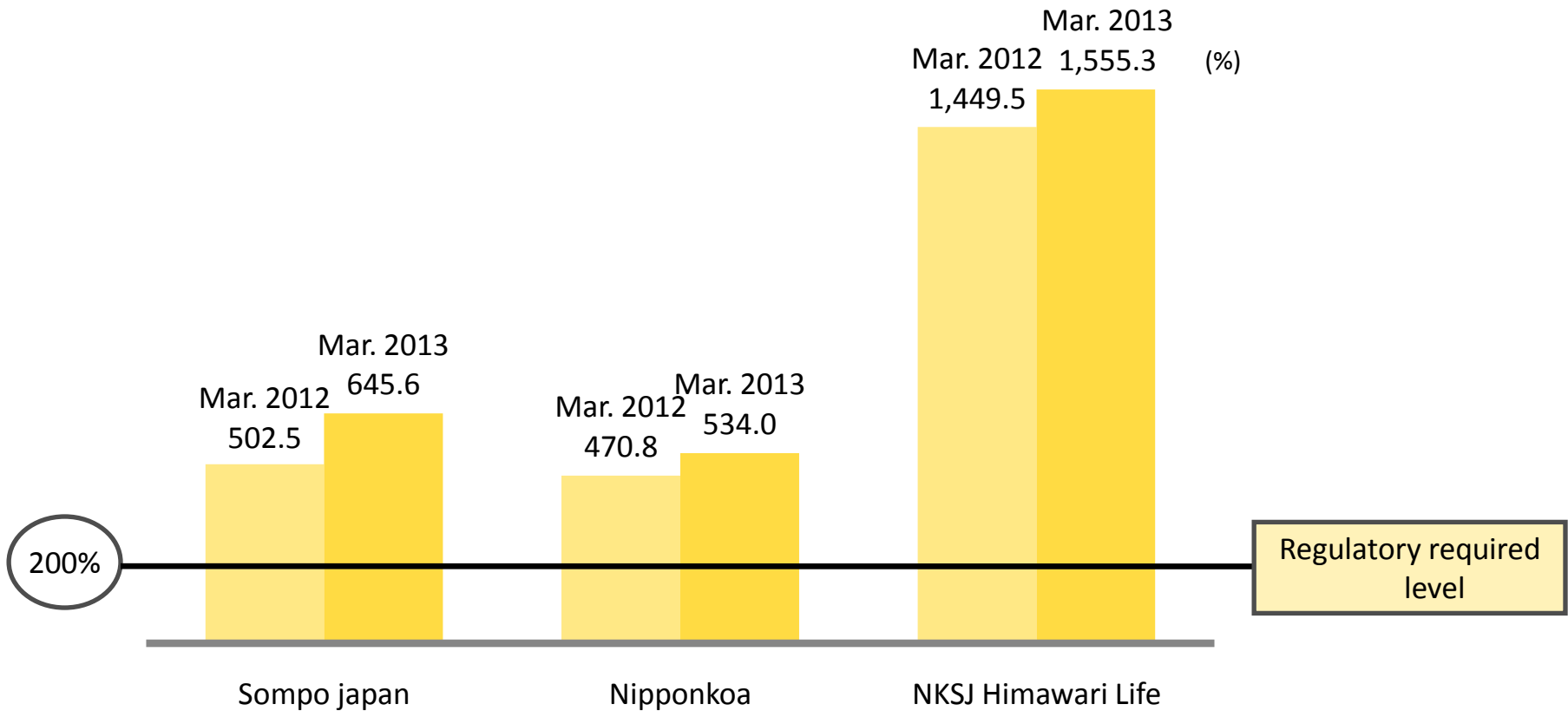
\*1 Life insurance EV is the nominal price before deduction of changes in EV attributable to interest rate movements. However, in the case of adjusted profit, which is the subject of the management plan, the growth in EV is the value after deduction of changes in EV attributable to interest rate movements.

\*2 Catastrophic loss reserve, etc. is the total of catastrophic loss reserve plus price fluctuation reserve, both after tax

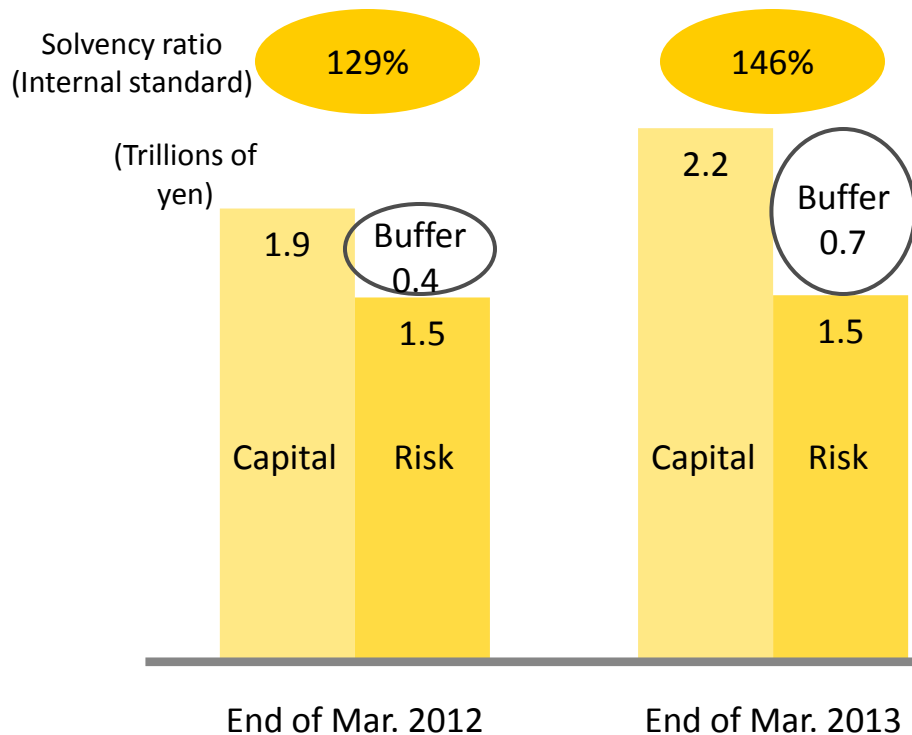
\*3 Unrealized gains/losses on securities is after tax.

\*4 Consolidated net product excludes Himawari Life Insurance's net assets and the unrealized gains/losses on securities.

◆ Maintain level greatly in excess of what required by regulatory authorities.



- ◆ Large increase in capital mainly due to higher unrealized gains on shareholdings.
- ◆ Meanwhile, avoid increased risk exposure by aggressively reducing strategic-holding stocks.



## Financial market fluctuation sensitivity (End of March 2013)

|                                       | Capital<br>(Billions of yen) | Solvency ratio |
|---------------------------------------|------------------------------|----------------|
| Change in stock price by 30% increase | +293.9                       | +9.3%          |
| Change in stock price by 30% decrease | -293.9                       | -12.9%         |
| 10% depreciation in yen exchange rate | +56.2                        | +2.5%          |
| 10% appreciation in yen exchange rate | -56.2                        | -2.9%          |
| 50bps increase in interest rates      | +37.7                        | +2.7%          |
| 50bps decrease in interest rates      | -56.1                        | -5.0%          |

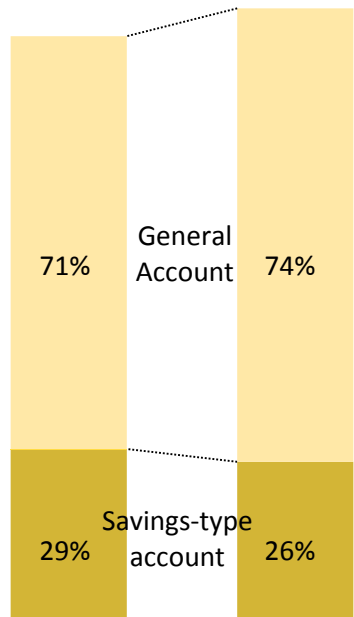
### Definition, etc.

- Risk: 1 year holding period, 99.95% VaR (AA equivalent confidence level)
- Capital: Sum of net assets on the balance sheet, subordinated debt, catastrophic loss reserve, reserve for price fluctuations, etc.
- After-tax basis (calculated according to European Solvency II)
- Solvency ratio: Ratio of capital / risk
- The amount of capital as of March 31, 2013 assumes the redemption of the subordinated bonds Sompo Japan issued in 2009 in the amount of 128.0 billion yen.

- ◆ The general account is managed with diversified investments, while the savings-type account utilizes portfolio management based on ALM.
- ◆ The proportion of domestic stocks (=strategic holding stocks) declined 1.9 pt to 33.8%.

### Amount of investment asset

¥6.0 trillion    ¥6.3 trillion



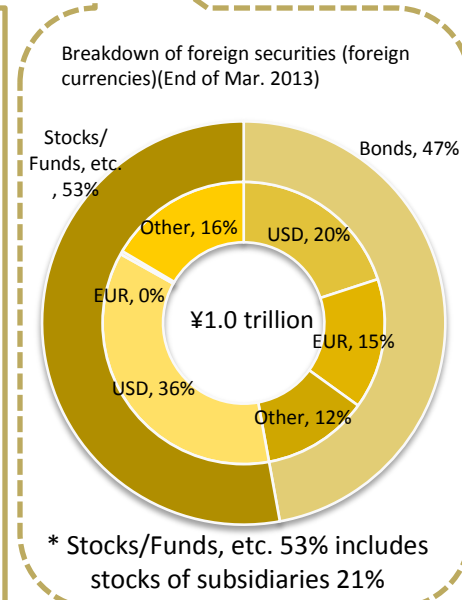
End of Mar. 2012    End of Mar. 2013

| General account  |  | Domestic stocks | Yen-denominated assets | Foreign securities (foreign currencies) | Real estate, etc. | Total         |
|------------------|--|-----------------|------------------------|---|-------------------|---------------|
| End of Mar. 2012 |  | 35.7%           | 33.8%                  | 22.7%                                   | 7.8%              | ¥4.2 trillion |
| End of Mar. 2013 |  | 33.8%           | 35.8%                  | 22.6%                                   | 7.8%              | ¥4.6 trillion |

| Savings-type account |  | Yen-denominated assets | Foreign securities | Total         |
|----------------------|--|------------------------|--------------------|---------------|
| End of Mar. 2012     |  | 98.0%                  | 2.0%               | ¥1.7 trillion |
| End of Mar. 2013     |  | 98.7%                  | 1.3%               | ¥1.6 trillion |

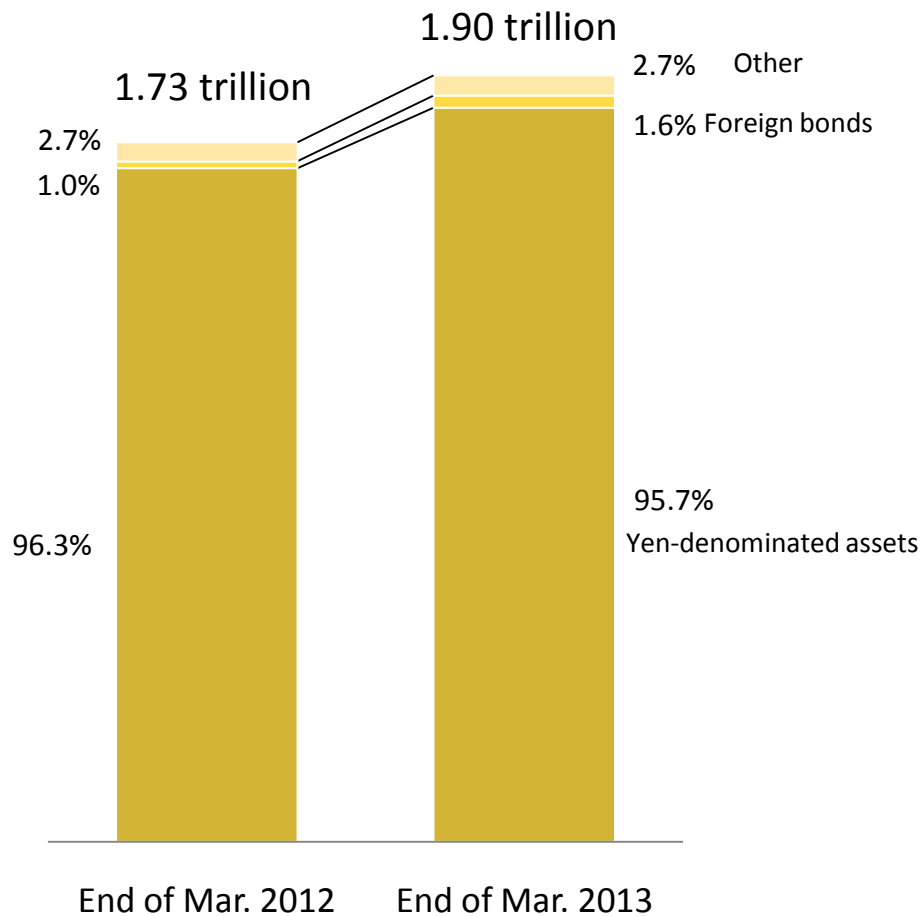
| Savings-type | End of Mar. 2012 | End of Mar. 2013 |
|--------------|------------------|------------------|
| Duration     |                  |                  |
| Asset        | Approx 4y        | Approx 5y        |
| Liability    | Approx 6y        | Approx 6 y       |



\* Sum of Sompo Japan and Nipponkoa

- ◆ Maintained a conservative asset portfolio, reflecting the high profitability of life insurance products

## Amount of investment asset



## Asset/Liability Duration

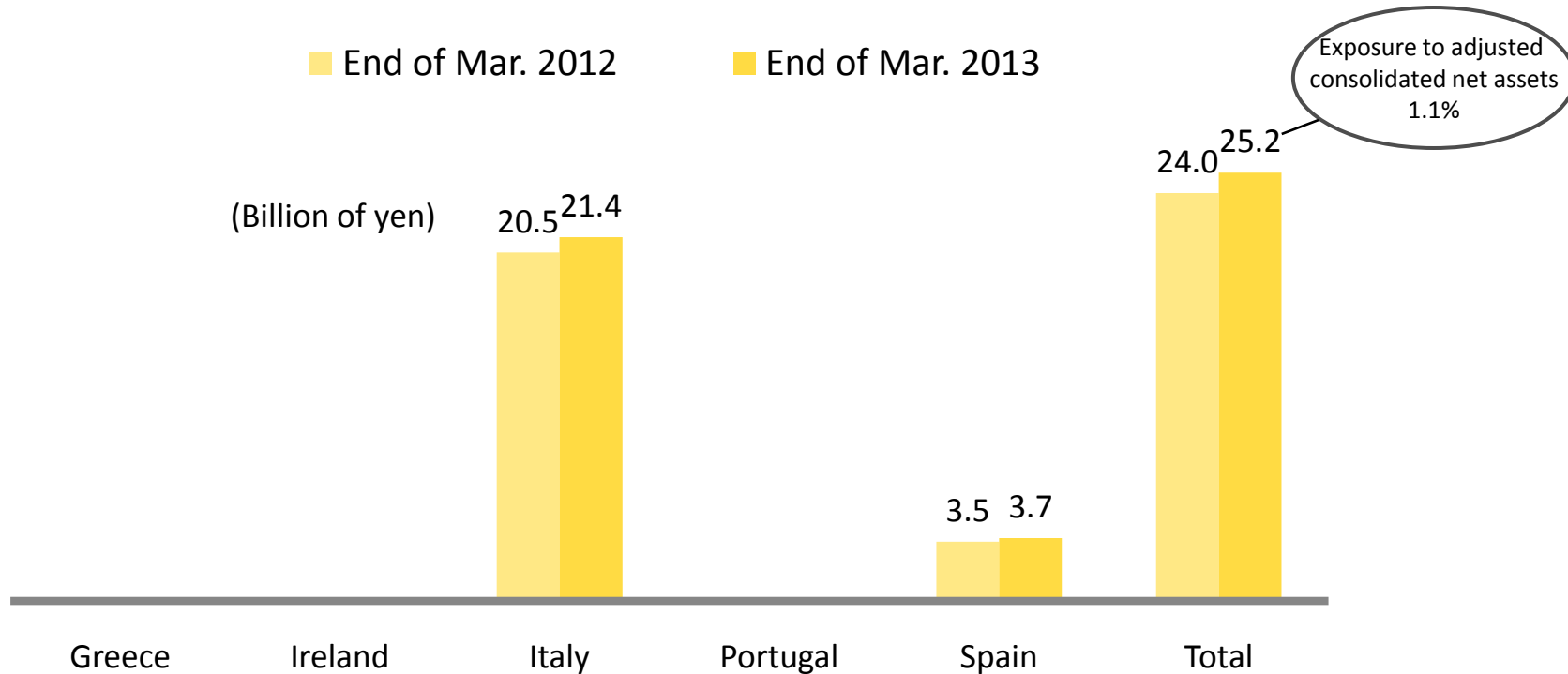
|           | End of Mar. 2012 | End of Mar. 2013 |
|-----------|------------------|------------------|
| Asset     | Approx 12 years  | Approx 12 years  |
| Liability | Approx 14 years  | Approx 16 years  |

\*The liabilities duration assumes the same interest rate sensitivity (changes in fair value) for assets and liabilities



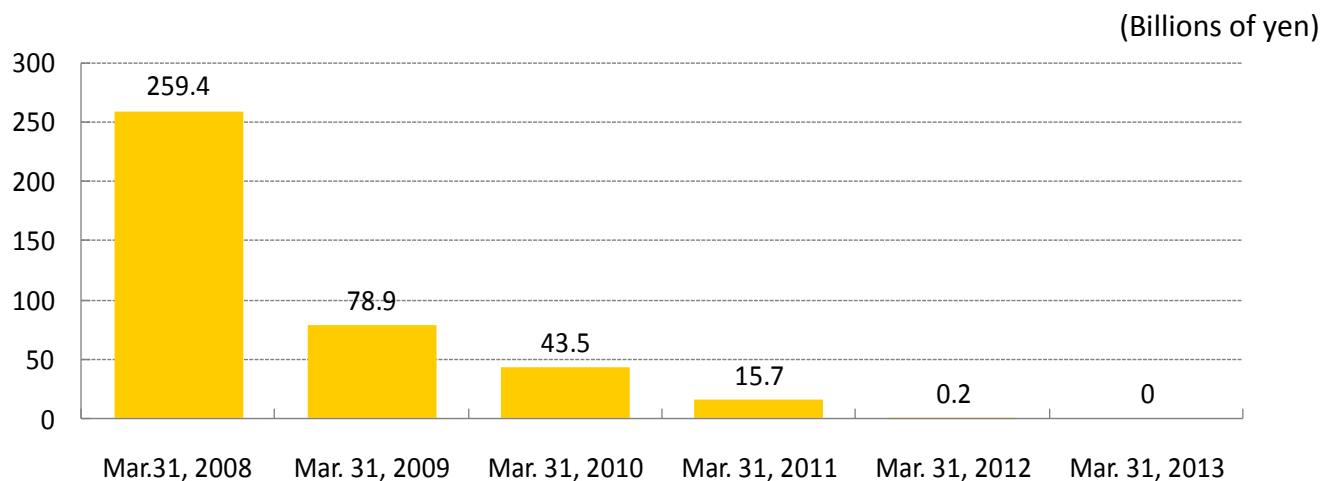
◆ Exposure is limited with only a slight increase due to the impact of the strong euro.

## Credit exposure to GIIPS countries' sovereign debt (Group total)



◆ ABS-CDOs\* guarantee which has been the main loss factor in past fiscal years were all settled.

## Trends in ABS-CDOs insured amount net of loss reserves



| ABS-CDOs (Insured Amount)                  | Mar. 31, 2008 | Mar. 31, 2009 | Mar. 31, 2010 | Mar. 31, 2011 | Mar. 31, 2012 | Mar. 31, 2013 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| Total Insured Amount                       | 289.4         | 218.0         | 123.1         | 25.1          | 0.2           | -             |
| Outstanding Loss Reserves                  | - 30.0        | - 139.0       | - 79.5        | - 9.3         | -             | -             |
| <b>Insured Amount Net of Loss Reserves</b> | <b>259.4</b>  | <b>78.9</b>   | <b>43.5</b>   | <b>15.7</b>   | <b>0.2</b>    | <b>-</b>      |
| Impact on periodic profit or loss          | -30.0         | - 146.6       | - 7.4         | 23.1          | 1.0           | -             |

\* The securities backed by securitized assets such as the RMBS, CDOs, and CLOs.

# Reducing strategic holding stocks

- ◆ Reduced strategic-holding stocks by ¥197.8 billion in FY2012 against a ¥127.1 billion target.
- ◆ Continue to reduce strategic-holding stocks in FY2013 in line with the new plan.
- ◆ Under our current business plan, we are assuming a Nikkei 225 of just over ¥10,000. By selling strategic-holding stocks at stock price levels higher than this assumption, we aim to build up a significant amount of capital.

## Previous plan (FY2010 -2012)

Net reduction amount for  
FY2012

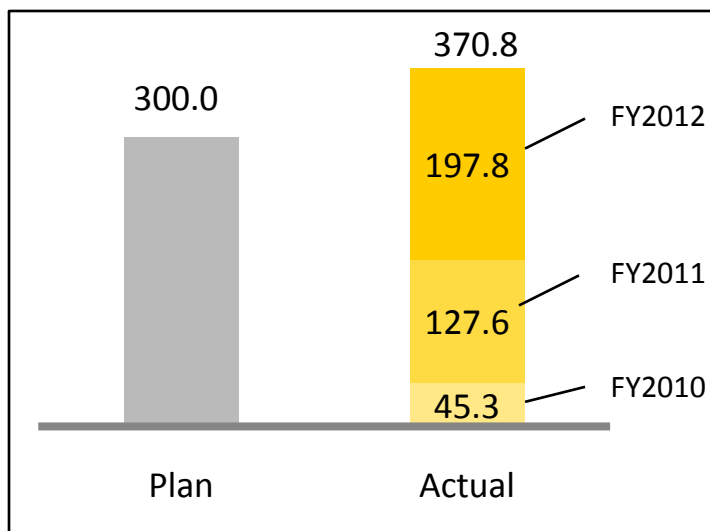
Plan

Actual

Aggregation of two P&C  
companies

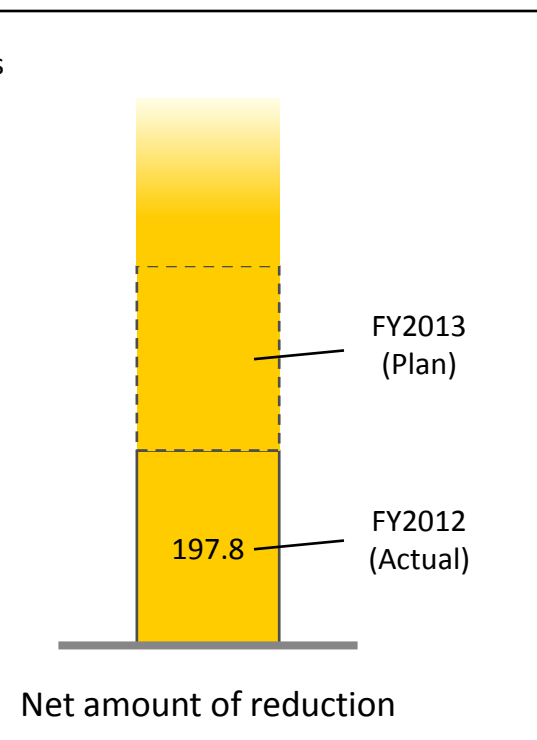
¥127.1  
billion

¥197.8  
billion



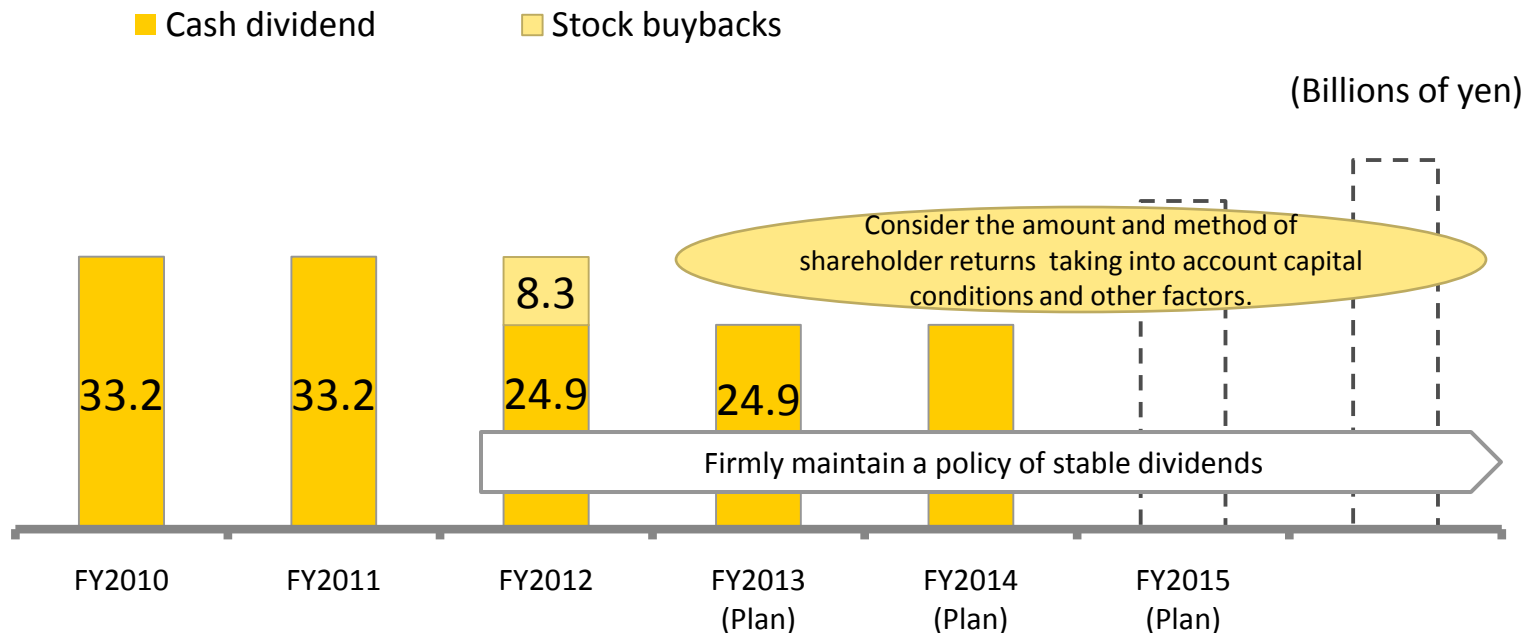
## New plan (FY2012-2015)

(Billions  
of yen)



\*Net reduction = Market value of sales – Market value of purchase

- ◆ We reduce the annual dividend for FY2012 from ¥80 per share to ¥60 per share. However, we are planning to maintain the total amount of shareholder returns by buying back our own stock. The amount will be nearly equivalent to that of the dividend reduction (Disclosed on November 19, 2012).
- ◆ From FY2013, we will decide on the amount of total shareholder returns including stock buybacks, taking into account capital conditions and other factors, while maintaining stable dividends of ¥60 per share at the very least.
- ◆ We will begin paying interim dividends of ¥30 per share from FY2013.



\*Stock buybacks for fiscal year 2012 is scheduled to be conducted in fiscal year 2013.

Data

# Overview of FY2012 Results

Millions of yen

|  | FY2010      |           | FY2011      |           |           |          | FY2012      |           |           |          |
|--|-------------|-----------|-------------|-----------|-----------|----------|-------------|-----------|-----------|----------|
|  | Sompo Japan | Nipponkoa | Sompo Japan |           | Nipponkoa |          | Sompo Japan |           | Nipponkoa |          |
|  |             |           |             | Change    |           | Change   |             | Change    |           | Change   |
| Net premiums written   | 1,256,639   | 620,615   | 1,281,155   | + 24,515  | 630,605   | + 9,990  | 1,327,361   | + 46,206  | 638,863   | + 8,257  |
| (excl. CALI)   | 1,090,103   | 546,145   | 1,103,037   | + 12,933  | 551,009   | + 4,863  | 1,138,069   | + 35,032  | 553,650   | + 2,641  |
| Loss ratio   | 72.5%       | 69.6%     | 80.6%       | + 8.1pt   | 84.7%     | + 15.1pt | 70.6%       | - 10.0pt  | 74.8%     | - 9.9pt  |
| (excl. CALI)   | 68.2%       | 65.0%     | 78.1%       | + 10.0pt  | 82.8%     | + 17.8pt | 67.2%       | - 10.9pt  | 72.2%     | - 10.6pt |
| Expense ratio  | 33.7%       | 35.8%     | 33.0%       | - 0.6pt   | 35.0%     | - 0.8pt  | 32.8%       | - 0.3pt   | 34.8%     | - 0.2pt  |
| (excl. CALI)   | 34.8%       | 37.2%     | 34.7%       | - 0.1pt   | 36.9%     | - 0.3pt  | 34.4%       | - 0.3pt   | 37.0%     | + 0.0pt  |
| Combind ratio  | 106.2%      | 105.3%    | 113.6%      | + 7.4pt   | 119.7%    | + 14.4pt | 103.4%      | - 10.2pt  | 109.7%    | - 10.0pt |
| (excl. CALI)   | 102.9%      | 102.2%    | 112.8%      | + 9.8pt   | 119.7%    | + 17.5pt | 101.6%      | - 11.2pt  | 109.2%    | - 10.6pt |
| Underwriting result  | - 77,706    | - 33,134  | - 174,293   | - 96,586  | - 124,222 | - 91,088 | - 44,600    | + 129,692 | - 61,738  | + 62,484 |
| (excl. CALI)   | - 32,150    | - 12,025  | - 141,112   | - 108,961 | - 108,752 | - 96,727 | - 18,070    | + 123,041 | - 50,824  | + 57,928 |
| Underwriting profit (loss)   | - 9,716     | - 24,991  | - 24,994    | - 15,278  | - 41,118  | - 16,126 | - 25,704    | - 709     | 8,786     | + 49,904 |
| Investment profit  | 40,458      | 28,475    | 30,698      | - 9,760   | 31,003    | + 2,527  | 102,095     | + 71,397  | 57,838    | + 26,835 |
| Ordinary profit (loss)   | 20,541      | - 319     | 3,964       | - 16,577  | - 7,737   | - 7,418  | 65,058      | + 61,094  | 64,580    | + 72,318 |
| Net income (loss)  | 12,124      | - 6,437   | - 37,518    | - 49,643  | - 22,584  | - 16,147 | 29,137      | + 66,656  | 33,332    | + 55,917 |
| 【reference】Adjusted profit   |             |           |             |           |           |          |             |           |           |          |
| Net income (loss)  | 12,124      | - 6,437   | - 37,518    | - 49,643  | - 22,584  | - 16,147 | 29,137      | + 66,656  | 33,332    | + 55,917 |
| +provision for catastrophic loss reserve (net of tax)                    | 16,606      | 3,497     | - 23,917    | - 40,523  | - 23,715  | - 27,213 | - 3,544     | + 20,373  | - 20,562  | + 3,153  |
| +provision for price fluctuation reserve (net of tax)                    | 3,734       | 1,896     | - 1,833     | - 5,568   | 1,710     | - 185    | 3,308       | + 5,142   | 1,710     | - 0      |
| -realized gains/losses and devaluation losses on securities (net of tax) | 4,416       | 5,717     | 2,396       | - 2,020   | 7,957     | + 2,239  | 44,844      | + 42,448  | 21,279    | + 13,322 |
| -Extraordinary items (net of tax)  | ---         | ---       | - 32,003    | - 32,003  | - 14,850  | - 14,850 | - 13,011    | + 18,991  | - 7,617   | + 7,232  |
| Adjusted profit  | 28,048      | - 6,760   | - 33,663    | - 61,712  | - 37,696  | - 30,936 | - 2,931     | + 30,731  | 818       | + 38,514 |

# Premiums

## Direct premiums written (excl. deposit premiums on saving-type policies)

Millions of yen

|                       | FY2010      |           |          |           |          |          | FY2011      |          |          |           |          |          | FY2012      |           |          |           |          |          |
|-----------------------|-------------|-----------|----------|-----------|----------|----------|-------------|----------|----------|-----------|----------|----------|-------------|-----------|----------|-----------|----------|----------|
|                       | Sompo Japan |           |          | Nipponkoa |          |          | Sompo Japan |          |          | Nipponkoa |          |          | Sompo Japan |           |          | Nipponkoa |          |          |
|                       | Amount      | Change    | %Change  | Amount    | Change   | %Change  | Amount      | Change   | %Change  | Amount    | Change   | %Change  | Amount      | Change    | %Change  | Amount    | Change   | %Change  |
| Fire & allied lines   | 176,299     | - 8,999   | - 4.9%   | 114,836   | - 6,635  | - 5.5%   | 187,793     | + 11,493 | + 6.5%   | 120,347   | + 5,510  | + 4.8%   | 196,039     | + 8,246   | + 4.4%   | 125,189   | + 4,842  | + 4.0%   |
| Marine                | 30,952      | + 2,033   | + 7.0%   | 14,818    | + 749    | + 5.3%   | 31,039      | + 87     | + 0.3%   | 14,639    | - 179    | - 1.2%   | 32,394      | + 1,354   | + 4.4%   | 14,143    | - 496    | - 3.4%   |
| Personal Accident     | 128,198     | + 1,576   | + 1.2%   | 48,576    | - 1,159  | - 2.3%   | 131,994     | + 3,795  | + 3.0%   | 48,292    | - 283    | - 0.6%   | 133,516     | + 1,522   | + 1.2%   | 47,997    | - 295    | - 0.6%   |
| Voluntary Automobile  | 638,717     | - 1,275   | - 0.2%   | 314,972   | - 4,060  | - 1.3%   | 642,996     | + 4,279  | + 0.7%   | 318,342   | + 3,369  | + 1.1%   | 657,014     | + 14,018  | + 2.2%   | 322,433   | + 4,091  | + 1.3%   |
| CALI                  | 177,038     | + 295     | + 0.2%   | 77,303    | + 738    | + 1.0%   | 197,630     | + 20,591 | + 11.6%  | 85,847    | + 8,543  | + 11.1%  | 204,552     | + 6,922   | + 3.5%   | 90,038    | + 4,191  | + 4.9%   |
| Other                 | 176,441     | + 3,417   | + 2.0%   | 82,731    | - 1,376  | - 1.6%   | 178,593     | + 2,151  | + 1.2%   | 84,229    | + 1,497  | + 1.8%   | 189,562     | + 10,969  | + 6.1%   | 87,394    | + 3,164  | + 3.8%   |
| (of which, liability) | (108,135)   | (+ 5,093) | (+ 4.9%) | (41,196)  | (- 106)  | (- 0.3%) | (108,426)   | (+ 291)  | (+ 0.3%) | (42,189)  | (+ 993)  | (+ 2.4%) | (110,691)   | (+ 2,264) | (+ 2.1%) | (42,925)  | (+ 735)  | (+ 1.7%) |
| All lines             | 1,327,649   | - 2,952   | - 0.2%   | 653,239   | - 11,744 | - 1.8%   | 1,370,046   | + 42,397 | + 3.2%   | 671,698   | + 18,458 | + 2.8%   | 1,413,080   | + 43,033  | + 3.1%   | 687,196   | + 15,498 | + 2.3%   |
| All lines excl. CALI  | 1,150,610   | - 3,248   | - 0.3%   | 575,936   | - 12,483 | - 2.1%   | 1,172,416   | + 21,806 | + 1.9%   | 585,850   | + 9,914  | + 1.7%   | 1,208,528   | + 36,111  | + 3.1%   | 597,157   | + 11,306 | + 1.9%   |

## Net premiums written

Millions of yen

|                       | FY2010      |         |          |           |          |          | FY2011      |          |          |           |         |          | FY2012      |          |          |           |         |          |
|-----------------------|-------------|---------|----------|-----------|----------|----------|-------------|----------|----------|-----------|---------|----------|-------------|----------|----------|-----------|---------|----------|
|                       | Sompo Japan |         |          | Nipponkoa |          |          | Sompo Japan |          |          | Nipponkoa |         |          | Sompo Japan |          |          | Nipponkoa |         |          |
|                       | Amount      | Change  | %Change  | Amount    | Change   | %Change  | Amount      | Change   | %Change  | Amount    | Change  | %Change  | Amount      | Change   | %Change  | Amount    | Change  | %Change  |
| Fire & allied lines   | 141,220     | - 2,917 | - 2.0%   | 89,556    | - 7,009  | - 7.3%   | 149,081     | + 7,861  | + 5.6%   | 90,479    | + 923   | + 1.0%   | 164,706     | + 15,624 | + 10.5%  | 87,709    | - 2,770 | - 3.1%   |
| Marine                | 25,336      | + 1,595 | + 6.7%   | 14,010    | + 521    | + 3.9%   | 24,658      | - 678    | - 2.7%   | 13,710    | - 300   | - 2.1%   | 26,263      | + 1,605  | + 6.5%   | 13,542    | - 168   | - 1.2%   |
| Personal Accident     | 127,196     | + 1,967 | + 1.6%   | 49,668    | - 936    | - 1.9%   | 130,181     | + 2,984  | + 2.3%   | 49,558    | - 110   | - 0.2%   | 132,088     | + 1,906  | + 1.5%   | 50,469    | + 911   | + 1.8%   |
| Voluntary Automobile  | 639,977     | - 274   | - 0.0%   | 314,873   | - 3,876  | - 1.2%   | 645,385     | + 5,408  | + 0.8%   | 318,289   | + 3,415 | + 1.1%   | 658,926     | + 13,540 | + 2.1%   | 322,068   | + 3,778 | + 1.2%   |
| CALI                  | 166,536     | + 1,811 | + 1.1%   | 74,470    | + 282    | + 0.4%   | 178,117     | + 11,581 | + 7.0%   | 79,596    | + 5,126 | + 6.9%   | 189,291     | + 11,173 | + 6.3%   | 85,212    | + 5,615 | + 7.1%   |
| Other                 | 156,372     | - 4,439 | - 2.8%   | 78,035    | - 1,702  | - 2.1%   | 153,729     | - 2,642  | - 1.7%   | 78,970    | + 934   | + 1.2%   | 156,084     | + 2,354  | + 1.5%   | 79,861    | + 890   | + 1.1%   |
| (of which, liability) | (99,404)    | (- 367) | (- 0.4%) | (39,944)  | (- 263)  | (- 0.7%) | (98,408)    | (- 996)  | (- 1.0%) | (40,687)  | (+ 742) | (+ 1.9%) | (98,185)    | (- 222)  | (- 0.2%) | (41,585)  | (+ 897) | (+ 2.2%) |
| All lines             | 1,256,639   | - 2,256 | - 0.2%   | 620,615   | - 12,721 | - 2.0%   | 1,281,155   | + 24,515 | + 2.0%   | 630,605   | + 9,990 | + 1.6%   | 1,327,361   | + 46,206 | + 3.6%   | 638,863   | + 8,257 | + 1.3%   |
| All lines excl. CALI  | 1,090,103   | - 4,067 | - 0.4%   | 546,145   | - 13,003 | - 2.3%   | 1,103,037   | + 12,933 | + 1.2%   | 551,009   | + 4,863 | + 0.9%   | 1,138,069   | + 35,032 | + 3.2%   | 553,650   | + 2,641 | + 0.5%   |

(reference) YOY change of number of cars and unit premium of auto insurance (March 31, 2013) \*Sales premiums basis

|           | Sompo Japan |        |         | Nipponkoa |        |         |
|-----------|-------------|--------|---------|-----------|--------|---------|
|           | Number of   | Unit   | Premium | Number of | Unit   | Premium |
| Non-fleet | + 0.5%      | + 1.4% | + 2.0%  | - 3.8%    | + 2.9% | + 0.2%  |
| Fleet     | + 5.5%      | - 1.3% | + 4.2%  | + 6.8%    | - 1.1% | + 5.4%  |
| Total     | + 1.4%      | + 0.9% | + 2.3%  | - 2.0%    | + 2.1% | + 1.1%  |

# Claims paid/Loss Ratio

## Net claims paid

Millions of yen

|  | FY2010      |          |           |           | FY2011      |           |           |           | FY2012      |          |           |           |
|--|-------------|----------|-----------|-----------|-------------|-----------|-----------|-----------|-------------|----------|-----------|-----------|
|  | Sompo Japan |          | Nipponkoa |           | Sompo Japan |           | Nipponkoa |           | Sompo Japan |          | Nipponkoa |           |
|  | Amount      | Change   | Amount    | Change    | Amount      | Change    | Amount    | Change    | Amount      | Change   | Amount    | Change    |
| Fire & allied lines  | 56,062      | - 5,229  | 39,205    | - 3,462   | 201,989     | + 145,927 | 133,129   | + 93,923  | 111,666     | - 90,323 | 85,899    | - 47,229  |
| Marine   | 13,720      | + 509    | 5,736     | - 2,270   | 17,290      | + 3,569   | 6,427     | + 691     | 15,786      | - 1,504  | 5,684     | - 742     |
| Personal Accident  | 68,877      | + 758    | 29,734    | - 1,095   | 70,754      | + 1,877   | 29,178    | - 555     | 72,507      | + 1,753  | 26,896    | - 2,282   |
| Voluntary Automobile   | 398,103     | - 7,796  | 210,155   | + 3,244   | 405,884     | + 7,781   | 205,885   | - 4,269   | 404,824     | - 1,060  | 202,250   | - 3,634   |
| CALI   | 155,111     | + 733    | 71,402    | + 622     | 156,326     | + 1,214   | 71,850    | + 447     | 158,055     | + 1,729  | 72,202    | + 352     |
| Other  | 126,085     | - 26,063 | 41,209    | - 3,450   | 87,296      | - 38,789  | 46,539    | + 5,329   | 80,922      | - 6,374  | 43,713    | - 2,825   |
| (of which, liability)  | (51,670)    | (- 933)  | (19,938)  | (- 1,311) | (51,592)    | (- 78)    | (23,459)  | (+ 3,521) | (52,017)    | (+ 424)  | (21,452)  | (- 2,007) |
| All lines  | 817,961     | - 37,087 | 397,444   | - 6,413   | 939,541     | + 121,580 | 493,011   | + 95,566  | 843,762     | - 95,778 | 436,647   | - 56,363  |
| All lines excl. CALI   | 662,849     | - 37,820 | 326,041   | - 7,035   | 783,215     | + 120,366 | 421,160   | + 95,119  | 685,707     | - 97,508 | 364,445   | - 56,715  |
| All lines excl. financial guarantee, CALI, household earthquake, natural disasters | 611,919     | - 11,481 | 317,308   | - 2,700   | 615,616     | + 3,697   | 316,768   | - 540     | 623,511     | + 7,895  | 310,822   | - 5,946   |

## Loss ratio (incl. adjustment expenses)

|  | FY2010      |           |           |           | FY2011      |           |           |           | FY2012      |           |           |           |
|--|-------------|-----------|-----------|-----------|-------------|-----------|-----------|-----------|-------------|-----------|-----------|-----------|
|  | Sompo Japan |           | Nipponkoa |           | Sompo Japan |           | Nipponkoa |           | Sompo Japan |           | Nipponkoa |           |
|  | L/R         | Change    | L/R       | Change    | L/R         | Change    | L/R       | Change    | L/R         | Change    | L/R       | Change    |
| Fire & allied lines  | 41.6%       | - 2.7pt   | 47.5%     | - 0.6pt   | 139.2%      | + 97.6pt  | 150.8%    | + 103.3pt | 69.9%       | - 69.3pt  | 101.7%    | - 49.1pt  |
| Marine   | 58.1%       | - 2.2pt   | 42.4%     | - 18.6pt  | 74.8%       | + 16.7pt  | 48.3%     | + 5.9pt   | 63.9%       | - 10.9pt  | 43.4%     | - 4.9pt   |
| Personal Accident  | 59.4%       | - 0.2pt   | 65.0%     | - 1.4pt   | 59.6%       | + 0.2pt   | 63.8%     | - 1.2pt   | 61.0%       | + 1.4pt   | 58.1%     | - 5.7pt   |
| Voluntary Automobile   | 72.0%       | + 1.4pt   | 72.9%     | + 1.8pt   | 71.9%       | - 0.0pt   | 72.8%     | - 0.1pt   | 70.5%       | - 1.4pt   | 70.9%     | - 1.9pt   |
| CALI   | 100.8%      | - 0.5pt   | 103.2%    | + 0.3pt   | 95.6%       | - 5.2pt   | 97.9%     | - 5.2pt   | 91.1%       | - 4.5pt   | 91.8%     | - 6.1pt   |
| Other  | 85.5%       | - 13.2pt  | 57.4%     | - 3.7pt   | 61.2%       | - 24.4pt  | 63.2%     | + 5.8pt   | 56.2%       | - 5.0pt   | 59.0%     | - 4.2pt   |
| (of which, liability)  | (56.5%)     | (- 0.3pt) | (53.5%)   | (- 3.6pt) | (56.8%)     | (+ 0.3pt) | (61.2%)   | (+ 7.7pt) | (57.6%)     | (+ 0.8pt) | (55.1%)   | (- 6.1pt) |
| All lines  | 72.5%       | - 1.4pt   | 69.6%     | + 0.2pt   | 80.6%       | + 8.1pt   | 84.7%     | + 15.1pt  | 70.6%       | - 10.0pt  | 74.8%     | - 9.8pt   |
| All lines excl. CALI   | 68.2%       | - 1.6pt   | 65.0%     | + 0.0pt   | 78.1%       | + 10.0pt  | 82.8%     | + 17.8pt  | 67.2%       | - 10.9pt  | 72.2%     | - 10.6pt  |
| All lines excl. financial guarantee, CALI, household earthquake, natural disasters | 63.7%       | + 0.8pt   | 63.7%     | + 0.8pt   | 63.0%       | - 0.6pt   | 64.0%     | + 0.3pt   | 61.8%       | - 1.3pt   | 62.6%     | - 1.4pt   |

## E/I Loss ratio (incl. adjustment expenses)

|  | FY2010      |            |           |           | FY2011      |            |           |           | FY2012      |           |           |           |
|--|-------------|------------|-----------|-----------|-------------|------------|-----------|-----------|-------------|-----------|-----------|-----------|
|  | Sompo Japan |            | Nipponkoa |           | Sompo Japan |            | Nipponkoa |           | Sompo Japan |           | Nipponkoa |           |
|  | L/R         | Change     | L/R       | Change    | L/R         | Change     | L/R       | Change    | L/R         | Change    | L/R       | Change    |
| Fire & allied lines                                    | 63.2%       | + 25.1pt   | 62.0%     | + 18.4pt  | 97.2%       | + 34.1pt   | 116.5%    | + 54.6pt  | 71.4%       | - 25.8pt  | 74.2%     | - 42.4pt  |
| Marine   | 67.1%       | + 11.2pt   | 41.8%     | - 3.5pt   | 72.9%       | + 5.9pt    | 42.7%     | + 0.9pt   | 69.3%       | - 3.6pt   | 39.3%     | - 3.4pt   |
| Personal Accident                                      | 67.2%       | + 3.1pt    | 61.1%     | + 0.0pt   | 60.6%       | - 6.6pt    | 59.7%     | - 1.4pt   | 62.2%       | + 1.6pt   | 58.1%     | - 1.6pt   |
| Voluntary Automobile                                   | 71.8%       | + 0.8pt    | 72.7%     | + 4.3pt   | 70.5%       | - 1.3pt    | 74.6%     | + 1.9pt   | 70.1%       | - 0.4pt   | 69.9%     | - 4.7pt   |
| Other  | 26.1%       | - 29.2pt   | 56.2%     | - 8.6pt   | 53.8%       | + 27.6pt   | 58.6%     | + 2.4pt   | 58.9%       | + 5.1pt   | 62.2%     | + 3.6pt   |
| (of which, liability)                                  | (41.4%)     | (- 14.8pt) | (48.7%)   | (- 6.9pt) | (53.4%)     | (+ 12.0pt) | (56.7%)   | (+ 8.0pt) | (62.3%)     | (+ 8.9pt) | (58.4%)   | (+ 1.7pt) |
| All lines  | 63.6%       | + 0.5pt    | 66.7%     | + 4.3pt   | 70.8%       | + 7.2pt    | 77.1%     | + 10.4pt  | 67.8%       | - 3.0pt   | 67.7%     | - 9.4pt   |
| All lines excl. financial guarantee, natural disasters | 61.9%       | + 0.5pt    | 61.7%     | + 1.9pt   | 63.2%       | + 1.3pt    | 63.2%     | + 1.5pt   | 63.3%       | + 0.1pt   | 62.8%     | - 0.4pt   |

\* Household earthquake insurance and CALI are excluded



# Natural Disasters

Millions of yen

|                      | FY2010            |                 |                   |                 | FY2011            |                 |                   |                 | FY2012            |                 |                   |                 |
|----------------------|-------------------|-----------------|-------------------|-----------------|-------------------|-----------------|-------------------|-----------------|-------------------|-----------------|-------------------|-----------------|
|                      | Sompo Japan       |                 | Nipponkoa         |                 | Sompo Japan       |                 | Nipponkoa         |                 | Sompo Japan       |                 | Nipponkoa         |                 |
|                      | Net loss occurred | Net claims paid | Net loss occurred | Net claims paid | Net loss occurred | Net claims paid | Net loss occurred | Net claims paid | Net loss occurred | Net claims paid | Net loss occurred | Net claims paid |
| Fire & allied lines  | 48,679            | 3,846           | 24,742            | 4,282           | 34,250            | 28,043          | 26,924            | 22,849          | 31,492            | 28,224          | 22,551            | 20,040          |
| Marine               | 988               | ---             | 574               | 5               | 45                | 45              | 52                | 51              | 7                 | 7               | 28                | 26              |
| Personal Accident    | 1,651             | 1               | 242               | 5               | 37                | 20              | 153               | 128             | 30                | 16              | 37                | 35              |
| Voluntary Automobile | 872               | 732             | 1,429             | 215             | 4,131             | 4,051           | 2,721             | 2,704           | 7,182             | 6,897           | 2,450             | 2,430           |
| Other                | 1,534             | 161             | 4,796             | 402             | 1,147             | 891             | 1,883             | 1,301           | 655               | 579             | 1,494             | 1,370           |
| Total                | 53,727            | 4,742           | 31,785            | 4,911           | 39,612            | 33,053          | 31,735            | 27,036          | 39,367            | 35,725          | 26,561            | 23,904          |

\*Figures above are losses and claims arising from domestic natural disasters occurred in relevant fiscal year, and do not include those occurred in previous years.

【reference】Recent major natural disasters

Millions of yen

|  | FY2011            |                 |                   |                 |                    |                 | FY2012            |                 |                   |                 |                    |                 |
|--|-------------------|-----------------|-------------------|-----------------|--------------------|-----------------|-------------------|-----------------|-------------------|-----------------|--------------------|-----------------|
|  | Sompo Japan       |                 | Nipponkoa         |                 | Sum of 2 companies |                 | Sompo Japan       |                 | Nipponkoa         |                 | Sum of 2 companies |                 |
|  | Net loss occurred | Net claims paid | Net loss occurred | Net claims paid | Net loss occurred  | Net claims paid | Net loss occurred | Net claims paid | Net loss occurred | Net claims paid | Net loss occurred  | Net claims paid |
| The Great East Japan Earthquake        | 66,626            | 108,682         | 40,764            | 66,045          | 107,390            | 174,728         | 2,621             | 2,415           | - 81              | 36              | 2,540              | 2,452           |
| (of which, household earthquake)       | 62,318            | 71,227          | 42,857            | 48,984          | 105,175            | 120,211         | ---               | ---             | ---               | ---             | ---                | ---             |
| (of which, excl. household earthquake) | 4,308             | 37,455          | - 2,093           | 17,060          | 2,214              | 54,516          | 2,621             | 2,415           | - 81              | 36              | 2,540              | 2,452           |
| Typhoon No.12 in FY2011                | 5,719             | 5,422           | 6,502             | 6,260           | 12,221             | 11,682          | 134               | 370             | 107               | 335             | 242                | 705             |
| Typhoon No.15 in FY2011                | 17,302            | 16,263          | 11,850            | 10,882          | 29,152             | 27,146          | 484               | 2,093           | 247               | 1,105           | 731                | 3,199           |
| Flooding in Thailand                   | 36,845            | 12,051          | 43,124            | 5,978           | 79,969             | 18,030          | - 2,785           | 7,276           | - 6,352           | 17,546          | - 9,137            | 24,823          |
| Severe storm in Apr.2012               | ---               | ---             | ---               | ---             | ---                | ---             | 11,408            | 11,247          | 8,240             | 8,150           | 19,648             | 19,398          |
| Tornado and hail in May 2012           | ---               | ---             | ---               | ---             | ---                | ---             | 4,122             | 4,033           | 2,371             | 2,347           | 6,493              | 6,381           |
| Typhoon No.4 in FY2012                 | ---               | ---             | ---               | ---             | ---                | ---             | 3,576             | 3,436           | 2,590             | 2,511           | 6,167              | 5,947           |
| Typhoon No.17 in FY2012                | ---               | ---             | ---               | ---             | ---                | ---             | 4,727             | 4,372           | 2,800             | 2,628           | 7,527              | 7,000           |

# Expenses

## Net expenses Millions of yen

|  | FY2010      |         |           |         | FY2011      |         |           |         | FY2012      |          |           |         |
|--|-------------|---------|-----------|---------|-------------|---------|-----------|---------|-------------|----------|-----------|---------|
|  | Sompo Japan |         | Nipponkoa |         | Sompo Japan |         | Nipponkoa |         | Sompo Japan |          | Nipponkoa |         |
|  | Amount      | Change  | Amount    | Change  | Amount      | Change  | Amount    | Change  | Amount      | Change   | Amount    | Change  |
| Net commissions and brokerage fees             | 213,680     | + 2,769 | 104,455   | - 2,695 | 219,559     | + 5,879 | 107,355   | + 2,899 | 228,951     | + 9,392  | 111,787   | + 4,432 |
| Operating, general and administrative expenses | 209,684     | - 8,132 | 117,480   | - 2,160 | 203,816     | - 5,868 | 113,336   | - 4,143 | 205,872     | + 2,055  | 110,831   | - 2,505 |
| Net expense                                    | 423,365     | - 5,363 | 221,935   | - 4,856 | 423,376     | + 10    | 220,691   | - 1,244 | 434,824     | + 11,447 | 222,618   | + 1,927 |
| Net expense (excl. CALI)                       | 379,085     | - 6,114 | 203,173   | - 5,154 | 382,299     | + 3,213 | 203,568   | + 394   | 391,373     | + 9,074  | 204,722   | + 1,154 |

\*Above figures are only for underwriting expenses.

## Net Expense Ratio

|  | FY2010      |         |           |         | FY2011      |         |           |         | FY2012      |         |           |         |
|--|-------------|---------|-----------|---------|-------------|---------|-----------|---------|-------------|---------|-----------|---------|
|  | Sompo Japan |         | Nipponkoa |         | Sompo Japan |         | Nipponkoa |         | Sompo Japan |         | Nipponkoa |         |
|  | Ratio       | Change  | Ratio     | Change  | Ratio       | Change  | Ratio     | Change  | Ratio       | Change  | Ratio     | Change  |
| Net commissions and brokerage fees             | 17.0%       | + 0.3pt | 16.8%     | - 0.1pt | 17.1%       | + 0.1pt | 17.0%     | + 0.2pt | 17.2%       | + 0.1pt | 17.5%     | + 0.5pt |
| Operating, general and administrative expenses | 16.7%       | - 0.6pt | 18.9%     | + 0.0pt | 15.9%       | - 0.8pt | 18.0%     | - 1.0pt | 15.5%       | - 0.4pt | 17.3%     | - 0.6pt |
| Net expense                                    | 33.7%       | - 0.4pt | 35.8%     | - 0.0pt | 33.0%       | - 0.6pt | 35.0%     | - 0.8pt | 32.8%       | - 0.3pt | 34.8%     | - 0.2pt |
| Net expense (excl. CALI)                       | 34.8%       | - 0.4pt | 37.2%     | - 0.1pt | 34.7%       | - 0.1pt | 36.9%     | - 0.3pt | 34.4%       | - 0.3pt | 37.0%     | + 0.0pt |

\*Above figures are the ratio of each amount for underwriting expenses against net premiums written.

## Company expenses Millions of yen

|                        | FY2010      |          |           |         | FY2011      |         |           |         | FY2012      |         |           |         |
|------------------------|-------------|----------|-----------|---------|-------------|---------|-----------|---------|-------------|---------|-----------|---------|
|                        | Sompo Japan |          | Nipponkoa |         | Sompo Japan |         | Nipponkoa |         | Sompo Japan |         | Nipponkoa |         |
|                        | Amount      | Change   | Amount    | Change  | Amount      | Change  | Amount    | Change  | Amount      | Change  | Amount    | Change  |
| Personnel expenses     | 177,476     | + 14,986 | 87,695    | + 2,311 | 172,837     | - 4,638 | 90,091    | + 2,395 | 169,064     | - 3,772 | 88,865    | - 1,225 |
| Non-personnel expenses | 122,780     | - 6,367  | 62,998    | - 5,358 | 122,594     | - 186   | 62,582    | - 416   | 127,071     | + 4,476 | 60,764    | - 1,817 |
| Tax and contributions  | 12,873      | + 22     | 7,339     | - 526   | 12,247      | - 625   | 6,831     | - 507   | 12,078      | - 169   | 6,688     | - 143   |
| Total company expenses | 313,129     | + 8,641  | 158,032   | - 3,573 | 307,679     | - 5,450 | 159,504   | + 1,471 | 308,214     | + 535   | 156,318   | - 3,185 |

## Company Expense Ratio

|                        | FY2010      |         |           |         | FY2011      |         |           |         | FY2012      |         |           |         |
|------------------------|-------------|---------|-----------|---------|-------------|---------|-----------|---------|-------------|---------|-----------|---------|
|                        | Sompo Japan |         | Nipponkoa |         | Sompo Japan |         | Nipponkoa |         | Sompo Japan |         | Nipponkoa |         |
|                        | Ratio       | Change  | Ratio     | Change  | Ratio       | Change  | Ratio     | Change  | Ratio       | Change  | Ratio     | Change  |
| Personnel expenses     | 14.1%       | + 1.2pt | 14.1%     | + 0.6pt | 13.5%       | - 0.6pt | 14.3%     | + 0.2pt | 12.7%       | - 0.8pt | 13.9%     | - 0.4pt |
| Non-personnel expenses | 9.8%        | - 0.5pt | 10.2%     | - 0.6pt | 9.6%        | - 0.2pt | 9.9%      | - 0.2pt | 9.6%        | + 0.0pt | 9.5%      | - 0.4pt |
| Tax and contributions  | 1.0%        | + 0.0pt | 1.2%      | - 0.1pt | 1.0%        | - 0.1pt | 1.1%      | - 0.1pt | 0.9%        | - 0.0pt | 1.0%      | - 0.0pt |
| Total company expenses | 24.9%       | + 0.7pt | 25.5%     | - 0.1pt | 24.0%       | - 0.9pt | 25.3%     | - 0.2pt | 23.2%       | - 0.8pt | 24.5%     | - 0.8pt |

\*Above figures are the ratio of each amount against net premiums written.

# Combined Ratio

|                         | FY2010      |           |           |           | FY2011      |           |           |           | FY2012      |           |           |           |
|-------------------------|-------------|-----------|-----------|-----------|-------------|-----------|-----------|-----------|-------------|-----------|-----------|-----------|
|                         | Sompo Japan |           | Nipponkoa |           | Sompo Japan |           | Nipponkoa |           | Sompo Japan |           | Nipponkoa |           |
|                         | Ratio       | Change    | Ratio     | Change    | Ratio       | Change    | Ratio     | Change    | Ratio       | Change    | Ratio     | Change    |
| Loss ratio              | 68.2%       | - 1.6pt   | 65.0%     | + 0.0pt   | 78.1%       | + 10.0pt  | 82.8%     | + 17.8pt  | 67.2%       | - 10.9pt  | 72.2%     | - 10.6pt  |
| Expense ratio           | 34.8%       | - 0.4pt   | 37.2%     | - 0.1pt   | 34.7%       | - 0.1pt   | 36.9%     | - 0.3pt   | 34.4%       | - 0.3pt   | 37.0%     | + 0.0pt   |
| (Company expense ratio) | (16.4%)     | (- 0.7pt) | (19.1%)   | (+ 0.0pt) | (16.0%)     | (- 0.4pt) | (18.5%)   | (- 0.6pt) | (15.5%)     | (- 0.5pt) | (17.9%)   | (- 0.6pt) |
| (Commission ratio)      | (18.4%)     | (+ 0.3pt) | (18.1%)   | (- 0.1pt) | (18.7%)     | (+ 0.3pt) | (18.4%)   | (+ 0.4pt) | (18.9%)     | (+ 0.2pt) | (19.1%)   | (+ 0.7pt) |
| Combined ratio          | 102.9%      | - 2.0pt   | 102.2%    | - 0.0pt   | 112.8%      | + 9.8pt   | 119.7%    | + 17.5pt  | 101.6%      | - 11.2pt  | 109.2%    | - 10.6pt  |

\*Above figures excludes CALI.

|                                |        |         |        |         |        |         |        |          |        |          |        |          |
|--------------------------------|--------|---------|--------|---------|--------|---------|--------|----------|--------|----------|--------|----------|
| Combined ratio<br>(incl. CALI) | 106.2% | - 1.7pt | 105.3% | + 0.1pt | 113.6% | + 7.4pt | 119.7% | + 14.4pt | 103.4% | - 10.2pt | 109.7% | - 10.0pt |
|--------------------------------|--------|---------|--------|---------|--------|---------|--------|----------|--------|----------|--------|----------|

(reference) Combined Ratio by lines

|                       | FY2010      |         |         |           |         |         | FY2011      |         |         |           |         |          | FY2012      |         |         |           |         |         |
|-----------------------|-------------|---------|---------|-----------|---------|---------|-------------|---------|---------|-----------|---------|----------|-------------|---------|---------|-----------|---------|---------|
|                       | Sompo Japan |         |         | Nipponkoa |         |         | Sompo Japan |         |         | Nipponkoa |         |          | Sompo Japan |         |         | Nipponkoa |         |         |
|                       | L/R         | E/R     | C/R     | L/R       | E/R     | C/R     | L/R         | E/R     | C/R     | L/R       | E/R     | C/R      | L/R         | E/R     | C/R     | L/R       | E/R     | C/R     |
| Fire & allied lines   | 41.6%       | 43.2%   | 84.7%   | 47.5%     | 44.7%   | 92.2%   | 139.2%      | 42.2%   | 181.4%  | 150.8%    | 44.7%   | 195.5%   | 69.9%       | 40.9%   | 110.8%  | 101.7%    | 47.0%   | 148.8%  |
| Marine                | 58.1%       | 27.6%   | 85.6%   | 42.4%     | 44.0%   | 86.4%   | 74.8%       | 29.9%   | 104.8%  | 48.3%     | 43.8%   | 92.0%    | 63.9%       | 28.1%   | 92.0%   | 43.4%     | 44.4%   | 87.8%   |
| Personal Accident     | 59.4%       | 41.8%   | 101.2%  | 65.0%     | 47.4%   | 112.4%  | 59.6%       | 41.3%   | 100.9%  | 63.8%     | 46.3%   | 110.1%   | 61.0%       | 40.5%   | 101.5%  | 58.1%     | 45.7%   | 103.9%  |
| Voluntary Automobile  | 72.0%       | 33.2%   | 105.2%  | 72.9%     | 31.4%   | 104.3%  | 71.9%       | 33.0%   | 104.9%  | 72.8%     | 31.5%   | 104.2%   | 70.5%       | 33.1%   | 103.6%  | 70.9%     | 31.2%   | 102.0%  |
| CALI                  | 100.8%      | 26.6%   | 127.4%  | 103.2%    | 25.2%   | 128.3%  | 95.6%       | 23.1%   | 118.6%  | 97.9%     | 21.5%   | 119.4%   | 91.1%       | 23.0%   | 114.0%  | 91.8%     | 21.0%   | 112.8%  |
| Other                 | 85.5%       | 29.0%   | 114.5%  | 57.4%     | 44.1%   | 101.5%  | 61.2%       | 29.5%   | 90.7%   | 63.2%     | 43.1%   | 106.3%   | 56.2%       | 28.9%   | 85.1%   | 59.0%     | 42.5%   | 101.5%  |
| (of which, liability) | (56.5%)     | (26.8%) | (83.3%) | (53.5%)   | (43.5%) | (96.9%) | (56.8%)     | (27.4%) | (84.2%) | (61.2%)   | (42.8%) | (104.0%) | (57.6%)     | (27.1%) | (84.7%) | (55.1%)   | (41.9%) | (97.0%) |
| All lines             | 72.5%       | 33.7%   | 106.2%  | 69.6%     | 35.8%   | 105.3%  | 80.6%       | 33.0%   | 113.6%  | 84.7%     | 35.0%   | 119.7%   | 70.6%       | 32.8%   | 103.4%  | 74.8%     | 34.8%   | 109.7%  |

# Underwriting Funds

Millions of yen

| Sompo Japan           | FY2011                |                           |                     |                              |                                       | FY2012                |                           |                     |                              |                                       | Change                |                           |                     |                              |                                       |
|-----------------------|-----------------------|---------------------------|---------------------|------------------------------|---------------------------------------|-----------------------|---------------------------|---------------------|------------------------------|---------------------------------------|-----------------------|---------------------------|---------------------|------------------------------|---------------------------------------|
|                       | Underwriting reserves | Catastrophic loss reserve | Contingency reserve | Reserves for maturity refund | Reserves for policyholders' dividends | Underwriting reserves | Catastrophic loss reserve | Contingency reserve | Reserves for maturity refund | Reserves for policyholders' dividends | Underwriting reserves | Catastrophic loss reserve | Contingency reserve | Reserves for maturity refund | Reserves for policyholders' dividends |
| Fire and allied lines | 413,485               | 134,911                   | 194                 | 194,364                      | 1,943                                 | 418,391               | 131,003                   | 194                 | 174,055                      | 1,740                                 | 4,906                 | -3,907                    | ---                 | -20,309                      | -203                                  |
| Marine                | 8,402                 | 25,998                    | ---                 | ---                          | ---                                   | 9,692                 | 26,977                    | ---                 | ---                          | ---                                   | 1,290                 | 978                       | ---                 | ---                          | ---                                   |
| Personal Accident     | 81,580                | 77,804                    | 364                 | 1,023,759                    | 5,223                                 | 85,083                | 73,360                    | 364                 | 975,089                      | 5,304                                 | 3,502                 | -4,444                    | ---                 | -48,670                      | 81                                    |
| Voluntary Automobile  | 185,320               | 39,056                    | ---                 | ---                          | ---                                   | 189,917               | 39,867                    | ---                 | ---                          | ---                                   | 4,597                 | 811                       | ---                 | ---                          | ---                                   |
| CALI                  | 302,214               | ---                       | ---                 | ---                          | ---                                   | 280,878               | ---                       | ---                 | ---                          | ---                                   | -21,336               | ---                       | ---                 | ---                          | ---                                   |
| Other                 | 197,064               | 105,475                   | 52                  | 42,534                       | 203                                   | 201,053               | 106,730                   | 52                  | 41,346                       | 225                                   | 3,989                 | 1,255                     | ---                 | -1,187                       | 21                                    |
| Total                 | 1,188,067             | 383,247                   | 611                 | 1,260,659                    | 7,371                                 | 1,185,016             | 377,941                   | 611                 | 1,190,491                    | 7,270                                 | -3,051                | -5,306                    | ---                 | -70,167                      | -100                                  |
| Total (excl. CALI)    | 885,853               | 383,247                   | 611                 | 1,260,659                    | 7,371                                 | 904,138               | 377,941                   | 611                 | 1,190,491                    | 7,270                                 | 18,284                | -5,306                    | ---                 | -70,167                      | -100                                  |

| Nipponkoa             | FY2011                |                           |                     |                              |                                       | FY2012                |                           |                     |                              |                                       | Change                |                           |                     |                              |                                       |
|-----------------------|-----------------------|---------------------------|---------------------|------------------------------|---------------------------------------|-----------------------|---------------------------|---------------------|------------------------------|---------------------------------------|-----------------------|---------------------------|---------------------|------------------------------|---------------------------------------|
|                       | Underwriting reserves | Catastrophic loss reserve | Contingency reserve | Reserves for maturity refund | Reserves for policyholders' dividends | Underwriting reserves | Catastrophic loss reserve | Contingency reserve | Reserves for maturity refund | Reserves for policyholders' dividends | Underwriting reserves | Catastrophic loss reserve | Contingency reserve | Reserves for maturity refund | Reserves for policyholders' dividends |
| Fire and allied lines | 309,158               | 94,720                    | ---                 | 134,218                      | 1,345                                 | 303,932               | 63,198                    | ---                 | 122,034                      | 1,232                                 | -5,226                | -31,522                   | ---                 | -12,183                      | -113                                  |
| Marine                | 4,156                 | 19,558                    | ---                 | ---                          | ---                                   | 3,793                 | 19,761                    | ---                 | ---                          | ---                                   | -363                  | 203                       | ---                 | ---                          | ---                                   |
| Personal Accident     | 26,590                | 13,627                    | 10                  | 533,382                      | 3,987                                 | 26,757                | 13,072                    | 8                   | 484,409                      | 3,841                                 | 167                   | -554                      | -2                  | -48,973                      | -146                                  |
| Voluntary Automobile  | 91,194                | 21,857                    | ---                 | ---                          | ---                                   | 88,331                | 22,141                    | ---                 | ---                          | ---                                   | -2,862                | 284                       | ---                 | ---                          | ---                                   |
| CALI                  | 137,898               | ---                       | ---                 | ---                          | ---                                   | 128,980               | ---                       | ---                 | ---                          | ---                                   | -8,918                | ---                       | ---                 | ---                          | ---                                   |
| Other                 | 76,700                | 53,190                    | ---                 | 20,433                       | 120                                   | 77,533                | 53,997                    | ---                 | 18,716                       | 113                                   | 833                   | 806                       | ---                 | -1,716                       | -7                                    |
| Total                 | 645,698               | 202,953                   | 10                  | 688,033                      | 5,453                                 | 629,328               | 172,172                   | 8                   | 625,160                      | 5,186                                 | -16,370               | -30,781                   | -2                  | -62,873                      | -266                                  |
| Total (excl. CALI)    | 507,800               | 202,953                   | 10                  | 688,033                      | 5,453                                 | 500,348               | 172,172                   | 8                   | 625,160                      | 5,186                                 | -7,451                | -30,781                   | -2                  | -62,873                      | -266                                  |

# Reserve for Outstanding Losses and Claims

Millions of yen

|                       | Sampo Japan |                                 |         |                                 |            | Nipponkoa |                                 |         |                                 |            |
|-----------------------|-------------|---------------------------------|---------|---------------------------------|------------|-----------|---------------------------------|---------|---------------------------------|------------|
|                       | FY2011      | Additional provision for FY2012 | FY2012  | Additional provision for FY2011 | YOY Change | FY2011    | Additional provision for FY2012 | FY2012  | Additional provision for FY2011 | YOY Change |
|                       | a)          | b)                              | c)      | d)                              | e)=b)-d)   | a)        | b)                              | c)      | d)                              | e)=b)-d)   |
| Fire and allied lines | 73,178      | - 1,098                         | 72,079  | 2,954                           | - 4,052    | 56,625    | - 20,320                        | 36,305  | 12,948                          | - 33,268   |
| Marine                | 13,139      | 795                             | 13,934  | - 583                           | 1,378      | 5,648     | - 623                           | 5,024   | - 766                           | 142        |
| Personal Accident     | 60,173      | - 646                           | 59,526  | - 826                           | 179        | 16,121    | - 137                           | 15,983  | - 1,474                         | 1,336      |
| Voluntary Automobile  | 290,666     | - 5,895                         | 284,770 | - 10,775                        | 4,879      | 136,395   | - 1,018                         | 135,377 | 5,522                           | - 6,541    |
| CALI                  | 60,299      | - 1,002                         | 59,296  | 2,074                           | - 3,076    | 27,730    | - 552                           | 27,178  | 823                             | - 1,375    |
| Other                 | 122,580     | 2,790                           | 125,370 | - 12,369                        | 15,160     | 59,445    | 2,203                           | 61,648  | - 4,229                         | 6,432      |
| Total                 | 620,037     | - 5,058                         | 614,979 | - 19,526                        | 14,468     | 301,967   | - 20,448                        | 281,518 | 12,824                          | - 33,273   |
| Total (excl. CALI)    | 559,738     | - 4,055                         | 555,682 | - 21,600                        | 17,545     | 274,236   | - 19,896                        | 254,340 | 12,001                          | - 31,897   |

|                        |         |         |         |          |        |        |         |        |       |         |
|------------------------|---------|---------|---------|----------|--------|--------|---------|--------|-------|---------|
| Total (of which, IBNR) | 164,457 | - 2,332 | 162,124 | - 37,362 | 35,029 | 90,468 | - 5,076 | 85,391 | 3,096 | - 8,172 |
|------------------------|---------|---------|---------|----------|--------|--------|---------|--------|-------|---------|

# Catastrophic Loss Reserve

## Catastrophic loss reserves as of March 31, 2013

Millions of yen

|                       | Sompo Japan               |          |            |                   |                         |        | Nipponkoa                 |          |            |                   |                         |        |
|-----------------------|---------------------------|----------|------------|-------------------|-------------------------|--------|---------------------------|----------|------------|-------------------|-------------------------|--------|
|                       | Outstanding<br>March 2012 | Reversal | Provisions | Net<br>provisions | Outstanding<br>Mar 2013 | Ratio  | Outstanding<br>March 2012 | Reversal | Provisions | Net<br>provisions | Outstanding<br>Mar 2013 | Ratio  |
| Fire and allied lines | 134,911                   | 28,742   | 24,835     | - 3,907           | 131,003                 | 79.9%  | 94,720                    | 40,244   | 8,722      | - 31,522          | 63,198                  | 72.5%  |
| Marine                | 25,998                    | ---      | 978        | 978               | 26,977                  | 102.7% | 19,558                    | 199      | 403        | 203               | 19,761                  | 145.9% |
| Personal Accident     | 77,804                    | 8,538    | 4,093      | - 4,444           | 73,360                  | 55.5%  | 13,627                    | 2,137    | 1,582      | - 554             | 13,072                  | 25.9%  |
| Voluntary Automobile  | 39,056                    | 39,056   | 39,867     | 811               | 39,867                  | 6.1%   | 21,857                    | 21,857   | 22,141     | 284               | 22,141                  | 6.9%   |
| Other                 | 105,475                   | 5,855    | 7,110      | 1,255             | 106,730                 | 68.4%  | 53,190                    | 2,959    | 3,765      | 806               | 53,997                  | 67.6%  |
| Total                 | 383,247                   | 82,192   | 76,886     | - 5,306           | 377,941                 | 33.2%  | 202,953                   | 67,398   | 36,616     | - 30,781          | 172,172                 | 31.1%  |

\* Ratio: ratio of outstanding reserves on net premiums written (excl. household earthquake and CALI)

\* Provision ratio of major lines for FY2012

Sompo Japan: 5.5% for automobile group, 10.0% for fire group

Nipponkoa: 6.2% for automobile group, 7.3% for fire group

## Changes in reversal and provisions of catastrophic loss reserves

Millions of yen

|                       | Sompo Japan |        |            |        |        |          | Nipponkoa |        |           |        |        |         |
|-----------------------|-------------|--------|------------|--------|--------|----------|-----------|--------|-----------|--------|--------|---------|
|                       | Reversal    |        | Provisions |        |        | Reversal |           |        | Provision |        |        |         |
|                       | FY2011      | FY2012 | Change     | FY2011 | FY2012 | Change   | FY2011    | FY2012 | Change    | FY2011 | FY2012 | Change  |
| Fire and allied lines | 57,060      | 28,742 | - 28,317   | 21,021 | 24,835 | + 3,813  | 38,729    | 40,244 | + 1,515   | 6,238  | 8,722  | + 2,483 |
| Marine                | 2,100       | ---    | - 2,100    | 926    | 978    | + 52     | 441       | 199    | - 241     | 543    | 403    | - 139   |
| Personal Accident     | 7,771       | 8,538  | + 766      | 4,028  | 4,093  | + 65     | 4,992     | 2,137  | - 2,855   | 1,548  | 1,582  | + 34    |
| Voluntary Automobile  | 38,655      | 39,056 | + 400      | 39,056 | 39,867 | + 811    | 21,617    | 21,857 | + 239     | 21,857 | 22,141 | + 284   |
| Other                 | 5,972       | 5,855  | - 117      | 9,103  | 7,110  | - 1,992  | 5,328     | 2,959  | - 2,369   | 3,807  | 3,765  | - 41    |
| Total                 | 111,560     | 82,192 | - 29,367   | 74,136 | 76,886 | + 2,750  | 71,109    | 67,398 | - 3,710   | 33,995 | 36,616 | + 2,621 |

# Business Forecasts - Overview

Millions of yen

|                            | Sompo Japan |           |          |         | Nipponkoa |           |          |          |
|----------------------------|-------------|-----------|----------|---------|-----------|-----------|----------|----------|
|                            | FY2012(A)   | FY2013(E) | Change   | %Change | FY2012(A) | FY2013(E) | Change   | %Change  |
| Net premiums written       | 1,327,361   | 1,385,040 | + 57,678 | + 4.3%  | 638,863   | 650,000   | + 11,136 | + 1.7%   |
| (excl. CALI)               | 1,138,069   | 1,183,913 | + 45,843 | + 4.0%  | 553,650   | 558,700   | + 5,049  | + 0.9%   |
| Loss ratio                 | 70.6%       | 67.5%     | - 3.1pt  |         | 74.8%     | 69.0%     | - 5.8pt  |          |
| (excl. CALI)               | 67.2%       | 64.6%     | - 2.6pt  |         | 72.2%     | 66.3%     | - 5.9pt  |          |
| Expense ratio              | 32.8%       | 32.0%     | - 0.8pt  |         | 34.8%     | 34.5%     | - 0.3pt  |          |
| (excl. CALI)               | 34.4%       | 33.9%     | - 0.5pt  |         | 37.0%     | 37.0%     | + 0.0pt  |          |
| Combind ratio              | 103.4%      | 99.5%     | - 3.9pt  |         | 109.7%    | 103.5%    | - 6.2pt  |          |
| (excl. CALI)               | 101.6%      | 98.5%     | - 3.1pt  |         | 109.2%    | 103.4%    | - 5.8pt  |          |
| Underwriting profit (loss) | - 25,704    | - 5,200   | + 20,504 | -       | 8,786     | - 5,000   | - 13,786 | - 156.9% |
| Investment profit          | 102,095     | 82,713    | - 19,382 | - 19.0% | 57,838    | 64,066    | + 6,227  | + 10.8%  |
| Ordinary profit (loss)     | 65,058      | 62,400    | - 2,658  | - 4.1%  | 64,580    | 52,500    | - 12,080 | - 18.7%  |
| Net income (loss)          | 29,137      | 33,000    | + 3,862  | + 13.3% | 33,332    | 30,000    | - 3,332  | - 10.0%  |

【reference】Adjusted profit

|  |          |         |          |         |          |         |          |          |
|--|----------|---------|----------|---------|----------|---------|----------|----------|
| Net income (loss)  | 29,137   | 33,000  | + 3,862  | + 13.3% | 33,332   | 30,000  | - 3,332  | - 10.0%  |
| +provision for catastrophe loss reserve (net of tax)                     | - 3,544  | 11,182  | + 14,727 | -       | - 20,562 | - 834   | + 19,728 | -        |
| +provision for price fluctuation reserve (net of tax)                    | 3,308    | 3,406   | + 98     | + 3.0%  | 1,710    | 1,670   | - 40     | - 2.4%   |
| -realized gains/losses and devaluation losses on securities (net of tax) | 44,844   | 34,068  | - 10,776 | - 24.0% | 21,279   | 30,728  | + 9,448  | + 44.4%  |
| -Extraordinary items (net of tax)  | - 13,011 | - 3,353 | + 9,658  | -       | - 7,617  | - 1,716 | + 5,900  | -        |
| Adjusted profit  | - 2,931  | 16,875  | + 19,806 | -       | 818      | 1,824   | + 1,006  | + 123.0% |

\*special factor is "Merger one-time cost"

|   | Sompo Japan  | Nipponkoa  |
|---|--|--|
| Losses from domestic natural disasters (Occurring in the fiscal year) | 25 billion yen   | 13 billion yen   |
| Flooding in Thailand  | Net claims paid : 8.8 billion yen<br>(Assuming that remaining amount of 5.3 billion yen is paid in FY2014)                       | Net claim paid : 12.3 billion yen<br>(Assuming that remaining amount of 0.8 billion yen is paid in FY2014) |
| Catastrophic loss reserve   | Net provision : 16.7 billion yen   | Net provision : 1.2 billion yen  |
| Market indicators   | (Stock) Nikkei 225 : 12,397 yen      (Interest yield) 10y JGB : 0.55%<br>(Foreign exchange) 1US\$ : 94.05 yen/1Euro : 120.73 yen |  |
| Interest and dividend income  | Gross : 64.0 billion yen    Net : 33.7 billion yen   | Gross : 36.0 billion yen    Net : 20.0 billion yen   |
| Realized gains on securities  | Realized gain on securities : 53.0 billion yen<br>Impairment losses on securities : 2.0 billion yen                              | Realized gain on securities : 47.0 billion yen<br>Impairment losses on securities : 1.0 billion yen        |
| Reserve for price fluctuation   | Net provision : 5.1 billion yen  | Net provision : 2.5 billion yen  |
| Financial guarantee insurance   | 3.1 billion yen of losses  |  |



Millions of yen

|                       | Sompo Japan |           |           |          | Nipponkoa |           |           |          |
|-----------------------|-------------|-----------|-----------|----------|-----------|-----------|-----------|----------|
|                       | FY2012(A)   | FY2013(E) | Change    | %Change  | FY2012(A) | FY2013(E) | Change    | %Change  |
| Fire and allied lines | 164,706     | 174,685   | + 9,978   | + 6.1%   | 87,709    | 88,600    | + 890     | + 1.0%   |
| Marine                | 26,263      | 26,572    | + 308     | + 1.2%   | 13,542    | 14,900    | + 1,357   | + 10.0%  |
| Personal Accidnet     | 132,088     | 133,905   | + 1,816   | + 1.4%   | 50,469    | 50,000    | - 469     | - 0.9%   |
| Voluntary Automobile  | 658,926     | 687,220   | + 28,293  | + 4.3%   | 322,068   | 324,800   | + 2,731   | + 0.8%   |
| CALI                  | 189,291     | 201,127   | + 11,835  | + 6.3%   | 85,212    | 91,300    | + 6,087   | + 7.1%   |
| Other                 | 156,084     | 161,531   | + 5,446   | + 3.5%   | 79,861    | 80,400    | + 538     | + 0.7%   |
| (of which, liability) | (98,185)    | (103,563) | (+ 5,377) | (+ 5.5%) | (41,585)  | (42,690)  | (+ 1,104) | (+ 2.7%) |
| Total                 | 1,327,361   | 1,385,040 | + 57,678  | + 4.3%   | 638,863   | 650,000   | + 11,136  | + 1.7%   |
| All lines excl. CALI  | 1,138,069   | 1,183,913 | + 45,843  | + 4.0%   | 553,650   | 558,700   | + 5,049   | + 0.9%   |

# Business Forecasts – Claims Paid E/I Loss Ratio

## Loss ratio

Millions of yen

|                       | Sompo Japan     |           |           |            |           |           | Nipponkoa       |           |           |            |           |           |
|-----------------------|-----------------|-----------|-----------|------------|-----------|-----------|-----------------|-----------|-----------|------------|-----------|-----------|
|                       | Net claims paid |           |           | Loss ratio |           |           | Net calims paid |           |           | Loss ratio |           |           |
|                       | FY2012(A)       | FY2013(E) | Change    | FY2012(A)  | FY2013(E) | Change    | FY2012(A)       | FY2013(E) | Change    | FY2012(A)  | FY2013(E) | Change    |
| Fire and allied lines | 111,666         | 97,102    | - 14,564  | 69.9%      | 57.6%     | - 12.4pt  | 85,899          | 54,963    | - 30,936  | 101.7%     | 65.7%     | - 36.0pt  |
| Marine                | 15,786          | 14,956    | - 830     | 63.9%      | 60.0%     | - 3.9pt   | 5,684           | 6,752     | + 1,067   | 43.4%      | 46.6%     | + 3.2pt   |
| Personal Accidnet     | 72,507          | 72,660    | + 152     | 61.0%      | 60.2%     | - 0.8pt   | 26,896          | 26,564    | - 332     | 58.1%      | 57.9%     | - 0.2pt   |
| Voluntary Automobile  | 404,824         | 411,365   | + 6,540   | 70.5%      | 68.3%     | - 2.2pt   | 202,250         | 197,269   | - 4,981   | 70.9%      | 68.6%     | - 2.3pt   |
| CALI                  | 158,055         | 156,309   | - 1,746   | 91.1%      | 84.6%     | - 6.5pt   | 72,202          | 71,568    | - 634     | 91.8%      | 85.1%     | - 6.7pt   |
| Other                 | 80,922          | 91,362    | + 10,439  | 56.2%      | 60.7%     | + 4.5pt   | 43,713          | 50,342    | + 6,628   | 59.0%      | 66.8%     | + 7.8pt   |
| (of which, liability) | (52,017)        | (55,603)  | (+ 3,585) | (57.6%)    | (58.0%)   | (+ 0.4pt) | (21,452)        | (23,793)  | (+ 2,340) | (55.1%)    | (59.1%)   | (+ 4.0pt) |
| Total                 | 843,762         | 843,754   | - 8       | 70.6%      | 67.5%     | - 3.1pt   | 436,647         | 407,458   | - 29,189  | 74.8%      | 69.0%     | - 5.8pt   |
| All lines excl. CALI  | 685,707         | 687,445   | + 1,737   | 67.2%      | 64.6%     | - 2.6pt   | 364,445         | 335,890   | - 28,555  | 72.2%      | 66.3%     | - 5.9pt   |

## E/I Loss ratio

Millions of yen

|                       | Sompo Japan       |           |          |                |           |           | Nipponkoa         |           |           |                |           |           |
|-----------------------|-------------------|-----------|----------|----------------|-----------|-----------|-------------------|-----------|-----------|----------------|-----------|-----------|
|                       | Net loss occurred |           |          | E/I Loss ratio |           |           | Net loss occurred |           |           | E/I Loss ratio |           |           |
|                       | FY2012(A)         | FY2013(E) | Change   | FY2012(A)      | FY2013(E) | Change    | FY2012(A)         | FY2013(E) | Change    | FY2012(A)      | FY2013(E) | Change    |
| Fire and allied lines | 110,567           | 92,771    | - 17,796 | 71.4%          | 53.7%     | - 17.7pt  | 65,579            | 44,513    | - 21,066  | 74.2%          | 54.4%     | - 19.8pt  |
| Marine                | 16,581            | 14,598    | - 1,983  | 69.3%          | 58.5%     | - 10.9pt  | 5,061             | 6,752     | + 1,690   | 39.3%          | 47.9%     | + 8.6pt   |
| Personal Accidnet     | 71,860            | 72,316    | + 455    | 62.2%          | 61.1%     | - 1.1pt   | 26,758            | 26,064    | - 694     | 58.1%          | 57.1%     | - 1.0pt   |
| Voluntary Automobile  | 398,928           | 413,056   | + 14,127 | 70.1%          | 69.4%     | - 0.7pt   | 201,232           | 196,269   | - 4,963   | 69.9%          | 68.5%     | - 1.4pt   |
| Other                 | 83,712            | 90,898    | + 7,185  | 58.9%          | 62.6%     | + 3.7pt   | 45,917            | 46,920    | + 1,002   | 62.2%          | 62.8%     | + 0.6pt   |
| (of which, liability) | (55,950)          | (56,502)  | (+ 551)  | (62.3%)        | (62.6%)   | (+ 0.3pt) | (22,859)          | (24,293)  | (+ 1,433) | (58.4%)        | (60.6%)   | (+ 2.2pt) |
| All lines excl. CALI  | 681,652           | 683,639   | + 1,986  | 67.8%          | 64.9%     | - 2.9pt   | 344,549           | 320,518   | - 24,031  | 67.7%          | 63.9%     | - 3.8pt   |

\* Excl. household earthquake and CALI

# Business Forecasts - Expenses

## Net Expense Ratio

Millions of yen

|  | Sompo Japan |           |         |                   |           |         | Nipponkoa |           |         |                   |           |         |
|--|-------------|-----------|---------|-------------------|-----------|---------|-----------|-----------|---------|-------------------|-----------|---------|
|  | Amount      |           |         | Net expense ratio |           |         | Amount    |           |         | Net expense ratio |           |         |
|  | FY2012(A)   | FY2013(E) | Change  | FY2012(A)         | FY2013(E) | Change  | FY2012(A) | FY2013(E) | Change  | FY2012(A)         | FY2013(E) | Change  |
| Net commissions and brokerage fees                                     | 228,951     | 238,031   | + 9,079 | 17.2%             | 17.2%     | - 0.1pt | 111,787   | 113,674   | + 1,886 | 17.5%             | 17.5%     | - 0.0pt |
| Operating, general and administrative expenses related to underwriting | 205,872     | 205,073   | - 799   | 15.5%             | 14.8%     | - 0.7pt | 110,831   | 110,691   | - 140   | 17.3%             | 17.0%     | - 0.3pt |
| Total  | 434,824     | 443,104   | + 8,279 | 32.8%             | 32.0%     | - 0.8pt | 222,618   | 224,365   | + 1,746 | 34.8%             | 34.5%     | - 0.3pt |

\*Above figures are only for underwriting expenses.

\*"Expense ratio" is the ratio of the each amount for underwriting expenses against net premium written.

## Company Expense Ratio

Millions of yen

|                        | Sompo Japan |           |         |                          |           |         | Nipponkoa |           |         |                          |           |         |
|------------------------|-------------|-----------|---------|--------------------------|-----------|---------|-----------|-----------|---------|--------------------------|-----------|---------|
|                        | Amount      |           |         | % of net premium written |           |         | Amount    |           |         | % of net premium written |           |         |
|                        | FY2012(A)   | FY2013(E) | Change  | FY2012(A)                | FY2013(E) | Change  | FY2012(A) | FY2013(E) | Change  | FY2012(A)                | FY2013(E) | Change  |
| Personnel expenses     | 169,064     | 165,006   | - 4,058 | 12.7%                    | 11.9%     | - 0.8pt | 88,865    | 87,100    | - 1,765 | 13.9%                    | 13.4%     | - 0.5pt |
| Non-personnel expenses | 127,071     | 127,054   | - 16    | 9.6%                     | 9.2%      | - 0.4pt | 60,764    | 61,869    | + 1,104 | 9.5%                     | 9.5%      | + 0.0pt |
| Tax and contributions  | 12,078      | 12,422    | + 344   | 0.9%                     | 0.9%      | - 0.0pt | 6,688     | 6,710     | + 21    | 1.0%                     | 1.0%      | - 0.0pt |
| Total                  | 308,214     | 304,484   | - 3,730 | 23.2%                    | 22.0%     | - 1.2pt | 156,318   | 155,679   | - 639   | 24.5%                    | 24.0%     | - 0.5pt |

# Solvency Margin Ratio (P&C Insurers)

Millions of yen

|   | Sompo Japan |           |           | Nipponkoa |         |         |
|---|-------------|-----------|-----------|-----------|---------|---------|
|   | End of      | End of    | End of    | End of    | End of  | End of  |
| (A) Total Solvency Margin (non-consolidated)  | 1,476,906   | 1,213,539 | 1,493,106 | 742,896   | 598,090 | 710,509 |
| Capital, etc  | 400,229     | 260,654   | 263,299   | 230,001   | 170,903 | 192,996 |
| Reserve for price fluctuation   | 17,305      | 14,436    | 19,388    | 8,611     | 11,289  | 13,849  |
| Contingency reserve   | 611         | 611       | 611       | 14        | 10      | 8       |
| Catastrophic loss reserve   | 487,656     | 389,766   | 385,026   | 287,719   | 208,934 | 178,714 |
| General allowance for possible loan losses  | 404         | 286       | 215       | 75        | 51      | 50      |
| Unrealized gains on securities (before tax effect deductions)   | 415,622     | 414,934   | 571,425   | 180,010   | 194,583 | 303,023 |
| Net unrealized gains and losses on real estate  | 30,177      | 24,062    | 22,103    | 15,866    | 12,637  | 13,706  |
| Excess amount of reserve for maturity refunds   | —           | —         | —         | —         | —       | —       |
| Subordinated debt, etc.   | 128,000     | 128,000   | 261,560   | —         | —       | —       |
| Excess amount of reserve for maturity refunds and subordinated debt, etc. which are excluded from total solvency margin | —           | —         | —         | —         | —       | —       |
| Deductions  | 157,360     | 79,975    | 92,366    | 13,269    | 11,769  | 11,769  |
| Others  | 154,258     | 60,763    | 61,841    | 33,866    | 11,450  | 19,928  |
| (B) Total Risks (non-consolidated)  | 525,109     | 482,931   | 462,503   | 284,736   | 254,066 | 266,095 |
| $[\sqrt{(R1+R2)^2 + (R3+R4)^2} + R5 + R6]$  |             |           |           |           |         |         |
| R1 Underwriting risk  | 108,300     | 108,974   | 110,429   | 55,228    | 56,018  | 57,467  |
| R2 Underwriting risk for third-sector insurance products  | —           | —         | —         | 1         | 1       | 0       |
| R3 Guaranteed interest rate risk  | 18,681      | 17,763    | 16,828    | 10,408    | 9,872   | 9,261   |
| R4 Investment risk  | 301,892     | 279,213   | 279,657   | 147,295   | 126,578 | 148,113 |
| R5 Business management risk   | 12,070      | 11,226    | 10,843    | 9,628     | 5,863   | 6,145   |
| R6 Major catastrophe risk   | 174,665     | 155,365   | 135,276   | 108,013   | 100,700 | 92,411  |
| (C) Solvency Margin Ratio (non-consolidated)  | 562.5%      | 502.5%    | 645.6%    | 521.8%    | 470.8%  | 534.0%  |
| $(A) / \{1/2 \times (B)\} \times 100$   |             |           |           |           |         |         |

\* The calculation method has been revised in March 31, 2012.  
The figures of the end of FY2010 are based on the new standard.

# Investment Asset Portfolio

Mark to market basis, millions of yen

| 【as of March 31, 2013】                            | Sompo Japan         |            |                 |            |             |            | Nipponkoa           |            |                 |            |           |            |
|---|---------------------|------------|-----------------|------------|-------------|------------|---------------------|------------|-----------------|------------|-----------|------------|
|   | Saving-type account |            | General account |            | Total       |            | Saving-type account |            | General account |            | Total     |            |
|   |                     | Proportion |                 | Proportion |             | Proportion |                     | Proportion |                 | Proportion |           | Proportion |
| Securities  | 769,221             | 72.3%      | 2,415,421       | 77.0%      | 3,184,642   | 75.8%      | 430,554             | 75.7%      | 1,198,832       | 77.3%      | 1,629,386 | 76.9%      |
| Domestic stocks                                   | ---                 | ---        | 995,062         | 31.7%      | 995,062     | 23.7%      | ---                 | ---        | 590,417         | 38.1%      | 590,417   | 27.9%      |
| Yen denominated securities                        | 754,670             | 70.9%      | 686,346         | 21.9%      | 1,441,017   | 34.3%      | 424,472             | 74.7%      | 284,447         | 18.3%      | 708,919   | 33.4%      |
| (Bonds)   | (754,670)           | (70.9%)    | (612,076)       | (19.5%)    | (1,366,747) | (32.5%)    | (423,970)           | (74.6%)    | (221,174)       | (14.3%)    | (645,144) | (30.4%)    |
| (Others)  | ---                 | ---        | (74,269)        | (2.4%)     | (74,269)    | (1.8%)     | (501)               | (0.1%)     | (63,273)        | (4.1%)     | (63,774)  | (3.0%)     |
| Foreign securities (foreign currency denominated) | 14,550              | 1.4%       | 734,012         | 23.4%      | 748,562     | 17.8%      | 6,082               | 1.1%       | 323,967         | 20.9%      | 330,049   | 15.6%      |
| (Bonds)   | (1,770)             | (0.2%)     | (249,185)       | (7.9%)     | (250,956)   | (6.0%)     | (6,082)             | (1.1%)     | (249,418)       | (16.1%)    | (255,501) | (12.1%)    |
| (Others)  | (12,779)            | (1.2%)     | (484,826)       | (15.4%)    | (497,605)   | (11.8%)    | ---                 | ---        | (74,548)        | (4.8%)     | (74,548)  | (3.5%)     |
| Monetary receivables bought                       | 18,761              | 1.8%       | 2,781           | 0.1%       | 21,542      | 0.5%       | 426                 | 0.1%       | ---             | ---        | 426       | 0.0%       |
| Money trusts                                      | ---                 | ---        | 28,995          | 0.9%       | 28,995      | 0.7%       | ---                 | ---        | 38,783          | 2.5%       | 38,783    | 1.8%       |
| Loans   | 234,484             | 22.0%      | 176,797         | 5.6%       | 411,282     | 9.8%       | 117,756             | 20.7%      | 70,695          | 4.6%       | 188,452   | 8.9%       |
| Deposits  | 5,721               | 0.5%       | 232,459         | 7.4%       | 238,180     | 5.7%       | 19,705              | 3.5%       | 116,162         | 7.5%       | 135,867   | 6.4%       |
| Call Loans  | 9,800               | 0.9%       | 46,900          | 1.5%       | 56,700      | 1.3%       | ---                 | ---        | 10,000          | 0.6%       | 10,000    | 0.5%       |
| Receivables under resale agreements               | 26,491              | 2.5%       | 53,991          | 1.7%       | 80,483      | 1.9%       | ---                 | ---        | ---             | ---        | ---       | ---        |
| Land and buildings                                | ---                 | ---        | 181,532         | 5.8%       | 181,532     | 4.3%       | ---                 | ---        | 116,899         | 7.5%       | 116,899   | 5.5%       |
| Total investment assets                           | 1,064,480           | 100.0%     | 3,138,879       | 100.0%     | 4,203,360   | 100.0%     | 568,443             | 100.0%     | 1,551,372       | 100.0%     | 2,119,815 | 100.0%     |
| Change from previous FY end                       | - 64,964            |            | 320,660         |            | 255,695     |            | - 65,308            |            | 98,929          |            | 33,620    |            |

# Investment Profit

Millions of yen

|  | FY2011      |            | FY2012      |            |            |             | FY2013(E)  |            |             |            |  |
|--|-------------|------------|-------------|------------|------------|-------------|------------|------------|-------------|------------|--|
|  | Sompo Japan | Nipponkoa  | Sompo Japan | Nipponkoa  |            | Sompo Japan | Nipponkoa  |            | Sompo Japan | Nipponkoa  |  |
|  |             |            |             | Change     | Change     |             | Change     | Change     |             |            |  |
| Net interest and dividend income         | 41,199      | 22,512     | 45,432      | + 4,233    | 21,941     | - 571       | 33,000     | - 12,432   | 20,000      | - 1,941    |  |
| (interest and dividend income)           | (78,375)    | (41,211)   | (79,498)    | (+ 1,122)  | (39,183)   | (- 2,028)   | (64,000)   | (- 15,498) | (36,000)    | (- 3,183)  |  |
| (Investment income on deposit premium)   | (- 37,176)  | (- 18,698) | (- 34,065)  | (+ 3,110)  | (- 17,241) | (+ 1,457)   | (- 31,000) | (+ 3,065)  | (- 16,000)  | (+ 1,241)  |  |
| Gain on money trusts                     | 0           | - 453      | 477         | + 476      | 924        | + 1,377     | 700        | + 222      | ---         | - 924      |  |
| Gain on trading securities               | - 67        | ---        | 128         | + 196      | ---        | ---         | ---        | - 128      | ---         | ---        |  |
| Realized gain on securities sales        | 21,890      | 14,226     | 92,483      | + 70,593   | 33,351     | + 19,125    | 53,000     | - 39,483   | 47,000      | + 13,648   |  |
| (Realized gain on domestic stocks sales) | (32,224)    | (18,072)   | (82,111)    | (+ 49,886) | (26,238)   | (+ 8,166)   | (51,000)   | (- 31,111) | (43,000)    | (+ 16,761) |  |
| Realized gain on securities redemption   | - 888       | - 1,025    | - 221       | + 667      | - 388      | + 637       | ---        | + 221      | ---         | + 388      |  |
| Impairment losses on securities          | - 18,141    | - 1,773    | - 25,351    | - 7,210    | - 1,495    | + 278       | - 2,000    | + 23,351   | - 1,000     | + 495      |  |
| (Impairment loss on domestic stocks)     | (- 10,481)  | (- 1,551)  | (- 25,306)  | (- 14,825) | (- 1,139)  | (+ 411)     | (- 2,000)  | (+ 23,306) | (- 1,000)   | (+ 139)    |  |
| Gain on derivative products              | 600         | 220        | - 10,455    | - 11,056   | 2,450      | + 2,229     | - 1,500    | + 8,955    | 500         | - 1,950    |  |
| FX gains/losses                          | - 12,528    | - 366      | 1,907       | + 14,435   | 1,745      | + 2,112     | 700        | - 1,207    | - 1,000     | - 2,745    |  |
| Other investment income                  | - 1,367     | - 2,336    | - 2,305     | - 938      | - 690      | + 1,646     | - 1,900    | + 405      | - 1,500     | - 809      |  |
| Total investment profit                  | 30,698      | 31,003     | 102,095     | + 71,397   | 57,838     | + 26,835    | 82,000     | - 20,095   | 64,000      | + 6,161    |  |

# Investment Yield (Sompo Japan)

Breakdown of interest and dividend income Millions of yen

|                                     | FY2010 |              | FY2011 |              | FY2012 |              |
|-------------------------------------|--------|--------------|--------|--------------|--------|--------------|
|                                     | Income | Income yield | Income | Income yield | Income | Income yield |
| Cash and deposits                   | 47     | 0.08%        | 3      | 0.01%        | 2      | 0.00%        |
| Call loans                          | 48     | 0.08%        | 52     | 0.07%        | 42     | 0.08%        |
| Receivables under resale agreements | 83     | 0.11%        | 69     | 0.11%        | 85     | 0.10%        |
| Monetary receivables bought         | 593    | 1.84%        | 571    | 2.04%        | 512    | 2.15%        |
| Securities                          | 71,670 | 2.41%        | 65,488 | 2.33%        | 67,481 | 2.57%        |
| Domestic bonds                      | 21,398 | 1.55%        | 19,658 | 1.57%        | 19,334 | 1.57%        |
| Domestic stocks                     | 20,216 | 2.82%        | 20,996 | 3.25%        | 20,607 | 3.79%        |
| Foreign securities                  | 29,005 | 3.54%        | 24,007 | 2.74%        | 26,917 | 3.28%        |
| Other securities                    | 1,050  | 2.26%        | 825    | 2.52%        | 622    | 2.00%        |
| Loans                               | 7,413  | 1.59%        | 6,585  | 1.52%        | 5,841  | 1.40%        |
| Land and buildings                  | 5,483  | 2.89%        | 4,857  | 2.61%        | 4,841  | 2.63%        |
| Total investment assets             | 85,340 | 2.21%        | 77,629 | 2.13%        | 78,807 | 2.28%        |
| Other                               | 1,122  | —            | 746    | —            | 690    | —            |
| Total                               | 86,463 | —            | 78,375 | —            | 79,498 | —            |

Investment yield

Millions of yen

|                                     | FY2010                  |                |                         |           | FY2011                  |                |                         |           | FY2012                  |                |                         |           |
|-------------------------------------|-------------------------|----------------|-------------------------|-----------|-------------------------|----------------|-------------------------|-----------|-------------------------|----------------|-------------------------|-----------|
|                                     | Profit (realized basis) | Realized yield | Profit (Mark to market) | MTM yield | Profit (realized basis) | Realized yield | Profit (Mark to market) | MTM yield | Profit (realized basis) | Realized yield | Profit (Mark to market) | MTM yield |
| Cash and deposits                   | - 909                   | - 1.52%        | - 909                   | - 1.52%   | - 47                    | - 0.09%        | - 47                    | - 0.09%   | 1,238                   | 1.78%          | 1,238                   | 1.78%     |
| Call loans                          | 48                      | 0.08%          | 48                      | 0.08%     | 52                      | 0.07%          | 52                      | 0.07%     | 42                      | 0.08%          | 42                      | 0.08%     |
| Receivables under resale agreements | 83                      | 0.11%          | 83                      | 0.11%     | 69                      | 0.11%          | 69                      | 0.11%     | 85                      | 0.10%          | 85                      | 0.10%     |
| Monetary receivables bought         | 593                     | 1.84%          | 1,100                   | 3.43%     | 571                     | 2.04%          | 997                     | 3.51%     | 512                     | 2.15%          | 828                     | 3.37%     |
| Money trusts                        | - 365                   | - 7.00%        | - 397                   | - 7.58%   | 0                       | 0.14%          | 0                       | 0.14%     | 477                     | 6.55%          | 1,595                   | 21.91%    |
| Securities                          | 66,325                  | 2.23%          | - 74,374                | - 2.09%   | 54,496                  | 1.94%          | 51,385                  | 1.57%     | 126,667                 | 4.82%          | 302,831                 | 9.84%     |
| Loans                               | 7,459                   | 1.60%          | 7,459                   | 1.60%     | 6,635                   | 1.54%          | 6,635                   | 1.54%     | 5,929                   | 1.43%          | 5,929                   | 1.43%     |
| Land and buildings                  | 5,483                   | 2.89%          | 5,483                   | 2.89%     | 4,857                   | 2.61%          | 4,857                   | 2.61%     | 4,841                   | 2.63%          | 4,841                   | 2.63%     |
| Derivatives                         | 3,231                   | -              | 3,231                   | -         | 600                     | —              | 600                     | —         | - 10,455                | —              | - 10,455                | —         |
| Other                               | - 2,092                 | -              | - 2,092                 | -         | 636                     | —              | 636                     | —         | 6,822                   | —              | 6,822                   | —         |
| Total                               | 79,858                  | 2.07%          | - 60,367                | - 1.36%   | 67,874                  | 1.86%          | 65,188                  | 1.59%     | 136,161                 | 3.93%          | 313,759                 | 8.01%     |

# Investment Yield (Nipponkoa)

## Breakdown of interest and dividend income

Millions of yen

|                                     | FY2010 |              | FY2011 |              | FY2012 |              |
|-------------------------------------|--------|--------------|--------|--------------|--------|--------------|
|                                     | Income | Income yield | Income | Income yield | Income | Income yield |
| Cash and deposits                   | 101    | 0.10%        | 244    | 0.19%        | 232    | 0.20%        |
| Call loans                          | 7      | 0.08%        | 0      | 0.07%        | 1      | 0.08%        |
| Receivables under resale agreements | ---    | —            | ---    | —            | 0      | 0.11%        |
| Monetary receivables bought         | 56     | 0.35%        | 23     | 1.19%        | 14     | 0.56%        |
| Securities                          | 36,113 | 2.35%        | 35,151 | 2.45%        | 33,724 | 2.51%        |
| Domestic bonds                      | 11,602 | 1.56%        | 10,811 | 1.52%        | 9,424  | 1.43%        |
| Domestic stocks                     | 12,877 | 3.19%        | 13,021 | 3.49%        | 12,971 | 3.85%        |
| Foreign securities                  | 10,772 | 2.90%        | 9,701  | 2.92%        | 10,349 | 3.10%        |
| Other securities                    | 860    | 5.00%        | 1,615  | 11.08%       | 979    | 6.44%        |
| Loans                               | 4,228  | 1.99%        | 3,753  | 1.93%        | 3,531  | 1.82%        |
| Land and buildings                  | 1,537  | 1.24%        | 1,603  | 1.32%        | 1,456  | 1.21%        |
| Total investment assets             | 42,044 | 2.08%        | 40,776 | 2.12%        | 38,961 | 2.15%        |
| Other                               | 677    | —            | 434    | —            | 221    | —            |
| Total                               | 42,722 | —            | 41,211 | —            | 39,183 | —            |

## Investment yield

Millions of yen

|                                     | FY2010                  |                |                         |           | FY2011                  |                |                         |           | FY2012                  |                |                         |           |
|-------------------------------------|-------------------------|----------------|-------------------------|-----------|-------------------------|----------------|-------------------------|-----------|-------------------------|----------------|-------------------------|-----------|
|                                     | Profit (realized basis) | Realized yield | Profit (Mark to market) | MTM yield | Profit (realized basis) | Realized yield | Profit (Mark to market) | MTM yield | Profit (realized basis) | Realized yield | Profit (Mark to market) | MTM yield |
| Cash and deposits                   | 70                      | 0.07%          | 70                      | 0.07%     | 204                     | 0.16%          | 204                     | 0.16%     | 2,385                   | 2.07%          | 2,385                   | 2.07%     |
| Call loans                          | 7                       | 0.08%          | 7                       | 0.08%     | 0                       | 0.07%          | 0                       | 0.07%     | 1                       | 0.08%          | 1                       | 0.08%     |
| Receivables under resale agreements | ---                     | —              | ---                     | —         | ---                     | —              | ---                     | —         | 0                       | 0.11%          | 0                       | 0.11%     |
| Monetary receivables bought         | - 35                    | - 0.22%        | 258                     | 1.65%     | - 13                    | - 0.67%        | - 2                     | - 0.13%   | 193                     | 7.56%          | 235                     | 9.39%     |
| Money trusts                        | 68                      | 0.12%          | 68                      | 0.12%     | - 453                   | - 1.11%        | - 453                   | - 1.08%   | 924                     | 3.24%          | 924                     | 3.08%     |
| Securities                          | 42,454                  | 2.77%          | - 26,864                | - 1.49%   | 44,033                  | 3.07%          | 60,209                  | 3.68%     | 64,043                  | 4.76%          | 184,522                 | 11.80%    |
| Loans                               | 4,231                   | 1.99%          | 4,231                   | 1.99%     | 3,754                   | 1.93%          | 3,754                   | 1.93%     | 3,534                   | 1.82%          | 3,534                   | 1.82%     |
| Land and buildings                  | 1,537                   | 1.24%          | 1,537                   | 1.24%     | 1,603                   | 1.32%          | 1,603                   | 1.32%     | 1,456                   | 1.21%          | 1,456                   | 1.21%     |
| Derivatives                         | 224                     | —              | 2,458                   | —         | 139                     | —              | 2,912                   | —         | 2,320                   | —              | 5,148                   | —         |
| Other                               | 543                     | —              | 543                     | —         | 432                     | —              | 432                     | —         | 220                     | —              | 220                     | —         |
| Total                               | 49,100                  | 2.40%          | - 17,688                | - 0.76%   | 49,701                  | 2.59%          | 68,662                  | 3.23%     | 75,079                  | 4.15%          | 198,428                 | 9.78%     |



# Financial Guarantee Insurance

(as of March 31, 2013, Billions of yen, US/JPY=94.05)

| Categories            |   | Insured Amount      |                       |       |                          |                                     | Gains/Losses for FY2012 *7 |
|-----------------------|---|---------------------|-----------------------|-------|--------------------------|-------------------------------------|----------------------------|
|                       |   | Direct Insurance *5 | Treaty Reinsurance *6 | Total | Outstanding Loss Reserve | Insured Amount Net of Loss Reserves |                            |
| CDOs                  | ABS-CDOs (backed by pools of asset backed securities) *1      | -                   | -                     | -     | -                        | -                                   | -                          |
|                       | Corporate CDOs (backed by pools of single corporate credit)*2 | 28.2                | 0.1                   | 28.3  | -                        | 28.3                                | -                          |
|                       | <b>CDOs Total</b>   | 28.2                | 0.1                   | 28.3  | -                        | 28.3                                | -                          |
| ABS                   | Global RMBS *3  | -                   | 7.1                   | 7.1   | 0.6                      | 6.5                                 | -0.4                       |
|                       | Global ABS *4   | 1.5                 | 7.8                   | 9.4   | 0                        | 9.4                                 | -0                         |
|                       | <b>ABS Total</b>  | 1.5                 | 15.0                  | 16.5  | 0.6                      | 15.9                                | -0.4                       |
| <b>Public Finance</b> |   | -                   | 114.1                 | 114.1 | 0                        | 114.1                               | 0                          |
| <b>Total</b>          |   | 29.7                | 129.3                 | 159.0 | 0.6                      | 158.4                               | -0.4                       |

\*1 ABS CDOs (backed by pools of asset backed securities): The securities backed by securitized assets such as the RMBS, CDOs and CLOs.

\*2 Corporate CDOs (backed by pools of single corporate credits): The securities backed by assets such as corporate bonds, loans and CDS.

\*3 RMBS: Assets backed Securities where underlying assets are residential mortgages.

\*4 Global ABS are mainly related to corporate credit (e.g., leasing receivables).

\*5 "Direct Insurance" includes 1.5 billion yen of direct Insurance to cover U.S. monoline guaranteed notes.

\*6 "Treaty Reinsurance" is a portfolio-based reinsurance where certain parts of policies underwritten by a primary insurer are ceded automatically to the reinsurer, Sompo Japan, in accordance with the conditions agreed by the primary insurer and the reinsurer.

\*7 Total amount of 0.4 billion yen loss is comprised of 0.2 billion yen of mainly loss payments, -0.1 billion yen of change of loss reserve and 0.01 billion yen losses of foreign exchange hedge transaction for loss reserve. Financial Guarantee insurance is not supposed to book mark-to-market unrealized gains/losses through income statement as it is an insurance policy.

# Sales Performance by Distribution Channel

Upper row: Amount in millions of yen

Premium earned by distribution channel (performance evaluation basis, excl. savings-type policies) Lower row: %Change

| Sompo Japan<br>as of March 31, 2013              | Agents<br>(Sales<br>force) | Fire                      | Personal<br>Accident      | Voluntary<br>Automobile   | CALI                      | Miscellaneous             | Marine                   | Total                       | Proportion    |
|--|----------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|--------------------------|-----------------------------|---------------|
|  |                            |                           |                           |                           |                           |                           |                          |                             |               |
| Financial institutions                           | 968                        | 29,348<br>+ 6.0%          | 5,737<br>+ 1.7%           | 13,551<br>+ 2.7%          | 530<br>- 0.5%             | 8,904<br>+ 3.4%           | 1,969<br>- 0.6%          | 60,041<br>+ 4.1%            | 4.3%          |
| Corporate  | 4,095                      | 52,772<br>+ 9.0%          | 28,360<br>+ 2.4%          | 88,512<br>+ 1.6%          | 9,550<br>- 1.0%           | 67,561<br>+ 12.5%         | 19,071<br>+ 1.8%         | 265,828<br>+ 5.6%           | 19.0%         |
| Car dealers                                      | 1,896                      | 2,139<br>+ 6.9%           | 424<br>+ 13.8%            | 160,404<br>+ 5.6%         | 94,361<br>+ 4.7%          | 1,540<br>- 2.4%           | 437<br>+ 1.0%            | 259,308<br>+ 5.2%           | 18.5%         |
| Car repair shops and<br>other automobile related | 19,657                     | 4,584<br>+ 4.1%           | 1,700<br>+ 2.7%           | 94,656<br>+ 2.0%          | 73,033<br>+ 1.4%          | 2,571<br>+ 4.0%           | 325<br>+ 3.0%            | 176,872<br>+ 1.8%           | 12.6%         |
| Professionals                                    | 7,608                      | 78,143<br>+ 5.3%          | 21,990<br>+ 1.6%          | 246,896<br>+ 1.1%         | 10,224<br>- 1.1%          | 28,308<br>+ 5.4%          | 3,623<br>+ 0.5%          | 389,187<br>+ 2.2%           | 27.8%         |
| Other  | 9,335                      | 28,368<br>- 0.5%          | 54,641<br>+ 3.5%          | 57,347<br>- 0.1%          | 16,087<br>6.5%            | 75,383<br>+ 4.0%          | 18,785<br>+ 13.2%        | 250,612<br>+ 2.3%           | 17.9%         |
| <b>Total</b>                                     | <b>43,559</b>              | <b>195,355<br/>+ 5.5%</b> | <b>112,855<br/>+ 2.8%</b> | <b>661,368<br/>+ 2.3%</b> | <b>203,788<br/>+ 2.0%</b> | <b>184,271<br/>+ 7.1%</b> | <b>44,212<br/>+ 6.1%</b> | <b>1,401,851<br/>+ 3.4%</b> | <b>100.0%</b> |

Upper row: Amount in millions of yen

Premium earned by distribution channel (performance evaluation basis, excl. savings-type policies) Lower row: %Change

| Nipponkoa<br>as of March 31, 2013                | Agents<br>(Sales<br>force) | Fire                      | Personal<br>Accident     | Voluntary<br>Automobile   | CALI                     | Miscellaneous            | Marine                   | Total                     | Proportion    |
|--|----------------------------|---------------------------|--------------------------|---------------------------|--------------------------|--------------------------|--------------------------|---------------------------|---------------|
|  |                            |                           |                          |                           |                          |                          |                          |                           |               |
| Financial institutions                           | 652                        | 24,349<br>+ 7.1%          | 4,116<br>+ 1.7%          | 10,465<br>+ 3.0%          | 450<br>+ 2.4%            | 5,037<br>+ 1.3%          | 847<br>- 3.4%            | 45,266<br>+ 4.7%          | 6.8%          |
| Corporate  | 2,225                      | 36,976<br>+ 3.2%          | 18,749<br>+ 4.0%         | 55,655<br>+ 3.1%          | 8,778<br>+ 1.8%          | 35,252<br>+ 8.8%         | 17,025<br>- 2.5%         | 172,439<br>+ 3.7%         | 25.8%         |
| Car dealers                                      | 1,448                      | 713<br>+ 2.6%             | 329<br>- 9.9%            | 36,506<br>+ 7.3%          | 26,543<br>+ 5.8%         | 491<br>+ 6.2%            | 104<br>+ 5.9%            | 64,688<br>+ 6.5%          | 9.7%          |
| Car repair shops and<br>other automobile related | 10,925                     | 2,112<br>+ 6.7%           | 676<br>- 2.1%            | 44,843<br>+ 5.3%          | 35,803<br>+ 1.2%         | 1,142<br>+ 3.8%          | 163<br>- 0.2%            | 84,742<br>+ 3.5%          | 12.7%         |
| Professionals                                    | 4,254                      | 34,960<br>+ 4.0%          | 10,235<br>- 1.2%         | 135,413<br>+ 3.5%         | 7,463<br>+ 2.5%          | 18,302<br>+ 5.4%         | 1,611<br>+ 4.8%          | 207,987<br>+ 3.5%         | 31.2%         |
| Other  | 7,727                      | 17,261<br>- 6.4%          | 8,733<br>- 6.6%          | 39,205<br>- 16.6%         | 10,338<br>+ 1.5%         | 11,981<br>- 6.2%         | 4,488<br>+ 5.8%          | 92,009<br>- 9.8%          | 13.8%         |
| <b>Total</b>                                     | <b>27,231</b>              | <b>116,375<br/>+ 2.7%</b> | <b>42,840<br/>+ 0.0%</b> | <b>322,089<br/>+ 1.1%</b> | <b>89,378<br/>+ 2.7%</b> | <b>72,209<br/>+ 4.6%</b> | <b>24,240<br/>- 0.6%</b> | <b>667,134<br/>+ 1.8%</b> | <b>100.0%</b> |

## Profit and Loss

Millions of yen

|   | Saison Automobile & Fire |          |          |           | Sonpo 24 |          |          |           |
|---|--------------------------|----------|----------|-----------|----------|----------|----------|-----------|
|   | FY2010                   | FY2011   | FY2012   |           | FY2010   | FY2011   | FY2012   |           |
|   |                          |          |          | Change    |          |          |          | Change    |
| (+) Net premiums written                              | (14,294)                 | (14,479) | (17,204) | (+ 2,724) | (10,788) | (11,919) | (13,023) | (+ 1,104) |
| (-) Net claims paid                                   | (7,571)                  | (8,102)  | (9,004)  | (+ 901)   | (6,604)  | (7,328)  | (7,944)  | (+ 616)   |
| (-) Loss adj. exp. / underwriting exp.                | (8,035)                  | (10,527) | (11,850) | (+ 1,323) | (3,930)  | (4,501)  | (4,787)  | (+ 286)   |
| (+) Underwriting balance :a1                          | - 1,313                  | - 4,150  | - 3,650  | + 499     | 253      | 89       | 290      | + 201     |
| (-) Provision for reserves for outstanding claims :a2 | - 204                    | 230      | 261      | + 31      | 473      | 943      | 274      | - 668     |
| (-) Provision for underwriting reserves :a3           | 896                      | 1,530    | 2,468    | + 937     | 485      | 621      | 554      | - 67      |
| (+) Other balances :a4                                | - 363                    | - 202    | - 181    | + 21      | 9        | 0        | 7        | + 7       |
| (+) Underwriting profit :A                            | - 2,369                  | - 6,114  | - 6,561  | - 447     | - 696    | - 1,476  | - 530    | + 946     |
| (+) Investment profit :B                              | 188                      | 154      | 82       | - 71      | 345      | 128      | 383      | + 255     |
| (+) Other ordinary income/loss :C                     | - 125                    | - 84     | - 247    | - 163     | - 9      | 15       | - 4      | - 20      |
| Ordinary profit (A+B+C) :D                            | - 2,307                  | - 6,044  | - 6,727  | - 682     | - 360    | - 1,331  | - 151    | + 1,180   |
| (+) Extraordinary gains/losses :E                     | 3                        | - 213    | - 101    | + 111     | - 4      | - 7      | - 8      | - 1       |
| (-) Income taxes (incl. deferred tax) :F              | 21                       | 21       | 20       | 0         | 3        | 3        | 3        | ---       |
| Net income (D+E-F)                                    | - 2,325                  | - 6,279  | - 6,849  | - 569     | - 368    | - 1,343  | - 164    | + 1,179   |

## Principal Indicators

|                    | Saison Automobile & Fire |         |         |          | Sonpo 24 |         |         |          |
|--------------------|--------------------------|---------|---------|----------|----------|---------|---------|----------|
|                    | FY2010                   | FY2011  | FY2012  |          | FY2010   | FY2011  | FY2012  |          |
|                    |                          |         |         | Change   |          |         |         | Change   |
| Number of policies | 211,099                  | 195,110 | 251,675 | + 56,565 | 258,242  | 278,744 | 300,168 | + 21,424 |
| Net loss ratio     | 59.7%                    | 63.4%   | 59.2%   | - 4.2pt  | 67.1%    | 68.7%   | 68.1%   | - 0.6pt  |
| Net expense ratio  | 49.5%                    | 65.3%   | 62.0%   | - 3.3pt  | 30.5%    | 30.5%   | 29.7%   | - 0.8pt  |

# Life Insurance – Main Indicators

## New business

Millions of yen, ten thousand policies

|                                    | FY2010                                    |         |         | FY2011             |         |         | FY2012             |        |         |
|------------------------------------|---|---------|---------|--------------------|---------|---------|--------------------|--------|---------|
|                                    | Sompo Japan Himawari Life + Nippokoa Life |         |         | NKSJ Himawari Life |         |         | NKSJ Himawari Life |        |         |
|                                    | Amount                                    | Change  | Change% | Amount             | Change  | Change% | Amount             | Change | Change% |
| Number of policies of new business | 45  | 4       | 11.9%   | 45                 | -0      | -0.5%   | 41                 | -4     | -9.2%   |
| Amount of new business             | 3,099,584                                 | 249,674 | 8.8%    | 3,011,283          | -88,300 | -2.8%   | 3,079,099          | 67,815 | 2.3%    |
| (Personal)                         | 3,052,915                                 | 291,645 | 10.6%   | 2,954,250          | -98,664 | -3.2%   | 3,032,658          | 78,407 | 2.7%    |
| (Personal pension)                 | 14,472                                    | 7,008   | 93.9%   | 14,102             | -370    | -2.6%   | 10,645             | -3,457 | -24.5%  |
| (Group)                            | 32,196                                    | -48,979 | -60.3%  | 42,930             | 10,734  | 33.3%   | 35,795             | -7,134 | -16.6%  |
| (Group pension)                    | ---                                       | ---     | ---     | ---                | ---     | ---     | ---                | ---    | ---     |
| Annualized premium                 | 38,121                                    | 4,699   | 14.1%   | 36,766             | -1,354  | -3.6%   | 38,505             | 1,738  | 4.7%    |
| (Personal)                         | 37,337                                    | 4,311   | 13.1%   | 36,018             | -1,319  | -3.5%   | 38,047             | 2,028  | 5.6%    |
| (Personal pension)                 | 783                                       | 388     | 98.1%   | 748                | -35     | -4.6%   | 458                | -290   | -38.8%  |
| (of which, third sector)           | 15,026                                    | 888     | 6.3%    | 15,504             | 477     | 3.2%    | 13,944             | -1,559 | -10.1%  |

## Business in force

Millions of yen, ten thousand policies

|   | FY2010                                    |           |         | FY2011             |           |         | FY2012             |           |         |
|---|---|-----------|---------|--------------------|-----------|---------|--------------------|-----------|---------|
|   | Sompo Japan Himawari Life + Nippokoa Life |           |         | NKSJ Himawari Life |           |         | NKSJ Himawari Life |           |         |
|   | Amount                                    | Change    | Change% | Amount             | Change    | Change% | Amount             | Change    | Change% |
| Number of policies of business in force | 262                                       | 26        | 11.2%   | 289                | 27        | 10.3%   | 312                | 23        | 8.0%    |
| Amount of business in force             | 19,219,202                                | 1,589,209 | 9.0%    | 20,761,287         | 1,542,084 | 8.0%    | 22,281,909         | 1,520,622 | 7.3%    |
| (Personal)                              | 15,922,220                                | 1,512,822 | 10.5%   | 17,375,330         | 1,453,109 | 9.1%    | 18,879,699         | 1,504,368 | 8.7%    |
| (Personal pension)                      | 279,100                                   | 1,736     | 0.6%    | 284,382            | 5,281     | 1.9%    | 285,051            | 669       | 0.2%    |
| (Group)                                 | 3,017,881                                 | 74,651    | 2.5%    | 3,101,574          | 83,693    | 2.8%    | 3,117,158          | 15,584    | 0.5%    |
| (Group pension)                         | ---                                       | ---       | ---     | ---                | ---       | ---     | ---                | ---       | ---     |
| Annualized premium                      | 275,815                                   | 9,908     | 3.7%    | 286,252            | 10,436    | 3.8%    | 300,504            | 14,251    | 5.0%    |
| (Personal)                              | 260,189                                   | 9,688     | 3.9%    | 270,285            | 10,095    | 3.9%    | 283,952            | 13,667    | 5.1%    |
| (Personal pension)                      | 15,626                                    | 220       | 1.4%    | 15,967             | 340       | 2.2%    | 16,551             | 584       | 3.7%    |
| (of which, third sector)                | 93,834                                    | 7,359     | 8.5%    | 102,137            | 8,303     | 8.8%    | 108,455            | 6,317     | 6.2%    |

## EV(MCEV)

Millions of yen

|                                | FY2010               |        | FY2011             |         | FY2012             |         |
|--------------------------------|----------------------|--------|--------------------|---------|--------------------|---------|
|                                | Sum of two companies |        | NKSJ Himawari Life |         | NKSJ Himawari Life |         |
|                                | Amount               | Change | Amount             | Change  | Amount             | Change  |
| EV(FY end)                     | 467,075              | -      | 615,340            | 148,265 | 674,815            | 59,474  |
| (Adjusted net worth)           | 107,724              | -      | 137,119            | 29,395  | 208,556            | 71,436  |
| (Value in force)               | 359,351              | -      | 478,221            | 118,869 | 466,259            | -11,961 |
| (of which, new business value) | 35,468               | -      | 52,836             | 17,368  | 47,088             | -5,748  |

# Life Insurance – Profit and Loss

## Profit and Loss

Millions of yen

|   |     | FY2010  | FY2011   | FY2012  |          |           |
|---|-----|---------|----------|---------|----------|-----------|
|   |     |         |          |         |          |           |
|   |     |         |          | Change  | %Change  |           |
| (+) Income from insurance premiums                | :a1 | 355,109 | 360,180  | 370,725 | + 10,544 | +2.9%     |
| (-) Insurance claims and other payments           | :a2 | 177,978 | 172,819  | 172,202 | - 616    | -.4%      |
| (-) Operating expenses                            | :a3 | 78,909  | 82,793   | 82,213  | - 579    | -.7%      |
| (-) Provision for outstanding claims              | :a4 | 2,283   | - 822    | 3,730   | + 4,553  | -553.4%   |
| (-) Provision for underwriting reserves           | :a5 | 120,275 | 126,840  | 133,121 | + 6,281  | +5.0%     |
| (+) Net interest and dividend income              | :a6 | 28,088  | 30,403   | 32,810  | + 2,407  | +7.9%     |
| (+) Other ordinary income and expenses            | :a7 | - 2,943 | - 3,109  | - 163   | + 2,946  | -94.7%    |
| Basic profit                                      | :A  | 807     | 5,845    | 12,104  | + 6,258  | +107.1%   |
| (+) Gains/losses on securities sales              | :b1 | 400     | 1,328    | 1,832   | + 503    | +37.9%    |
| (-) Impairment losses on securities               | :b2 | ---     | ---      | 793     | + 793    | ---       |
| (-) Other capital gains/losses                    | :b3 | 99      | 56       | 4       | - 52     | -92.2%    |
| Capital gain                                      | :B  | 499     | 1,385    | 1,043   | - 342    | -24.7%    |
| (-) Provision for contingency reserves            | :c1 | - 523   | 2,986    | 1,720   | - 1,265  | -42.4%    |
| (+) Other nonrecurrent item                       | :c2 | ---     | - 20     | - 3     | + 17     | -84.5%    |
| Nonrecurrent item                                 | :C  | 523     | - 3,006  | - 1,723 | + 1,282  | -42.7%    |
| Ordinary profit (A+B+C)                           | :P  | 1,830   | 4,225    | 11,423  | + 7,198  | +170.4%   |
| (+) Extraordinary gains/losses                    | :D  | - 1,270 | - 12,254 | - 348   | + 11,905 | -97.2%    |
| (-) Provision for policyholders' dividend reserve | :E  | 2,802   | 3,093    | 3,404   | + 310    | +10.1%    |
| (-) Income taxes (incl. deferred tax)             | :F  | - 458   | - 17     | 3,249   | + 3,266  | -18830.7% |
| Net income (P+D-E-F)                              |     | - 1,784 | - 11,105 | 4,421   | + 15,526 | -139.8%   |

NKSJHL

Millions of yen

| FY2013 (Forecast) |         |          |
|-------------------|---------|----------|
|                   | Change  | Change % |
| 14,244            | + 2,140 | +17.7%   |
| 13,522            | + 2,099 | +18.4%   |
| 6,033             | + 1,611 | +36.4%   |

## Total Assets

Millions of yen

|              | FY2010    | FY2011    | FY2012    |           |
|--------------|-----------|-----------|-----------|-----------|
|              |           |           |           |           |
|              |           |           | Change    |           |
| Total assets | 1,715,400 | 1,809,210 | 1,972,630 | + 163,420 |

## Net Assets

Millions of yen

|            | FY2010 | FY2011 | FY2012 |          |
|------------|--------|--------|--------|----------|
|            |        |        |        |          |
|            |        |        | Change |          |
| Net Assets | 79,411 | 75,786 | 94,934 | + 19,147 |

# Solvency Margin Ratio - Life Insurance

Millions of yen

|   | End of FY2010                |                | End of FY2011         | End of FY2012         |
|---|------------------------------|----------------|-----------------------|-----------------------|
|   | Sompo Japan<br>Himawari Life | Nipponkoa Life | NKSJ Himawari<br>Life | NKSJ Himawari<br>Life |
| (A) Total Solvency Margin (non-consolidated)  | 153,831                      | 60,073         | 199,339               | 233,561               |
| Capital, etc  | 53,027                       | 21,285         | 63,208                | 67,630                |
| Reserve for price fluctuation   | 923                          | 631            | 1,881                 | 2,218                 |
| Contingency reserve   | 14,939                       | 4,752          | 22,677                | 24,398                |
| General allowance for possible loan losses  | 7                            | ---            | 19                    | 19                    |
| Unrealized gains on securities (before tax effect deductions)   | 1,340                        | 5,849          | 16,358                | 35,357                |
| Net unrealized gains and losses on real estate  | ---                          | ---            | ---                   | ---                   |
| Policy reserves in excess of surrender values   | 74,145                       | 27,847         | 112,359               | 121,943               |
| Subordinated debt, etc.   | ---                          | ---            | ---                   | ---                   |
| Policy reserves in excess of surrender values and subordinated debt, etc. which are excluded from total solvency margin | - 5,219                      | - 1,099        | - 24,430              | - 27,386              |
| Brought in capital, etc.  | ---                          | ---            | ---                   | ---                   |
| Deductions  | ---                          | ---            | ---                   | ---                   |
| Others  | 14,667                       | 805            | 7,264                 | 9,379                 |
| (B) Total Risks (non-consolidated)  | 18,683                       | 5,756          | 27,502                | 30,032                |
| $[\sqrt{\{(R1+R8)^2+(R2+R3+R7)^2\}}+R4]$  |                              |                |                       |                       |
| R1 Underwriting risk  | 7,114                        | 3,134          | 11,109                | 12,088                |
| R8 Underwriting risk for third-sector insurance products  | 3,966                        | 1,113          | 5,625                 | 6,041                 |
| R2 Guaranteed interest rate risk  | 7,388                        | 624            | 8,084                 | 8,167                 |
| R3 Investment risk  | 6,692                        | 3,021          | 12,447                | 14,389                |
| R4 Business management risk   | 509                          | 157            | 752                   | 820                   |
| R7 Guaranteed minimum benefit risk  | 323                          | ---            | 337                   | 347                   |
| (C) Solvency Margin Ratio (non-consolidated)  | 1646.7%                      | 2087.3%        | 1449.5%               | 1555.3%               |
| $(A)/\{1/2 \times (B)\} \times 100$   |                              |                |                       |                       |

\* The calculation method has been revised on March 31, 2012.

The figures prior to March 31, 2012 are based on the new standard.

# Overseas Insurance Business

Millions of yen

|                     | Companies  | Net premium written |        |         |         |         | Net income |        |        |           |        |
|---------------------|------------|---------------------|--------|---------|---------|---------|------------|--------|--------|-----------|--------|
|                     |            | FY2011              | FY2012 | Change  | 2013(E) | Change  | FY2011     | FY2012 | Change | FY2013(E) | Change |
| North America       | SJ America | 6,468               | 9,061  | + 2,593 | 11,582  | + 2,521 | 1,095      | 1,663  | + 568  | 1,181     | - 481  |
|                     | Other      |                     |        |         | ---     | ---     |            |        |        | - 31      | - 31   |
| North America Total |            | 6,468               | 9,061  | + 2,593 | 11,582  | + 2,521 | 1,095      | 1,663  | + 568  | 1,150     | - 513  |

|              |           |          |       |          |       |         |         |       |         |       |       |
|--------------|-----------|----------|-------|----------|-------|---------|---------|-------|---------|-------|-------|
| Europe       | SJ Europe | - 11,432 | 1,112 | + 12,544 | 3,283 | + 2,170 | - 2,954 | 476   | + 3,430 | - 196 | - 672 |
|              | NK Europe | 772      | 917   | + 145    | 1,620 | + 702   | 130     | 111   | - 18    | 95    | - 15  |
|              | Other     | - 2      | - 0   | + 2      | ---   | + 0     | - 85    | - 170 | - 84    | ---   | + 170 |
| Europe Total |           | - 10,662 | 2,030 | + 12,692 | 4,903 | + 2,873 | - 2,909 | 417   | + 3,326 | - 100 | - 518 |

|                          |               |        |        |         |        |          |          |       |          |       |         |
|--------------------------|---------------|--------|--------|---------|--------|----------|----------|-------|----------|-------|---------|
| Turkey                   | SJ Sigorta    | 10,029 | 15,173 | + 5,144 | 20,095 | + 4,921  | 1,352    | 1,608 | + 255    | 1,485 | - 122   |
| Singapore                | Tenet Sampo   | 3,702  | 4,106  | + 403   | 5,767  | + 1,660  | - 20,879 | 6,268 | + 27,147 | 206   | - 6,062 |
| Malaysia                 | Berjaya Sampo | 4,464  | 7,888  | + 3,423 | 9,690  | + 1,801  | 259      | 1,183 | + 924    | 1,463 | + 279   |
| China                    | SJ China      | 4,406  | 5,575  | + 1,169 | 7,986  | + 2,410  | 79       | - 536 | - 615    | 2     | + 539   |
|                          | NK China      | 352    | 534    | + 182   | 886    | + 352    | - 71     | - 51  | + 19     | - 32  | + 19    |
| Hongkong                 | SJNK Hongkong | 1,570  | 2,387  | + 816   | 3,154  | + 766    | 190      | 140   | - 49     | 314   | + 173   |
|                          | NK Asia       | 657    | 792    | + 135   | 59     | - 733    | 139      | 163   | + 23     | 102   | - 61    |
| Other                    |               | 4,524  | 1,916  | - 2,607 | 2,003  | + 86     | - 51     | - 99  | - 48     | - 121 | - 21    |
| Asia & Middle East Total |               | 29,707 | 38,376 | + 8,668 | 49,642 | + 11,266 | - 18,980 | 8,676 | + 27,656 | 3,420 | - 5,255 |

|                     |                |        |        |         |        |          |       |       |      |       |         |
|---------------------|----------------|--------|--------|---------|--------|----------|-------|-------|------|-------|---------|
| Brazil              | Yasuda Seguros | 12,774 | 15,282 | + 2,507 | 23,487 | + 8,205  | 474   | 517   | + 42 | 440   | - 77    |
|                     | Other          | 29,721 | 34,018 | + 4,297 | 74,732 | + 40,713 | 572   | 582   | + 9  | - 573 | - 1,156 |
| South America Total |                | 42,496 | 49,301 | + 6,805 | 98,219 | + 48,918 | 1,047 | 1,100 | + 52 | - 133 | - 1,233 |

|       |  |        |        |          |         |          |          |        |          |       |         |
|-------|--|--------|--------|----------|---------|----------|----------|--------|----------|-------|---------|
| Total |  | 68,009 | 98,769 | + 30,760 | 164,349 | + 65,579 | - 19,747 | 11,857 | + 31,605 | 4,336 | - 7,521 |
|-------|--|--------|--------|----------|---------|----------|----------|--------|----------|-------|---------|

\*1 Net premiums written of subsidiaries and affiliates reflect holding shares of each company. This treatment does not coincide with financial statements.

\*2 Net income reflects holding shares of each subsidiaries and affiliates, and figures are before consolidation adjustments (except for SJ Europe, SJ Singapore and SJAH).

\*3 Affiliates accounted for under the equity method are included in "others".

\*4 Figures of Tenet Sampo for FY2011 and FY2012 are the sum of SJ Singapore and Tenet.

\*5 During the period Berjaya Sampo was not our subsidiary in FY2011(the equity method was applied), it is included in the column "Other".

# Numerical management targets

(Billions of yen)

|  |  | FY2011(A) | FY2012(A) | FY2013(E) | FY2015(Target) |
|--|--|-----------|-----------|-----------|----------------|
| Domestic P&C insurance business                  | Adjusted profit                                | -71.3     | -8.9      | 12.9      | 70.0 - 80.0    |
| Numerical targets of two P&C insurance companies | Net premium written                            | 1,911.7   | 1,966.2   | 2,035.0   | 2,040.0        |
|  | (Exc. CALI)                                    | 1,654.0   | 1,691.7   | 1,742.6   | 1,740.0        |
|  | Loss ratio                                     | 81.9%     | 72.0%     | 68.0%     | 65.6%          |
|  | (Exc. CALI/Fin. Guarantee)                     | 79.2%     | 68.8%     | 64.8%     | 62.8%          |
|  | Expense ratio                                  | 33.7%     | 33.4%     | 32.8%     | 30.6%          |
|  | (Exc. CALI)                                    | 35.4%     | 35.2%     | 34.9%     | 32.6%          |
| Combined ratio                                   |  | 115.6%    | 105.4%    | 100.8%    | 96.2%          |
|  | (Exc. CALI/Fin. Guarantee)                     | 114.6%    | 104.1%    | 99.7%     | 95.3%          |
| Domestic life insurance business                 | Growth in embedded value (EV)                  | 100.0     | 107.8     | 95.0      | 100.0 - 110.0  |
| Overseas insurance business                      | Net income as reported in financial statements | -19.7     | 11.8      | 4.3       | 14.0 - 20.0    |
| Financial services, etc.                         | Net income as reported in financial statements | -7.6      | 0.7       | 1.1       | 2.0 - 3.0      |
| Group total                                      | Adjusted consolidated profit                   | 1.2       | 111.6     | 113.5     | 180.0 - 210.0  |

|              |      |      |      |            |
|--------------|------|------|------|------------|
| Adjusted ROE | 0.1% | 5.4% | 4.9% | 7% or more |
|--------------|------|------|------|------------|



|  | Definition of business  | Calculation of adjusted profit   |
|--|---|--|
| <b>Domestic P&amp;C insurance business</b> | 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 |
| <b>Domestic life insurance business</b>    | NKSJ Himawari Life (non-consolidated)   | Growth in embedded value (EV) - capital account transactions - changes in EV attributable to interest rate movements   |
| <b>Overseas insurance business</b>         | 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   |
| <b>Financial services, etc.</b>            | Sompo Japan DIY, financial services, healthcare, etc.   | Net income as reported in financial statements   |

\* 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)

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

\*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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