

[Note: This document is an unofficial English translation of the Japanese original.]

NKSJ Holdings, Inc. (with regards to NIPPONKOA Insurance Co., Ltd.)
Summary of financial statements for the fiscal year ended March 31, 2010

May 20, 2010

Name of listed company: NKSJ Holdings, Inc. (with regards to NIPPONKOA Insurance Co., Ltd.)

Stock exchanges: Tokyo and Osaka

Code number: 8630

URL <http://www.nksj-hd.com/>

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Insurance Co., Ltd.

Scheduled submission date of Financial Report: June 29, 2010

Scheduled starting date of payment of dividends: June 29, 2010

(Amounts indicated are truncated and percentages indicated are rounded to the nearest number)

1. Consolidated financial results for the fiscal year ended March 31, 2010

(1) Consolidated results of operations

(Percentage figures indicated are year-on-year rate of the fiscal years)

	Operating income		Ordinary profit		Net income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
As of March 31, 2010	903,102	(4.8)	30,886	-	14,018	40.6
As of March 31, 2009	949,106	(2.7)	(3,043)	(117.2)	9,971	10.9

	Basic net income per share	Diluted net income per share	Return on equity	Ordinary profit to total assets	Ordinary profit to operating income
	Yen	Yen	%	%	%
As of March 31, 2010	18.63	18.59	3.6	1.0	3.4
As of March 31, 2009	13.15	13.13	2.2	(0.1)	(0.3)

(Reference) Investment profit/loss on the equity method:

As of March 31, 2010: N/A

As of March 31, 2009: N/A

(2) Consolidated financial conditions

	Total assets	Total net assets	Equity ratio	Net assets per share
	Millions of Yen	Millions of Yen	%	Yen
As of March 31, 2010	3,051,905	434,857	14.2	576.70
As of March 31, 2009	3,089,523	345,467	11.2	458.09

(Reference) Equity capital:

As of March 31, 2010: 433,943 million yen

As of March 31, 2009: 344,674 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the year
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
As of March 31, 2010	(72,354)	50,900	(6,144)	141,141
As of March 31, 2009	(76,723)	119,271	(12,548)	168,525

2. Dividends

	Dividend per share					Cash dividends (total)	Dividend payout ratio (consolidated)	Dividend on equity (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
As of March 31, 2009	-	-	-	8.00	8.00	6,019	60.8	1.4
As of March 31, 2010	-	-	-	8.00	8.00	6,019	42.9	1.5

* For forecasts of dividends as of March 31, 2011, see “Forecasts of Financial Results for the fiscal year ending March 31, 2011 and Management Policy” of NKSJ Holdings, Inc.

3. Forecasts of consolidated results of operations (from April 1, 2010 to March 31, 2011)

* For forecasts of consolidated results of operations for the fiscal year ending March 31, 2011, see “Forecasts of Financial Results for the fiscal year ending March 31, 2011 and Management Policy” of NKSJ Holdings, Inc.

4. Other

(1) Changes in significant subsidiaries during the period (Changes in specified subsidiaries accompanying in changes in the scope of consolidation): N/A

(2) Changes in accounting policies, procedures and presentation applied to Consolidated Financial Statements

(a) Changes to reflect amendments of accounting standards and related matters: Applicable

(b) Changes other than (a): N/A

(Note) See “Basis of presenting for Consolidated Financial Statements” for further details.

(3) Number of shares issued (common stock)

(a) Total number of the shares issued (treasury stock included)

As of March 31, 2010: 752,453,310 shares

As of March 31, 2009: 816,743,118 shares

(b) Number of treasury stock held

As of March 31, 2010: N/A

As of March 31, 2009: 64,339,041 shares

(Note) See “Per share information” for number of shares used to calculate “Basic net income per share (consolidated).”

(Reference) Summary of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2010

(1) Non-consolidated results of operations (Percentage figures indicated are year-on-year rate of the fiscal years)

	Net premiums written		Ordinary profit		Net income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
As of March 31, 2010	633,336	(3.1)	29,384	-	13,123	29.8
As of March 31, 2009	653,400	(5.2)	(2,851)	(117.0)	10,111	28.4

	Basic net income	Diluted net income	Return on equity	Loss ratio	Expense ratio
	per share	per share			
	Yen	Yen	%	%	%
As of March 31, 2010	17.44	17.41	3.4	69.4	35.8
As of March 31, 2009	13.34	13.32	2.3	66.7	35.1

(2) Non-consolidated financial conditions

	Total assets	Total net assets	Equity ratio	Net assets per share
	Millions of Yen	Millions of Yen	%	Yen
As of March 31, 2010	2,592,464	433,642	16.7	575.55
As of March 31, 2009	2,671,715	347,329	13.0	461.01

(Reference) Equity capital:

As of March 31, 2010: 433,077 million yen

As of March 31, 2009: 346,870 million yen

1. Business results

(1) Analysis of consolidated financial results for the fiscal year ended March 31,2010

In the current fiscal year, the Japanese economy has not fully recovered due to continued low rates of consumption, deterioration of employment conditions, and declines in private capital investment and corporate capital, even though exportation and production level had slightly improved and economic policy somewhat pushed up consumer spending.

In the non-life insurance industry, automobile insurance premiums, the industry's main product, have been reduced and marine insurance has been reduced significantly because decreasing volume of trade under worldwide recessions.

Under such conditions, the consolidated results of operations in the current fiscal year are as follows.

848.0 billion yen of underwriting income, 54.1 billion yen of investment income and 0.9 billion yen of other operating income resulted in operating income of 903.1 billion yen, which is a decrease of 46.0 billion yen compared to the previous fiscal year.

In contrast, 716.2 billion yen of underwriting expenses, 13.6 billion yen of investment expenses, 141.1 billion yen of operating and administrative expenses and 1.1 billion yen of the other operating expenses resulted in operating expenses of 872.2 billion yen, which is a decrease of 79.9 billion yen compared to the previous fiscal year.

The results for non-life insurance operations in the current fiscal year are as follows.

Net premiums written was 645.0 billion yen, which is a decrease of 18.8 billion yen compared to the previous fiscal year, and net losses paid was 410.1 billion yen, which is an increase of 3.9 billion yen compared to the previous fiscal year.

The results for operations for each line of business in the current fiscal year are as follows.

(a) Fire and allied lines

Net premiums written rose 0.9% from the previous fiscal year to 96.8 billion yen, in part due to an increase in long-term contracts even though corporate capital investments are suppressed. On the contrary, net losses paid rose 1.4% from the previous fiscal year to 42.6 billion yen.

(b) Marine

Net premiums written declined 18.5% from the previous fiscal year to 14.4 billion yen due mainly to the impact of reduced sales of marine cargo insurance caused by decreasing volume of trade under worldwide recessions. Net losses paid rose 16.1% from the previous fiscal year to 8.4 billion yen.

(c) Personal accident

Due to lower sales of insurance for individuals caused by recession, net premiums written was 50.6 billion yen, a 4.2% decline from the previous year. Net losses paid fell 4.7% from the previous fiscal year to 30.8 billion yen.

(d) Voluntary automobile

Declines in unit price of insurance caused by increasing smaller-sized vehicle, net premiums written declined 1.5% from the previous year to 328.5 billion yen. Net losses paid rose 4.4% from the previous fiscal year to 212.3 billion yen.

(e) Compulsory automobile liability

Net premiums written dropped 8.3% from the previous fiscal year to 74.3 billion yen due to the impact of the revision of premium rates in April 2008. Net losses paid fell 3.8% from the previous fiscal year to 70.9 billion yen.

(f) Other

Net premiums written dropped 2.7% from the previous fiscal year to 80.0 billion yen, due mainly to lost sales of inland marine insurance and movable comprehensive insurance. Net losses paid dropped 5.4% to 44.8 billion yen.

In the business of life insurance, life insurance premiums were 66.3 billion yen, which was an increase of 2.7 billion yen compared to the previous fiscal year. Life insurance claims and other payments were 12.3 billion yen, which was an increase of 0.5 billion yen compared to the previous fiscal year.

In managing its assets, NIPPONKOA Insurance Co., Ltd. and its subsidiaries (hereinafter “the NIPPONKOA Group”) has appropriately controlled market risks and promoted investments that are profitable over the long term, and has also continued to make efforts to improve its portfolio including share sales in order to increase its investment efficiency and to control risks.

Further, in investing insurance funds entrusted to the NIPPONKOA Group by its policyholders, the NIPPONKOA Group has worked to secure stable earnings mainly from government bonds, highly rated corporate bonds, and loans to prime borrowers. However, as a result of factors such as a decline in dividend income on equity securities, the NIPPONKOA Group’s interest and dividends has dropped to 53.1 billion yen, which is a decline of 5.3 billion yen compared to the previous fiscal year, and gain on sale of securities dropped 16.9 billion yen compared to the previous fiscal year. As a result of reflecting these factors, total investment income dropped to 54.1 billion yen, which is a decline of 14.6 billion yen compared to the previous fiscal year.

Investment expenses dropped to 13.6 billion yen, which is a decline of 46.8 billion yen compared to the previous fiscal year due to declined revaluation loss on securities of 34.1 billion yen.

Operating and administrative expenses rose 0.3 billion yen from the previous fiscal year to 141.1 billion yen. As a result, the NIPPONKOA Group recorded an ordinary profit of 30.8 billion yen, which was an increase of 33.9 billion yen compared to the previous fiscal year.

Special gains dropped 17.8 billion yen from the previous fiscal year to 0.5 billion yen and special losses rose 6.0 billion yen from the previous fiscal year to 7.0 billion yen.

Income before income taxes and minority interests rose 10.0 billion yen from the previous fiscal year to 24.3 billion yen, and net income of 14.0 billion yen, which was an increase of 4.0 billion yen compared to the previous fiscal year.

(2) Analysis of financial conditions

(The condition of total assets)

Total assets dropped to 3,051.9 billion yen, which is a decline of 37.6 billion yen compared to the previous fiscal year due to a decrease of payable under securities lending transactions even though net unrealized gains on available-for-sale securities increased under upturn of stock market.

(The condition of the solvency margin ratio)

The solvency margin ratio of NIPPONKOA Insurance Co., Ltd. (hereinafter “the Company”) for the current fiscal year increased by 30.6 points from previous fiscal year to 742.5% due mainly to the increase in net unrealized gains on available-for-sale securities. The solvency margin ratio is one of the indices that regulatory authorities use to determine the soundness of an insurance company. It is generally held that insurance company is “adequate in terms of solvency to meet insurance payments” if the ratio is 200% or more.

(The condition of Cash flows)

Status and factors of cash flows for the fiscal year ended March 31, 2010 are as follows.

Cash flows from operating activities were a negative 72.3 billion yen, which was an increase of 4.3 billion yen compared to the previous fiscal year, because of a decrease of maturity refunds to policyholders.

Cash flows from investing activities were 50.9 billion yen, which was a decrease of 68.3 billion yen compared to the previous fiscal year, because of a decrease of payable under securities lending transactions.

Cash flows from financing activities were a negative 6.1 billion yen, which was an increase of 6.4 billion yen compared to the previous fiscal year.

As a result, in the current fiscal year, the NIPPONKOA Group recorded cash and cash equivalents of 141.1 billion yen, which was a decrease of 27.3 billion yen compared to the previous fiscal year.

(Reference) Movement of indicators related to cash flows

(%)

	As of March 31, 2006	As of March 31, 2007	As of March 31, 2008	As of March 31, 2009	As of March 31, 2010
Equity ratio	21.0	20.7	16.3	11.2	14.2
Equity ratio based on market value	22.9	21.7	17.4	13.8	14.5

(Notes) 1. Equity ratio = equity / total assets * 100

2. Equity ratio based on market value = Market capitalization / Total assets * 100

3. "Ratio for cash flows versus liabilities with interest" and "Interest coverage ratio" are not described because primary business segment of the NIPPONKOA Group is insurance business.

(3) Disposition of retained earnings

As a company engaging in the non-life insurance business, which is a business of a highly public nature, the Company believes it is important to ensure a stable base for its business from a long-term perspective.

With dispositions of retained earnings, we strive to enhance our internal reserves and further strengthen our ability to cover contingencies in preparation for earthquakes or other extraordinary disasters. Our basic policy is to continue to pay stable dividends to shareholders and to provide returns to shareholders through acquisitions of Company shares.

We propose to efficiently reinvest our internal reserves in order to further strengthen both our ability to cover contingencies and the base of our business.

Taking into account the Company's business performance and staying in line with the policy stated above, the Company proposes to pay annual dividends of 8 yen per share of common stock, the recorded date for which shall be March 31, 2010.

(4) Information on risks and uncertainties related to operation

Of the items contained in this material pertaining to operating and financial conditions, those that are considered to have an important influence on investor decision-making are listed below. The Company is aware of these risks and intends to make every reasonable effort to avoid exposure to them, and shall take appropriate steps to deal with any such events should they occur.

Matters relating to future developments in this statements are based on the Company's best judgment as of May 20, 2010.

(a) State of the Japanese economy

Most of the NIPPONKOA Group's insurance business is based in Japan, and with regard to asset management, the majority of Group assets is invested in Japanese equities, bonds, and loans. As a result, the financial conditions and business performance of the NIPPONKOA Group will be strongly influenced by the state of the Japanese economy.

(b) Intensified competition in the non-life insurance industry

Competition in the non-life insurance industry in Japan has intensified significantly due to the effects of wide ranging deregulation. These effects include the opening of the industry to new competitors and the establishment of new marketing channels through banks and other businesses. In addition, more intense competition is expected as the industry reorganizes and the domestic market matures. In this business environment, the financial conditions and business performance of the NIPPONKOA Group may be affected if it is unable to remain competitive or loses a significant portion of its market share, etc.

(c) Downgrading of financial rating

Credit ratings play an important role as indicators of the financial stability of an insurance company. The Company is evaluated by credit rating agencies, however these agencies may place their ratings on the basis not only of our business performance, but also the economic environment and other factors. If the Company's financial rating were downgraded, this could affect the Company's marketing as well as a variety of its other business activities.

(d) Risk accompanying changes in relevant laws, regulations, accounting systems, etc.

The NIPPONKOA Group conducts its insurance business under the conditions and limitations imposed by the Insurance Business Law, regulations imposed by the relevant authorities and others, appropriate accounting systems, and so on. As a result, should these laws, regulations or systems change in future, such changes could affect the NIPPONKOA Group's business operation, business performance, and so on.

(e) Natural disasters

The NIPPONKOA Group is exposed to a heavy potential loss related to claims for damages caused by natural disasters such as earthquakes, typhoons, floods, etc. The Company maintains a catastrophe reserve for such eventualities, and also purchases reinsurance coverage to help cover such losses, but depending on the scale of the natural disaster, the NIPPONKOA Group's financial conditions and business performance could be seriously affected by such an event.

(f) Risk of damages in excesses of normal predictions for insurance underwriting

The NIPPONKOA Group maintains an insurance contract reserve to cover future liabilities, but should events occur that were not foreseeable at the time, and generate damages that exceed normal predictions, the NIPPONKOA Group's financial conditions and business performance could be affected.

(g) Reinsurance risk

The NIPPONKOA Group works to diversify its underwriting risk by utilizing reinsurance; however, rapid changes in the insurance and reinsurance markets, sharp rises in reinsurance premiums, or other factors could make it impossible to obtain adequate reinsurance coverage. Moreover, the bankruptcy or other failure of one or more of our reinsurers could make it impossible to recover part or all of the amount being reinsured. Events such as these could affect the NIPPONKOA Group's financial conditions and business performance.

(h) Overseas operations

Overseas insurance markets include inherent insurance risks that do not exist in the Japanese market, so the business environment overseas differs from that in Japan. Moreover, the assets held by overseas offices are affected by the economic conditions of the country in which they are located. Further, in some countries and regions where business operations have been established, there may be country risks that could hinder business operations, such as political or social disorder resulting from terrorism or riots, sudden changes in relevant laws and regulations, or other risks.

It is possible that the NIPPONKOA Group's overseas operations could suffer unforeseen damages as a result of such events, and these could affect the NIPPONKOA Group's financial condition and business performance.

(i) Life insurance and other businesses

The NIPPONKOA Group is investing substantially to establish subsidiaries for a life insurance business, mail-order non-life insurance, and other operations in Japan. The markets in which the Company is developing these businesses are extremely competitive, and includes competitors that have already established solid business foundations. There is a possibility that the NIPPONKOA Group will be unable to gain earnings as expected.

(j) Risk of stock price volatility

The NIPPONKOA Group holds a large amount of marketable securities as assets. Stock markets are subject to considerable fluctuations, and in such cases changes in stock prices may have a major effect on the NIPPONKOA Group's financial conditions and business performance.

(k) Interest rate risk

Part of the assets of the NIPPONKOA Group consists of bonds and loans. When interest rates rise, there is a risk that the price of bonds may fall, and when interest rates fall, there is a risk of a decline in interest income. Moreover, with regard to savings-type insurance and life insurance products (products which guarantee the customer a fixed yield), the Company is exposed to a possible loss if the actual yield is less than the originally guaranteed yield. In this way, changes in interest rates may have an effect on the NIPPONKOA Group's business performance.

(l) Liquidity risk

If it should become difficult to manage cash flow due to the occurrence of a major disaster, or if there is a sudden increase in payouts as the result of a sharp rise in insurance contract cancellations, or if the Company is forced to sell assets or raise funds when the markets are disrupted or under other adverse conditions, the NIPPONKOA Group's financial conditions and business performance may be affected.

(m) Credit risk

The NIPPONKOA Group holds as assets equities, bonds, loans, etc. However, if the companies that have issued these securities and/or bonds, the parties responsible for repayment of those loans should go bankrupt, or other events occur, it is conceivable that the equities and bonds of such companies could fall in value, and that collection of principal and interest could prove impossible. Such losses could affect the NIPPONKOA Group's financial conditions and business performance.

(n) Risk associated with exchange rate fluctuations

The NIPPONKOA Group conducts business transactions in foreign currencies such as U.S. dollars and Euros. These transactions generate earnings and expenses, as well as assets and liabilities that are denominated in foreign currencies. These are all exposed to risks associated with exchange rate fluctuations that could affect the NIPPONKOA Group's financial conditions and business performance.

(o) Retirement benefit liabilities

Regarding retirement benefit liabilities and expenses, the NIPPONKOA Group makes estimates of future liabilities over the long term, based on forecast values and other basic rates. Consequently, changes in the business environment or conditions underlying the assumptions for those forecast values could affect future liabilities, and have a major impact on the financial conditions and business performance of the NIPPONKOA Group.

(p) Legal risk

The NIPPONKOA Group, in the course of its business operations, is subject in Japan to general laws regulating corporate management, such as the company and anti-trust laws, as well as to financial laws and regulations such as the Insurance Business Law. Overseas, the Company is subject to the relevant laws and regulations of each country or region. The Company has implemented a compliance program and utilizes the services of in-house lawyers to ensure that it remains in compliance with all relevant laws. Nevertheless, in the event of a legal dispute arising from failure to comply with these laws and regulations, or from other causes, there is a possibility that lawsuits will be brought against the NIPPONKOA Group, and that depending on the extent of that lawsuit, the NIPPONKOA Group's business operations and/or business performance may be affected.

(q) Major disaster risk

There is a possibility that damage resulting from natural disasters, industrial disasters and other human-caused disasters may impair the execution of normal business operations of the NIPPONKOA Group. Depending on the extent of such damage, the NIPPONKOA Group's financial conditions and business performance may be affected.

(r) Leaks of customer-related data

The NIPPONKOA Group handles a great deal of customer-related data, including both personal and company-related information. The Group exercises great care by reinforcing the system for managing customer information; however, in the unlikely event that a significant leak of such data should occur, not only would our customers suffer serious inconvenience, there is also a danger that the Company's social reputation and trust could be seriously damaged. Such an event could have a serious impact on the NIPPONKOA Group's business operations and business performance.

(s) Reputation risk

Negative publicity and rumors about the Company or the insurance industry spread by the press or appearing in Internet messages could possibly damage the reputation of the Company by affecting the understanding and perception of customers and investors, regardless of whether or not such reports are accurate. The Company endeavors to minimize effects through timely and appropriate response to negative publicity and rumors, but circulation of malicious rumors could adversely affect the Company's business performance and financial conditions.

(t) Risk related to synergies from business integration

On April 1, 2010, the Company and SOMPO JAPAN INSURANCE INC. established a joint holding company, NKSJ Holdings, Inc., in connection with their business integration.

The Company is implementing various policies in its business plans to achieve definite synergies from the integration. However, should the anticipated synergy effect not be fully realized, the Company's financial conditions and business performance could be seriously affected.

(u) Other risks

System breakdowns, clerical or operational errors, or employee fraud could become obstacles hindering business operations, and could cause customers to lose their trust and confidence in the Company, and there is a danger that this could produce financial losses. Moreover, if such events should result in the imposition of administrative sanctions by the relevant authorities, there is a possibility that the NIPPONKOA Group's business operations or business performance could be affected.

On October 23, 2009, the Company received an administrative order from the FSA, requiring the Company to improve its business operations pursuant to the Insurance Business Law, due to undue delays in claim payments caused by inadequate claim handling processes.

2. Overview of the NIPPONKOA Group

This information is not described because there were no significant changes in “Contents of operations (Chart of group system)” and “Conditions of related companies” from descriptions in recent financial report issued on June 26, 2009.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of Yen)

		As of March 31, 2009		As of March 31, 2010
Assets				
Cash and bank deposits	*4	113,074	*4	107,791
Call loans		16,043		50,478
Receivables under resale agreements		29,996		-
Receivables under securities borrowing transactions		32,127		25,382
Monetary receivables bought		41,300		6,129
Money in trust		74,843		76,668
Investments in securities	*2, *4, *5	2,134,547	*2, *4, *5	2,176,326
Loans	*3	242,215	*3	241,181
Tangible fixed assets	*1, *4	129,928	*1, *4	130,912
Land		68,165		67,914
Buildings		48,920		55,939
Leased assets		52		52
Construction in progress		5,394		225
Other tangible fixed assets		7,395		6,779
Intangible fixed assets		1,146		865
Software		39		90
Other intangible fixed assets		1,107		775
Other assets		167,746		170,981
Deferred tax assets		108,748		67,324
Reserve for doubtful accounts		(2,195)		(2,136)
Total assets		3,089,523		3,051,905
Liabilities				
Underwriting fund		2,557,377		2,482,288
Outstanding claims		290,239		275,520
Underwriting reserves		2,267,137		2,206,768
Other liabilities	*4	155,289	*4	98,851
Reserve for retirement benefits		22,007		22,963
Reserve for bonuses		6,127		6,596
Reserve for bonuses to directors		11		57
Statutory reserves		3,060		6,205
Reserve for price fluctuations		3,060		6,205
Deferred tax liabilities		37		85
Negative goodwill		146		-

Total liabilities	2,744,056	2,617,048
Net assets		
Shareholders' equity		
Common stock	91,249	91,249
Capital surplus	46,702	46,702
Retained earnings	169,993	119,733
Treasury stock	(58,122)	-
Total shareholders' equity	249,822	257,684
Valuation and translation adjustments		
Net unrealized gains on available-for-sale securities	97,349	179,805
Net deferred gains (losses) on hedge accounting	3,700	2,115
Foreign currency translation adjustment	(6,198)	(5,662)
Total valuation and translation adjustments	94,851	176,259
Subscription rights to shares	458	565
Minority interests	334	348
Total net assets	345,467	434,857
Total liabilities and net assets	3,089,523	3,051,905

(2) Consolidated Statements of Income

(Millions of Yen)

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010
Operating income	949,106	903,102
Underwriting income	878,563	848,020
Net premiums written	663,888	645,021
Deposit premiums from policyholders	42,425	38,562
Investment income on deposit premiums	24,155	22,157
Life insurance premiums	63,568	66,337
Reversal of outstanding claims	1,400	14,968
Reversal of underwriting reserves	81,420	59,350
Other underwriting income	1,706	1,624
Investment income	68,760	54,139
Interest and dividends	58,479	53,169
Investment income from money in trust	924	3,201
Gain on sale of securities	33,209	16,227
Redemption profit from securities	267	206
Income for derivative financial instruments	-	3,470
Other investment income	35	21
Transfer of investment income on deposit premiums	(24,155)	(22,157)
Other operating income	1,781	941
Operating expenses	952,149	872,215
Underwriting expenses	749,680	716,279
Net losses paid	406,234	410,141
Loss adjustment expenses	*1 36,107	*1 36,355
Commissions and brokerage expenses	*1 116,647	*1 113,952
Maturity refunds to policyholders	176,779	142,510
Dividends to policyholders	8	250
Life insurance losses and other payments	11,816	12,327
Other underwriting expenses	2,085	741
Investment expenses	60,541	13,657
Investment loss from money in trust	4,495	100
Loss on sales of securities	8,819	6,790
Revaluation loss on securities	36,000	1,819
Redemption loss from securities	651	1,683
Expense for derivative financial instruments	6,298	-
Other investment expenses	4,276	3,264

Operating and administrative expenses	*1	140,827	*1	141,127
Other operating expenses		1,100		1,151
Interest paid		250		80
Provision for reserve for doubtful accounts		68		40
Write off of bad debts		6		2
Other ordinary expenses		775		1,028
Ordinary profit (loss)		(3,043)		30,886
Special gains		18,337		508
Gain on sale of fixed assets		335		508
Reversal of statutory reserves		18,002		-
Reversal of reserve for price fluctuations		18,002		-
Special losses		987		7,034
Loss on sale and disposal of fixed assets		498		487
Impairment losses	*2	489	*2	263
Provision for statutory reserves		-		3,145
Provision for reserve for price fluctuations		-		3,145
Other		-	*3	3,137
Income before income taxes and minority interests		14,307		24,360
Income taxes		8,429		11,343
Deferred tax adjustment		(4,118)		(1,019)
Total income taxes		4,311		10,324
Minority interests		24		18
Net income		9,971		14,018

(3) Consolidated Statements of Changes in Net Assets

(Millions of Yen)

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010
Shareholders' equity		
Common stock		
Balance at the previous fiscal year-end	91,249	91,249
Balance at the current fiscal year-end	91,249	91,249
Capital surplus reserves		
Balance at the previous fiscal year-end	46,702	46,702
Changes during this period		
Retirement of treasury stock	-	(57,974)
Disposal of treasury stock	(126)	(177)
Reclassification of negative other capital surplus reserve	126	58,152
Total changes during this period	-	-
Balance at the current fiscal year-end	46,702	46,702
Retained earnings		
Balance at the previous fiscal year-end	165,741	169,993
Changes during this period		
Cash dividends	(5,716)	(6,019)
Net income	9,971	14,018
Reclassification of negative other capital surplus reserve	(126)	(58,152)
Effect of changes in accounting policies applied to foreign subsidiaries	124	-
Changes in the scope of consolidation	-	(107)
Total changes during this period	4,252	(50,260)
Balance at the current fiscal year-end	169,993	119,733
Treasury stock		
Balance at the previous fiscal year-end	(51,592)	(58,122)
Changes during this period		
Acquisition of treasury stock	(6,781)	(149)
Retirement of treasury stock	-	57,974
Disposal of treasury stock	251	297
Total changes during this period	(6,530)	58,122
Balance at the current fiscal year-end	(58,122)	-
Total shareholders' equity		
Balance at the previous fiscal year-end	252,099	249,822
Changes during this period		

Cash dividends	(5,716)	(6,019)
Net income	9,971	14,018
Acquisition of treasury stock	(6,781)	(149)
Disposal of treasury stock	124	120
Effect of changes in accounting policies applied to foreign subsidiaries	124	-
Changes in the scope of consolidation	-	(107)
Total changes during this period	(2,277)	7,862
Balance at the current fiscal year-end	249,822	257,684
Valuation and translation adjustments		
Net unrealized gain on available-for-sale securities		
Balance at the previous fiscal year-end	289,992	97,349
Changes during this period		
Net change of items other than shareholders' equity	(192,642)	82,455
Total changes during this period	(192,642)	82,455
Balance at the current fiscal year-end	97,349	179,805
Net deferred gains (losses) on hedge accounting		
Balance at the previous fiscal year-end	1,790	3,700
Changes during this period		
Net change of items other than shareholders' equity	1,909	(1,584)
Total changes during this period	1,909	(1,584)
Balance at the current fiscal year-end	3,700	2,115
Foreign currency translation adjustment		
Balance at the previous fiscal year-end	(1,492)	(6,198)
Changes during this period		
Net change of items other than shareholders' equity	(4,705)	535
Total changes during this period	(4,705)	535
Balance at the current fiscal year-end	(6,198)	(5,662)
Total valuation and translation adjustments		
Balance at the previous fiscal year-end	290,291	94,851
Changes during this period		
Net change of items other than shareholders' equity	(195,439)	81,407
Total changes during this period	(195,439)	81,407
Balance at the current fiscal year-end	94,851	176,259
Subscription rights to shares		
Balance at the previous fiscal year-end	408	458
Changes during this period		
Net change of items other than shareholders' equity	50	106

Total changes during this period	50	106
Balance at the current fiscal year-end	458	565
Minority interests		
Balance at the previous fiscal year-end	398	334
Changes during this period		
Net change of items other than shareholders' equity	(64)	14
Total changes during this period	(64)	14
Balance at the current fiscal year-end	334	348
Total net assets		
Balance at the previous fiscal year-end	543,198	345,467
Changes during this period		
Cash dividends	(5,716)	(6,019)
Net income	9,971	14,018
Acquisition of treasury stock	(6,781)	(149)
Disposal of treasury stock	124	120
Effect of changes in accounting policies applied to foreign subsidiaries	124	-
Changes in the scope of consolidation	-	(107)
Net change of items other than shareholders' equity	(195,453)	81,527
Total changes during this period	(197,731)	89,389
Balance at the current fiscal year-end	345,467	434,857

(4) Consolidated Statements of Cash Flows

(Millions of Yen)

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010
Cash flows from operating activities:		
Income before income taxes and minority interests	14,307	24,360
Depreciation	7,007	7,258
Impairment losses	489	263
Amortization of goodwill	(293)	(146)
Increase (decrease) in reserve for outstanding claims	(1,393)	(14,904)
Increase (decrease) in underwriting reserves	(82,440)	(60,398)
Increase (decrease) in reserve for doubtful accounts	(90)	(64)
Increase (decrease) in reserve for retirement benefits	(21,577)	956
Increase (decrease) in reserve for bonuses	(82)	469
Increase (decrease) in reserve for bonuses to directors	2	45
Increase (decrease) in reserve for price fluctuations	(18,002)	3,145
Interest and dividends	(58,479)	(53,169)
Net loss (gain) on investments in securities	17,312	(8,936)
Interest charges	250	80
Net loss (gain) on foreign exchange	744	(12)
Net loss (gain) on sales of tangible fixed assets	164	(21)
Net loss (gain) on loans	37	-
Net loss (gain) on money in trust	5,500	(4,484)
Increase (decrease) in other assets (excludes investing and financing activities)	(1,505)	(3,731)
Increase (decrease) in other liabilities (excludes investing and financing activities)	36	(2,894)
Other, net	10,832	(7,053)
Sub-total	(127,178)	(119,237)
Interest and dividends received	59,564	54,131
Interest paid	(177)	(154)
Income taxes paid	(8,931)	(7,094)
Net cash provided by (used in) operating activities (a)	(76,723)	(72,354)
Cash flows from investing activities:		
Net decrease (increase) in short-term investments	(819)	1,725
Purchases of monetary receivables bought	(990)	-
Proceeds from sales or maturity of monetary receivables bought	8,401	4,099

Increase in money in trust	(13,400)	(17,000)
Decrease in money in trust	14,926	20,280
Purchases of investments in securities	(676,561)	(279,508)
Proceeds from sales or maturity of investments in securities	769,245	370,796
Loans made	(74,991)	(52,752)
Collection of loans	58,252	53,786
Increase (decrease) in cash received under securities lending transactions	42,308	(41,829)
Sub-total (b)	126,371	59,598
(a)+(b)	49,648	(12,755)
Acquisition of tangible fixed assets	(7,835)	(9,194)
Proceeds from sales of tangible fixed assets	778	819
Acquisition of shares in a subsidiary that accompany changes in the scope of consolidation	-	(20)
Other, net	(43)	(302)
Net cash provided by (used in) investing activities	119,271	50,900
Cash flows from financing activities:		
Treasury stock acquired	(6,781)	(149)
Sales of treasury stock	124	120
Dividends paid	(5,716)	(6,019)
Dividends paid to minority interests	(12)	(8)
Other, net	(162)	(87)
Net cash provided by (used in) financing activities	(12,548)	(6,144)
Effect of exchange rate changes on cash and cash equivalents	(2,298)	213
Net increase (decrease) in cash and cash equivalents	27,700	(27,384)
Cash and cash equivalents at beginning of year	140,825	168,525
Cash and cash equivalents at end of year	*1 168,525	*1 141,141

(5) Note related to the premise of a going concern

N/A

Basis of presenting for Consolidated Financial Statements

Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010
<p>1. Scope of Consolidation</p> <p>(1) Consolidated subsidiaries (6)</p> <p>(Company Name)</p> <p>NIPPONKOA Life Insurance Company Limited</p> <p>SONPO 24 Insurance Company Limited</p> <p>Nippon Insurance Company of Europe Limited</p> <p>NIPPONKOA Insurance Company (Europe) Limited</p> <p>NIPPONKOA Insurance Company (Asia) Limited</p> <p>NIPPONKOA Management Services (Europe) Limited</p> <p>(2) Major non-consolidated subsidiaries</p> <p>(Major non-consolidated subsidiary)</p> <p>NIPPONKOA Claims Adjustment Company Limited</p> <p>(Basis of non-consolidation)</p> <p>Where the exclusion of subsidiaries from the scope of consolidation, by reason of the immateriality of their total assets, sales, net income and retained earnings, does not affect the reasonable interpretation of the financial conditions and operating results of an enterprise group, then those subsidiaries may be excluded from the scope of consolidation.</p> <p>2. Application of equity method</p> <p>The equity method of accounting for investments in common shares of 17 non-consolidated subsidiaries and 4 affiliates has not been applied because the effect to consolidated net income and retained earnings are minor and those are also immaterial in the aggregate.</p>	<p>1. Scope of Consolidation</p> <p>(1) Consolidated subsidiaries (7)</p> <p>(Company Name)</p> <p>NIPPONKOA Life Insurance Company Limited</p> <p>SONPO 24 Insurance Company Limited</p> <p>Nippon Insurance Company of Europe Limited</p> <p>NIPPONKOA Insurance Company (Europe) Limited</p> <p>NIPPONKOA Insurance Company (China) Limited</p> <p>NIPPONKOA Insurance Company (Asia) Limited</p> <p>NIPPONKOA Management Services (Europe) Limited</p> <p>NIPPONKOA Insurance Company (China) Limited is newly established and recognized as a consolidated subsidiary.</p> <p>(2) Major non-consolidated subsidiaries</p> <p>Same as the left</p> <p>2. Application of equity method</p> <p>Same as the left</p>

3. Term-ends of consolidated foreign subsidiaries

Consolidated foreign subsidiaries are included on the basis of fiscal years ending on December 31, since the difference in the fiscal year ends does not exceed three months. As for major transactions occurring between the fiscal year ends of the consolidated foreign subsidiaries and the Company, necessary adjustments are made upon consolidation.

4. Summary of significant accounting policies

(1) Accounting standards and methods for valuation of investments in securities held by the Company and its domestic consolidated subsidiaries are as follows:

- (a) Held-to-maturity bonds are carried at amortized cost.
- (b) Underwriting reserves bonds are carried at amortized cost determined by the moving-average method in accordance with "Temporary Treatment of Accounting and Auditing Concerning Underwriting Reserves Bonds in the Insurance Industry" (Japanese Institute of Certified Public Accountants Industry Audit Practice Committee Report No.21).

The outline of risk management policy in relation to underwriting reserves bonds is as follows.

NIPPONKOA Life Insurance Company Limited sets up "policy reserve for single-premium whole-life" as a sub-category, and follows the management policy to match the duration of the policy reserve in the sub-category with the duration of underwriting reserves bonds corresponding to this sub-category within a certain range, to better manage the changes in the interest rate risk associated with the assets and liabilities.

- (c) Stocks of subsidiaries and affiliates are carried at cost determined by the moving-average method.

3. Term-ends of consolidated foreign subsidiaries

Same as the left

4. Summary of significant accounting policies

(1) Accounting standards and methods for valuation of investments in securities held by the Company and its domestic consolidated subsidiaries are as follows:

- (a) Held-to-maturity bonds are carried at amortized cost.
- (b) Underwriting reserves bonds are carried at amortized cost determined by the moving average method in accordance with "Temporary Treatment of Accounting and Auditing Concerning Underwriting Reserves Bonds in the Insurance Industry" (Japanese Institute of Certified Public Accountants Industry Audit Practice Committee Report No.21).

The outline of risk management policy in relation to underwriting reserves bonds is as follows.

NIPPONKOA Life Insurance Company Limited sets up "policy reserve for single-premium whole-life" as a sub-category, and follows the management policy to match the duration of the policy reserve in the sub-category with the duration of underwriting reserves bonds corresponding to this sub-category within a certain range, to better manage the changes in the interest rate risk associated with the assets and liabilities.

- (c) Stocks of subsidiaries and affiliates are carried at cost determined by the moving-average method.

(d) Marketable securities classified as available-for-sale are recorded according to their mark-to-market values based on the prices prevailing in the market on the balance sheet date. The unrealized gains/losses, net of tax, on the available-for-sale securities are recognized as a component of net assets. Cost for sale is calculated by the moving-average method.

(e) Non-marketable securities classified as available-for-sale are recorded at cost determined by the moving-average method or the amortized cost method.

(2) Valuations of securities included in money in trust are as follows:

(a) Securities included in individually managed money in trust are valued by the market value method.

(b) Securities included in individually managed money in trust not as trading securities or held-to-maturity securities are valued by the same method as available-for-sale securities.

(3) Accounting standards and methods in valuation of derivative transactions

Derivative transactions outstanding are accounted for by the market value method.

(d) Marketable securities classified as available-for-sale are recorded according to their mark-to-market values based on the prices prevailing in the market on the balance sheet date. The unrealized gains/losses, net of tax, on the available-for-sale securities are recognized as a component of net assets. Cost for sale is calculated by the moving-average method.

(e) Non-marketable securities classified as available-for-sale which are exceedingly difficult to recognize those fair values are recorded at cost determined by the moving-average method.

(Changes in Accounting Procedures)

Effective from current consolidated fiscal year, the NIPPONKOA Group has adapted “Accounting Standard for Financial Instruments” latest amended on March 10, 2008. As a result of this adaptation, an extent of securities evaluated with fair value is reclassified. There is no significant influence to financial result of the NIPPONKOA Group by this reclassification.

(2) Valuations of securities included in money in trust are as follows:

(a) Same as the left

(b) Same as the left

(3) Accounting standards and methods in valuation of derivative transactions

Same as the left

<p>(4) The method of depreciation of tangible fixed assets (excluding leased assets)</p> <p>Depreciation of tangible fixed assets (excluding leased assets) held by the Company and its domestic consolidated subsidiaries are charged under application of the declining-balance method. However, the straight-line method is applied to buildings (excluding connected installations) acquired on or after April 1, 1998.</p>	<p>(4) The method of depreciation of tangible fixed assets (excluding leased assets)</p> <p>Same as the left</p>
<p>(5) Standards for providing major reserves</p> <p>(a) Reserve for doubtful accounts</p> <p>Reserve for doubtful accounts of the Company and its domestic consolidated subsidiaries is provided under the application of the standards for asset self-assessment and the standards for write-offs and provisions as follows:</p> <p>For loans to borrowers that are bankrupt, under special liquidation procedures, barred from bill clearing transactions, or that are otherwise in a state of legal or virtual bankruptcy, a reserve is provided in the amount equivalent to such loans net of the expected realizable collateral value and the estimated recoverable guarantee value.</p> <p>For loans to borrowers that are found to be facing a material risk of going into bankruptcy in the future, a reserve is provided in the amount equivalent to such loans net of the expected realizable collateral value and the estimated recoverable guarantee value, with further adjustments made as deemed necessary under consideration of such borrowers' overall repayment capabilities.</p> <p>For all other loans, a reserve is provided based on the actual default ratios derived from the defaults observed during certain past periods.</p> <p>Furthermore, the divisions in charge of respective portfolios of assets evaluate the entire loan portfolio according to the standards for asset self-assessment, and the internal independent inspection department audits the results of the divisional assessments. The provisions</p>	<p>(5) Standards for providing major reserves</p> <p>(a) Reserve for doubtful accounts</p> <p>Same as the left</p>

made as described above are based on those audit findings.

(b) Reserve for investment loss

Reserve for investment loss of the Company and its domestic consolidated subsidiaries is provided for the probable investment losses mainly concerning securities transactions based on the standards for asset self-assessment and the standards for write-offs and provisions.

(c) Reserve for retirement benefits

Reserve for retirement benefits of the Company and its domestic consolidated subsidiaries is provided on the basis of estimated amounts of retirement benefits obligation and plan assets at the balance sheet date. Prior service cost is amortized by the straight-line method for a certain period (10 years) which shall not exceed the average remaining period of employees' service. Any actuarial difference incurred in each year is amortized from the following year by the straight-line method for a certain period (10 years) which shall not exceed the average remaining period of employees' service.

(d) Reserve for bonuses

Reserve for bonuses of the Company and its domestic consolidated subsidiaries is provided on the basis of the estimated amount for payment at the end of the term.

(b) Reserve for retirement benefits

Reserve for retirement benefits of the Company and its domestic consolidated subsidiaries is provided on the basis of estimated amounts of retirement benefits obligation and plan assets at the balance sheet date. Prior service cost is amortized by the straight-line method for a certain period (10 years) which shall not exceed the average remaining period of employees' service. Any actuarial difference incurred in each year is amortized from the following year by the straight-line method for a certain period (10 years) which shall not exceed the average remaining period of employees' service.

(Changes in Accounting Procedures)

Effective from current consolidated fiscal year, the NIPPONKOA Group has adapted "Partial Amendments to Accounting Standard for Retirement Benefits (Part3)" - ASBJ Statement No.19. There is no influence to financial result of the NIPPONKOA Group by this reclassification because the NIPPONKOA Group continually uses same discount rate as prior method.

(c) Reserve for bonuses

Same as the left

(e) Reserve for directors' bonuses

Reserve for directors' bonuses of the Company and its domestic consolidated subsidiaries is provided on the basis of the estimated amount for payment at the end of the term.

(f) Reserve for price fluctuations

Reserve for price fluctuations of the Company and its domestic consolidated subsidiaries is provided in accordance with Article 115 of the Insurance Business Law for loss from price fluctuations of stocks and other securities.

(6) The accounting procedure for consumption tax

The accounting procedures applied are exclusive of consumption tax. However, loss adjustment expenses and operating and administrative expenses are treated inclusive of taxes. Consumption taxes on assets not qualified for deduction are recorded in "Other assets" and amortized in equal amounts over 5 years.

(7) Accounting standards for important finance leases

The Company's finance leases, other than those that are deemed to transfer the ownership of the leased assets to the lessees, those for which lease transactions took effect during a consolidated fiscal year that began prior to April 1, 2008, are accounted for by a method similar to the procedures used for ordinary operating leases.

(Changes in Accounting Procedures)

Although the Company's finance leases other than those that are deemed to transfer the ownership of the leased assets to the lessees had been accounted for by a method similar to the procedures used for ordinary operating leases, "Accounting Standard for Lease Transactions (ASBJ Statement on Accounting Standard No. 13)," and "the Guidance on the Accounting Standards for Lease Transactions (ASBJ Implementation Guidance on Accounting Standard No. 16)" became applicable regarding the financial statements for consolidated fiscal years beginning on or after April 1, 2008. The Company has adopted the Accounting Standard and the Guidance for the

(d) Reserve for directors' bonuses.

Same as the left

(e) Reserve for price fluctuations

Same as the left

(6) The accounting procedure for consumption tax

Same as the left

(7) Accounting standards for important finance leases

The Company's finance leases, other than those that are deemed to transfer the ownership of the leased assets to the lessees, those for which lease transactions took effect during a consolidated fiscal year that began prior to April 1, 2008, are accounted for by a method similar to the procedures used for ordinary operating leases.

current fiscal year, thereby applying the same accounting treatment for lease transactions as that for regular purchase/sale transactions. The effect of this change on ordinary loss and income before income taxes and minority interests is immaterial.

(8) Accounting standards for important hedging transactions

The deferral hedge accounting method is applied to hedging transactions for interest rate swaps to hedge cash flow fluctuation risk of bonds and loans with variable interest rates and interest fluctuation risk related to long term insurance contracts based on “The accounting and auditing treatment on the application of the financial products accounting standard to the insurance industry” (Japanese Institute of Certified Public Accountants Industry Audit Practice Committee Report No.26, hereafter Industry Audit Practice Committee Report No.26). Where certain transactions fulfill the required conditions for the application of the exceptional treatment for interest rate swaps, this treatment is applied to such transactions.

The fair value hedge accounting method is applied to foreign exchange forward contracts and currency option transactions in order to reduce the risk of foreign exchange rate fluctuation on foreign currency denominated assets. Where certain transactions fulfill the required conditions for the application of assignment accounting, this accounting is applied to such transactions.

Hedge effectiveness is judged by comparing the accumulated fluctuation of the market value or cash flows between each hedged item and the related hedging instrument for the period from the commencement of the hedge to the date of judgment. However, if the material conditions of the hedging instrument and the hedged item are the same and there is high effectiveness for each hedge transaction, the judgment for the effectiveness is omitted.

As for hedge effectiveness based on Industry Audit Practice Committee Report No.26, this is judged by monitoring the circumstance of the interest which effects the calculation of theoretical prices of both insurance liabilities

(8) Accounting standards for important hedging transactions

Same as the left

as hedged item and interest rate swap as hedging instrument grouped by the remaining period.

(9) Accounting principles and practices for consolidated foreign subsidiaries

Accounting principles and practices for consolidated foreign subsidiaries conform to International Financial Reporting Standards.

(Changes in Accounting Procedures)

Effective from the current consolidated fiscal year, the Company has adopted Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements (ASBJ PITF No. 18). As a result, the Company made the necessary revisions in the settlement of accounts for the consolidated financial statements. The effect of this change on ordinary loss and income before income taxes and minority interests is immaterial.

5. Valuation of assets and liabilities of consolidated subsidiaries

All of the consolidated subsidiaries' assets and liabilities were valued at fair value as of the respective acquisition dates.

6. Amortization of Goodwill

The difference between cost and fair value of net assets acquired for SONPO 24 Insurance Company Limited is amortized over 5 years by the straight line method and the difference for other subsidiaries is charged or credited to the statements of income in the year of acquisition.

7. Cash and cash equivalents in statements of cash flows

Cash equivalents in the consolidated statements of cash flows are short-term, highly liquid investments with an original maturity of three months or less, and subject to insignificant risk of changes in value.

(9) Accounting principles and practices for consolidated foreign subsidiaries

Accounting principles and practices for consolidated foreign subsidiaries conform to International Financial Reporting Standards.

5. Valuation of assets and liabilities of consolidated subsidiaries

Same as the left

6. Amortization of Goodwill

Same as the left

7. Cash and cash equivalents in statements of cash flows

Same as the left

Changes in Presentation

Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010
<p>(Changes Related to Consolidated Balance Sheet)</p> <p>Effective from the current consolidated fiscal year, the format of the Consolidated Balance Sheet has been changed according to the revised Enforcement Regulation of Insurance Business Law. The major contents of the revision are as follows:</p> <p>(1) Disclosures relating to “Tangible fixed assets” are broken down into “Land”, “Buildings”, “Construction in progress” and “Other tangible fixed assets.” The details of Tangible fixed assets as of the end of the previous consolidated fiscal year were Land of 68,544 million yen, Buildings of 50,228 million yen, Construction in progress of 2,788 million yen and Other tangible fixed assets of 8,816 million yen.</p> <p>(2) Disclosure relating to “Intangible fixed assets” is broken down into “Software” and “Other intangible fixed assets.” The details of Intangible fixed assets as of the end of the previous consolidated fiscal year were Software of 56 million yen and other intangible fixed assets of 1,213 million yen.</p>	<p>N/A</p>

(Notes to Consolidated Balance Sheets)

As of March 31, 2009	As of March 31, 2010
<p>*1. Accumulated depreciation of tangible fixed assets was 139,037 million yen, and advanced depreciation of tangible fixed assets was 19,039 million yen.</p> <p>*2. Shareholding amount for non-consolidated subsidiaries and affiliates is 2,320 million yen.</p>	<p>*1. Accumulated depreciation of tangible fixed assets was 142,565 million yen, and advanced depreciation of tangible fixed assets was 19,007 million yen.</p> <p>*2. Shareholding amount for non-consolidated subsidiaries and affiliates is 2,385 million yen.</p>

*3.

(1) The Company's loan portfolio contained "loans to bankrupt borrowers" in the amount of 11 million yen and "delinquent/overdue loans" in the amount of 1,695 million yen.

"Loans to bankrupt borrowers" comprise loans in a status compliant with the criteria set forth in the pertaining items of Article 96, Clause 1 of the Enforcement Ordinance of Corporation Tax Law for which the accrual of interest income for accounting purposes has been discontinued (excluding written-off delinquent loans, hereafter called "non-accrual loans"), given that the collection or settlement of principal and/or interest cannot be expected for reasons like principal and/or interest payments remaining past due for a specific term.

"Delinquent/overdue loans" are non-accrual loans other than "loans to bankrupt borrowers" and loans subject to interest payment forbearance for the purpose of facilitating the restructuring of, or for supporting, the borrowers.

(2) There was no amount of "delinquent/overdue loans for three months or more" in the Company's loan portfolio.

"Delinquent/overdue loans for three months or more" consist of loans for which the principal and/or interest is past due three months or more counting from the first day after the contractual due date, but exclude "loans to bankrupt borrowers" and "delinquent/overdue loans."

(3) The amount of "restructured loans" in the Company's loan portfolio was 191 million yen.

"Restructured loans" comprise loans for which the lending conditions have been relaxed to facilitate the restructuring or support of the borrowers, such as reduction or exemption of interest rate, forbearance of interest payments and/or principal repayment, waiver of claims and other measures to the favor of the borrowers, but exclude "loans to bankrupt borrowers", "delinquent/overdue loans" and "delinquent/overdue loans for three months or more."

*3.

(1) The Company's loan portfolio contained "loans to bankrupt borrowers" in the amount of 41 million yen and "delinquent/overdue loans" in the amount of 1,191 million yen.

"Loans to bankrupt borrowers" comprise loans in a status compliant with the criteria set forth in the pertaining items of Article 96, Clause 1 of the Enforcement Ordinance of Corporation Tax Law for which the accrual of interest income for accounting purposes has been discontinued (excluding written-off delinquent loans, hereafter called "non-accrual loans"), given that the collection or settlement of principal and/or interest cannot be expected for reasons like principal and/or interest payments remaining past due for a specific term.

"Delinquent/overdue loans" are non-accrual loans other than "loans to bankrupt borrowers" and loans subject to interest payment forbearance for the purpose of facilitating the restructuring of, or for supporting, the borrowers.

(2) There was no amount of "delinquent/overdue loans for three months or more" in the Company's loan portfolio.

"Delinquent/overdue loans for three months or more" consist of loans for which the principal and/or interest is past due three months or more counting from the first day after the contractual due date, but exclude "loans to bankrupt borrowers" and "delinquent/overdue loans."

(3) The amount of "restructured loans" in the Company's loan portfolio was 566 million yen.

"Restructured loans" comprise loans for which the lending conditions have been relaxed to facilitate the restructuring or support of the borrowers, such as reduction or exemption of interest rate, forbearance of interest payments and/or principal repayment, waiver of claims and other measures to the favor of the borrowers, but exclude "loans to bankrupt borrowers", "delinquent/overdue loans" and "delinquent/overdue loans for three months or more."

<p>(4) The aggregate of “loans to bankrupt borrowers”, “delinquent/overdue loans”, “delinquent/overdue loans for three months or more” and “restructured loans” totaled 1,897 million yen.</p> <p>*4. Assets pledged as collateral amounts to 294 million yen in cash and bank deposits, 7,876 million yen in securities and 4,762 million yen in tangible fixed assets. The Company had obligations from loans secured by collateral in the amount of 1,740 million yen included in “Other liabilities.”</p> <p>*5. The amount of 76,330 million yen of securities extended based on securities lending agreements has been included in investment in securities.</p> <p>6. Of the securities received by the Company through loan transactions of bonds with collateral money and similar loan transactions (Repurchase transaction), those for which the Company and its domestic consolidated subsidiaries hold a right to dispose of them by sale or use as collateral at their discretion amounts to 33,795 million yen, which the Company entirely own.</p>	<p>(4) The aggregate of “loans to bankrupt borrowers”, “delinquent/overdue loans”, “delinquent/overdue loans for three months or more” and “restructured loans” totaled 1,799 million yen.</p> <p>*4. Assets pledged as collateral amounts to 329 million yen in cash and bank deposits, 6,434 million yen in securities and 4,288 million yen in tangible fixed assets. The Company had obligations from loans secured by collateral in the amount of 1,561 million yen included in “Other liabilities.”</p> <p>*5. The amount of 28,966 million yen of securities extended based on securities lending agreements has been included in investment in securities.</p> <p>6. Of the securities received by the Company through loan transactions of bonds with collateral money and similar loan transactions (Repurchase transaction), those for which the Company and its domestic consolidated subsidiaries hold a right to dispose of them by sale or use as collateral at their discretion amounts to 27,709 million yen, which the Company entirely own.</p>
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(Notes to Consolidated Statements of Income)

Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010								
<p>*1. Details of business expenses are as follows:</p> <p style="text-align: right;">(Millions of Yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Commissions and brokerage expenses</td> <td style="text-align: right;">118,874</td> </tr> <tr> <td>Salary</td> <td style="text-align: right;">68,936</td> </tr> </table> <p>Business expenses are the sum of Loss adjustment expenses, Operating and administrative expense and Commissions and brokerage expenses in Consolidated Statements of Income.</p>	Commissions and brokerage expenses	118,874	Salary	68,936	<p>*1. Details of business expenses are as follows:</p> <p style="text-align: right;">(Millions of Yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Commissions and brokerage expenses</td> <td style="text-align: right;">115,735</td> </tr> <tr> <td>Salary</td> <td style="text-align: right;">69,556</td> </tr> </table> <p>Business expenses are the sum of Loss adjustment expenses, Operating and administrative expense and Commissions and brokerage expenses in Consolidated Statements of Income.</p>	Commissions and brokerage expenses	115,735	Salary	69,556
Commissions and brokerage expenses	118,874								
Salary	68,936								
Commissions and brokerage expenses	115,735								
Salary	69,556								

*2. The details of the impairment of fixed assets in this fiscal year are as follows:

The fixed assets of the Company and its domestic consolidated subsidiaries used in the insurance business operations, etc. are grouped together as a single fixed asset group, and investment properties and idle properties are grouped by individual properties.

The book values of the following properties, the profitability of which has decreased significantly due to falling land prices and other reasons were impaired to the recoverable amount. The amount of the resulting decrease has been accumulated within special loss from impairment losses on fixed assets amounting to 489 million yen.

(Millions of Yen)

Use	Category	District	Impairment losses			
			Land	Property	Others	Total
Investment properties	Land and Buildings	4 properties, including property in Tokyo	1	121	95	218
Idle properties	Land and Buildings	13 properties, including property in Fukui	210	60	-	270
Total			211	181	95	489

The recoverable amount is measured as the net sales value. The net sales value is measured by real estate appraisers.

*2. The details of the impairment of fixed assets in this fiscal year are as follows:

The fixed assets of the Company and its domestic consolidated subsidiaries used in the insurance business operations, etc. are grouped together as a single fixed asset group, and investment properties and idle properties are grouped by individual properties.

The book values of the following properties, the profitability of which has decreased significantly due to falling land prices and other reasons were impaired to the recoverable amount. The amount of the resulting decrease has been accumulated within special loss from impairment losses on fixed assets amounting to 263 million yen.

(Millions of Yen)

Use	Category	District	Impairment losses		
			Land	Property	Total
Investment properties	Land and Buildings	3 properties, including property in Shimane	29	125	155
Idle properties	Land and Buildings	11 properties, including property in Okayama	25	82	108
Total			55	207	263

The recoverable amount is measured as the net sales value. The net sales value is measured by real estate appraisers.

*3. Other special losses is mainly caused by expenses related to business integration amounting to 3,134 million yen.

(Notes to Consolidated Statements of Changes in Net Assets)

Fiscal year ended March 31, 2009

1. Items related to the type and total number of outstanding shares, and the type and number of treasury stock

(Thousands of shares)

	Previous fiscal year-end	Increase during the current period	Decrease during the current period	Current fiscal year-end
Outstanding shares				
Common stock	816,743	-	-	816,743
Total	816,743	-	-	816,743
Treasury stock				
Common stock	54,517	10,092	271	64,339
Total	54,517	10,092	271	64,339

(Notes) 1. An increase of 10,092 thousand shares in the number of treasury stock of common stock is due to the acquisition of 10,000 thousand shares based on the resolution by the Board of Directors on September 19, 2008 and the increase of 92 thousand shares resulting from purchase of fractional shares.

2. A decrease of 271 thousand shares in the number of treasury stock of common stock is due to the decrease of 250 thousand shares resulting from the exercise of subscription rights to shares and the decrease of 21 thousand shares resulting from sale of fractional shares.

2. Items related to subscription rights to shares

(Millions of Yen)

Category	Detail of subscription rights to shares	Outstanding balance at the current fiscal year-end
The Company	Subscription rights to shares as stock options	458
Total		458

3. Items related to dividends

(1) Paid amount of dividends

Resolution	Type of shares	Aggregate amount of dividends	Dividend per share	Recorded date	Effective date
Regular shareholders' meeting held on June 26, 2008	Common stock	5,716 million yen	7.50 yen	March 31, 2008	June 27, 2008

(2) Cash dividends which will become effective in the following fiscal period out of those whose recorded date belongs to the current fiscal period

Resolution	Type of shares	Aggregate amount of dividends	Source of dividends	Dividend per share	Recorded date	Effective date
Regular shareholders' meeting held on June 25, 2009	Common stock	6,019 million yen	Retained earnings	8.00 yen	March 31, 2009	June 26, 2009

Fiscal year ended March 31, 2010

1. Items related to the type and total number of outstanding shares, and the type and number of treasury stock

(Thousands of shares)

	Previous fiscal year-end	Increase during the current period	Decrease during the current period	Current fiscal year-end
Outstanding shares				
Common stock	816,743	-	64,289	752,453
Total	816,743	-	64,289	752,453
Treasury stock				
Common stock	64,339	280	64,619	-
Total	64,339	280	64,619	-

(Notes) 1. A decrease of 64,289 thousand shares in the number of outstanding shares of common stock is due to retirement of treasury stock.

2. An increase of 280 thousand shares in the number of treasury stock of common stock is due to purchase of fractional shares.

3. A decrease of 64,619 thousand shares in the number of treasury stock of common stock is due to the decrease of 64,289 thousand shares resulting from retirement of treasury stock, the decrease of 314 thousand shares resulting from the exercise of subscription rights to shares and the decrease of 15 thousand shares resulting from sale of fractional shares.

2. Items related to subscription rights to shares

(Millions of Yen)

Category	Detail of subscription rights to shares	Outstanding balance at the current fiscal year-end
The Company	Subscription rights to shares as stock options	565
Total		565

3. Items related to dividends

(1) Paid amount of dividends

Resolution	Type of shares	Aggregate amount of dividends	Dividend per share	Recorded date	Effective date
Regular shareholders' meeting held on June 25, 2009	Common stock	6,019 million yen	8.00 yen	March 31, 2009	June 26, 2009

(2) Cash dividends which will become effective in the following fiscal period out of those whose recorded date belongs to the current fiscal period

Matters concerning dividends attributable to common shares are proposed as an agenda of the regular shareholders' meeting to be held on June 28, 2010 as follows:

Resolution plan	Type of shares	Aggregate amount of dividends	Source of dividends	Dividend per share	Recorded date	Effective date
Regular shareholders' meeting to be held on June 28, 2010	Common stock	6,019 million yen	Retained earnings	8.00 yen	March 31, 2010	June 29, 2010

(Notes to Consolidated Statements of Cash Flows)

Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010
*1. Cash and cash equivalents as of March 31, 2009 consists of the following:	*1. Cash and cash equivalents as of March 31, 2010 consists of the following:
Items on the consolidated balance sheets: (Millions of Yen)	Items on the consolidated balance sheets: (Millions of Yen)
Cash and bank deposits 113,074	Cash and bank deposits 107,791
Call loans 16,043	Call loans 50,478
Receivables under resale agreement 29,996	Monetary receivables bought 6,129
Monetary receivables bought 41,300	Investments in securities 2,176,326
Investments in securities 2,134,547	Less:
Less:	Bank deposits with original maturity longer than 3 months (22,128)
Bank deposits with original maturity longer than 3 months (23,585)	Monetary receivables bought other than cash equivalents (6,129)
Monetary receivables bought other than cash equivalents (10,303)	Securities other than cash equivalents (2,171,326)
Securities other than cash equivalents (2,132,547)	Cash and cash equivalents 141,141
Cash and cash equivalents 168,525	
2. Detail of significant non cash transactions	2. Detail of significant non cash transactions
N/A	Same as the left
3. Cash flows from investment activities include cash flow from investment activities related to insurance operation.	3. Same as the left

(Segment Information)

[Information by types of business segment]

Fiscal year ended March 31, 2009

(Millions of Yen)

	Non-Life insurance	Life insurance	Total	Elimination	Consolidated
i. Operating income and expenses					
Operating income					
(1) Transactions with external customers	919,331	75,037	994,369	(45,262)	949,106
(2) Intercompany transactions	908	23	931	(931)	-
Total	920,239	75,061	995,300	(46,194)	949,106
Operating expenses	922,466	75,877	998,343	(46,194)	952,149
Ordinary profit (loss)	(2,226)	(816)	(3,043)	-	(3,043)
ii. Assets, depreciation, impairment losses and capital investment					
Assets	2,660,605	429,022	3,089,627	(103)	3,089,523
Depreciation	6,917	89	7,007	-	7,007
Impairment losses	489	-	489	-	489
Capital investment	8,637	111	8,749	-	8,749

(Notes) 1. The segments are classified by the actual business operations of the NIPPONKOA Group.

2. Major business of each segment is as follows:

(1) Non-life insurance: Non-life insurance operation and related investment activities.

(2) Life insurance: Life insurance operation and related investment activities.

3. Amounts in elimination in transactions with external customers mainly include transfer of underwriting reserves in life insurance operation.

Fiscal year ended March 31, 2010

(Millions of Yen)

	Non-Life insurance	Life insurance	Total	Elimination	Consolidated
i. Operating income and expenses					
Operating income					
(1) Transactions with external customers	870,834	76,385	947,219	(44,117)	903,102
(2) Intercompany transactions	887	23	910	(910)	-
Total	871,722	76,408	948,130	(45,028)	903,102
Operating expenses	841,828	75,415	917,244	(45,028)	872,215
Ordinary profit	29,893	992	30,886	-	30,886
ii. Assets, depreciation, impairment losses and capital investment					
Assets	2,583,022	468,988	3,052,010	(105)	3,051,905
Depreciation	7,162	95	7,258	-	7,258
Impairment losses	263	-	263	-	263
Capital investment	9,213	366	9,580	-	9,580

- (Notes)
1. The segments are classified by the actual business operations of the NIPPONKOA Group.
 2. Major business of each segment is as follows:
 - (1) Non-life insurance: Non-life insurance operation and related investment activities.
 - (2) Life insurance: Life insurance operation and related investment activities.
 3. Amounts in elimination in transactions with external customers mainly include transfer of underwriting reserves in life insurance operation.

[Information related to geographical segments]

Fiscal year ended March 31, 2009:

Information related to geographical segments is not described because domestic operating income and assets constitute more than 90% of the aggregate amount of operating income and assets of all segments.

Fiscal year ended March 31, 2010:

Same as the above

[Overseas sales]

Fiscal year ended March 31, 2009:

Information related to overseas sales is not described because overseas operating income constitutes less than 10% of consolidated operating income.

Fiscal year ended March 31, 2010:

Same as the above

(Lease)

Information related to lease is not described because of immateriality.

(Transaction with related parties)

Information for transaction with related party is not described because of immateriality.

(Income taxes)

Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010
1. The components of the net deferred tax assets and liabilities as of March 31, 2009 are as follows:	1. The components of the net deferred tax assets and liabilities as of March 31, 2010 are as follows:
(Millions of Yen)	(Millions of Yen)
Deferred tax assets:	Deferred tax assets:
Underwriting reserves	Underwriting reserves
102,256	105,920
Revaluation loss on securities	Outstanding claims
19,347	19,355
Outstanding claims	Revaluation loss on securities
17,130	17,179
Software	Software
11,542	11,446
Tax loss carry forward	Reserve for retirement benefits
8,012	7,793
Other	Other
30,729	30,221
Sub-total	Sub-total
189,019	191,917
Valuation allowance	Valuation allowance
(22,691)	(24,591)
Total	Total
166,328	167,325
Deferred tax liabilities:	Deferred tax liabilities:
Net unrealized gain on available-for-sale securities	Net unrealized gain on available-for-sale securities
(52,109)	(95,495)
Other	Other
(5,507)	(4,591)
Total	Total
(57,616)	(100,086)
Deferred tax assets (liabilities), net	Deferred tax assets (liabilities), net
108,711	67,239
2. The breakdown of the reconciliation between statutory tax rate in Japan and effective tax rate after application of tax effect for the year ended March 31, 2009 were as follows:	2. The breakdown of the reconciliation between statutory tax rate in Japan and effective tax rate after application of tax effect for the year ended March 31, 2010 were as follows:
(%)	(%)
Statutory tax rate in Japan	Statutory tax rate in Japan
36.10	36.11
Adjustments:	Adjustments:
Non-taxable revenue including dividends received	Valuation allowance
(19.02)	12.90
Loss of subsidiary company which does not have a tax effect	Non-taxable revenue including dividends received
7.00	(9.69)
Non-deductible expenses for tax purposes such as entertainment allowance	Non-deductible expenses for tax purposes Such as entertainment allowance
2.79	1.62
Valuation allowance	Others
2.32	1.44
Others	Effective tax rate after application of tax effect
0.94	42.38
Effective tax rate after application of tax effect	
30.13	

(Financial instruments)

Fiscal year ended March 31, 2010

1. Information on conditions of financial instruments

(1) Policies in utilizing financial instruments

The NIPPONKOA Group mainly sells non-life insurance and life insurance business. In its non-life insurance business, liquidity is ensured by holding certain amounts of short-term fund and marketable financial instruments to prepare for payments related to insurance business. The NIPPONKOA Group promotes efficiency of asset management and improvements of profits as a basic principal. Derivative transactions are mainly utilized to reduce market risks involved in fluctuations of interest rate, foreign exchange rate and prices arising from asset management and market risk of long-term insurance liabilities caused by fluctuation of market interest rate. In addition, derivative transactions are utilized, to a certain extent, for the purpose of making profit.

In its life insurance business, the NIPPONKOA Group promotes stable profit earning as a basic principal, with a recognition of characteristics of insurance contracts as liability.

(2) Contents and risks of financial instruments

Financial instruments which the NIPPONKOA Group holds are mainly equity securities and debt securities that contain market risks, credit risks, and liquidity risks that the NIPPONKOA Group could unavoidably be forced to finance or dispose of assets under the unfavorable conditions due to the factors such as chaos of market or shortage of cash flows by occurrence of a large disaster or a significant increase of cancelation policies.

Long-term loans to firms dealing with the Company involve credit risks caused by failure of contracts.

The Company enters into forward foreign exchange contracts, currency option contracts, currency swaps, interest rate swaps, bond futures, bond option, stock index futures, independent stock options, credit derivatives, weather derivatives and earthquake derivatives. These also involve market risks and credit risks. The domestic consolidated subsidiaries of the Company do not enter into derivative contracts. On the other hand, the consolidated foreign subsidiaries enter into forward foreign exchange contracts.

Market risks are risks those associated with price fluctuations of investments, which are influenced by fluctuations of foreign exchange rates, interest rates and equity prices. These market risks are effectively reduced on derivative financial instruments that the NIPPONKOA Group utilizes to hedge risks on assets held. In addition, credit risks are those associated with decline of creditworthiness of the investments and/or issuers of securities we own or bankruptcy of our counterparties. The NIPPONKOA Group structures the levels of credit risks by placing limits on its exposure to high rated issuers.

The Company uses derivatives for hedging purposes. The deferral hedge accounting method is applied to hedging transactions for interest rate swaps to hedge cash flow fluctuation risk of bonds and loans with variable interest rates and interest fluctuation risk related to long term insurance contracts based on “The accounting and auditing treatment on the application of the financial products accounting standard to the insurance industry”(Japanese Institute of Certified Public Accountants Industry Audit Practice Committee Report No.26, hereafter Industry Audit Practice Committee Report No.26). Where certain transactions fulfill the required conditions for the application of the exceptional treatment for interest rate swaps, this treatment is applied to such transactions.

The fair value hedge accounting method is applied to foreign exchange forward contracts and currency option transactions

in order to reduce the risk of foreign exchange rate fluctuation on foreign currency denominated assets. Where certain transactions fulfill the required conditions for the application of assignment accounting, this accounting is applied to such transactions.

Hedge effectiveness is judged by comparing the accumulated fluctuation of the market value or cash flows between each hedged item and the related hedging instrument for the period from the commencement of the hedge to the date of judgment. However, if the material conditions of the hedging instrument and the hedged item are the same and there is high effectiveness for each hedge transaction, the judgment for the effectiveness is omitted.

As for hedge effectiveness based on Industry Audit Practice Committee Report No.26, this is judged by monitoring the circumstance of the interest which effects the calculation of theoretical prices of both insurance liabilities as hedged item and interest rate swap as hedging instrument grouped by the remaining period.

(3) Risk management on financial instruments

The Company and its domestic consolidated subsidiaries conduct financial instruments transactions according to their investment guidelines, which include regulations on maximum amounts for each investment and on acceptable investing ranges by creditworthiness of the counterparties. In conducting transactions, back office and front office are systematically separated to supervise mutually. Conditions of financial instruments transactions are aggregated by the supervising division for each transaction. Conditions of details and unrealized gain/loss of each financial instruments transaction are reported to management on a periodic basis.

Financial instruments transactions of consolidated foreign subsidiaries are conducted within the range accepted by the Company. The Company receives report of the results of investments every quarter from the consolidated foreign subsidiaries.

Individual risks are managed as follows:

(a) The management of market risks

For assets related market risks, the Company monitors the condition of balance and unrealized gain/loss and price sensitivity caused by the changes in market circumstances, and measures VaR in order to judge the volume of market risks. The Company also manages risks to set up acceptable limitation of the volume of market risks.

However, as VaR measures the volume of market risks calculated by defined statistical probability of occurrence based on historical fluctuations of the market, if in case market condition may be drastically changed as abnormal, it may not be possible to capture risks.

(b) Management of credit risks

The Company manages credit risks using internal rating, in which debtors are categorized into 12 levels based on an extent of credit risks, to use risk management of portfolio and decision of investments as unified indicator of evaluation.

Each individual investment is strictly reviewed and the Company tries to retain appropriate profit to fit the level of credibility of internal rating. In addition, the Company sets limitation of credit by each company and groups not to concentrate credit of loans, securities and deposit into one organization in order to avoid huge losses.

The Company also recognizes volume of risks for all portfolios by measuring VaR of credit risks monthly.

(c) Management of liquidity risks

The Company manages cash flows with ALM calculating future cash in and out. In addition, the Company maintains a minimum amount of liquidity assets to prepare large loss payment by the occurrence of disaster.

(4) Additional information for fair value of financial instruments

The fair value of financial instruments includes prices based on market prices and reasonably calculated prices if not obtained market prices. These price may vary if different assumption are applied because these calculation of prices count on fluctuation factors. In “Derivatives” footnote, “Contracted amount” represents the contract amount or notional principal amount, not the amount exposed by market and/or credit risks.

Derivative transactions held for non-profit purpose are used to mitigate the market risks, as the primary purpose. In this case, it is necessary to evaluate the results of derivative transactions by recognizing profit/loss derivatives and existing asset portfolios all in all.

2. Fair value of financial instruments

As of March 31, 2010, book value and fair value are described as below. Some amounts that are very difficult to recognize are not contained in below table. (See (Note 2))

	Book value (Millions of Yen)	Fair value (Millions of Yen)	Difference (Millions of Yen)
(1) Cash and bank deposits	107,791	107,791	-
(2) Call loans	50,478	50,478	-
(3) Receivables under securities borrowing transactions	25,382	25,382	-
(4) Monetary receivables bought	6,129	6,129	-
(5) Money in trust	75,896	75,896	-
(6) Investments in securities			
Held-to-maturity bonds	280,882	279,750	(1,131)
Underwriting reserves bonds	8,834	8,883	48
Available-for-sale securities	1,802,437	1,802,437	-
(7) Loans	241,181		
Reserve for doubtful accounts (*1)	(355)		
	240,825	243,551	2,726
Total assets	2,598,658	2,600,301	1,643
Derivatives (*2)			
Hedge accounting not applied	105	105	-
Hedge accounting applied	2,884	2,885	0
Total of derivatives	2,989	2,990	0

(*1) Reserve for doubtful accounts is deducted from loans.

(*2) This amount contains all derivatives contained in other assets and other liabilities. Debts and credits arising from derivatives are disclosed on a net basis.

(Note 1)

Assets

(1) Cash and bank deposits

Cash and bank deposits are short term and fair values of these approximate book values. The Company recognizes the book values as fair values.

(2) Call loans

Call loans are short term and fair values of these approximate book values. The Company recognizes the book values as fair values.

(3) Receivables under securities borrowing transactions

Receivables under securities borrowing transactions are short term and fair values of these approximate book values. The Company recognizes the book values as fair values.

(4) Monetary receivables bought

Fair values are calculated with prices offered by financial institutions.

(5) Money in trust

Fair values of bonds are calculated with prices released by the Japan Securities Dealers Association and average over-the-counter prices from vendors. Fair values of stocks are calculated with prices of exchanges. In addition, fair values of foreign securities are calculated with such as prices of changes, prices released by any associations of securities and prices offered by financial institutions. In derivatives, listed derivatives are calculated with prices of exchanges and forward foreign exchanges are calculated with such as forward exchange rate on balance sheet date.

(6) Investments in securities

Fair values of bonds are calculated with prices of exchanges, prices released by Japan Securities Dealers Association and prices offered by financial institutions. Fair values of stocks are calculated with prices of exchanges. In addition, fair values of foreign securities are calculated with such as prices of changes and prices offered by financial institutions.

(7) Loans

Fair values of Loans are calculated by the total amount of principal and interest at discounted interest rates based on expected rate of new loans by the types and categories of internal ratings. In addition, for loans to bankrupt debtors, substantially bankrupt debtors and intensive control debtors, the estimated amount of doubtful accounts is calculated based on the present value of the expected future cash flows as fair values.

Derivatives

Forward foreign exchanges contracts are based on forward exchange rate on balance sheet date. The fair value of derivatives such as forward foreign exchange contracts for which assignment accounting is applied is included in the fair value of investments in securities hedged by those derivatives since the derivative and the hedged security are accounted for as one financial instrument.

Fair values are present values of expected cash flows discounted by interest rate as of March 31, 2010.

Fair values of credit derivatives are calculated with prices offered by financial institutions.

(Note 2) Financial instruments that are extremely difficult to obtain their fair values are as follows and not included in (5) Money in trust nor (6) Investments in securities

	Book value (Millions of Yen)
Money in trust	771
Stocks	58,046
Foreign securities	9,325
Other securities	16,798
Total	84,943

Money in trust mainly invested into real estate and stocks are unlisted without market prices. Fair value of money in trust and unlisted stocks is not disclosed because it is extremely difficult to obtain fair value.

Foreign securities mainly invest in unlisted stocks that have no market prices. Fair value of foreign securities is not disclosed because it is extremely difficult to obtain fair value.

Other securities mainly invest in real estate and unlisted stocks that have no market prices. Fair value of other securities is not disclosed because it is extremely difficult to obtain fair value.

(Note3) Carrying value of financial balances receivables and of investments in securities with maturity after March 31, 2010

	Due in one year or less (Millions of Yen)	Due after one year through five years (Millions of Yen)	Due after five years through ten years (Millions of Yen)	Due after ten years (Millions of Yen)
Bank deposits	107,594	134	-	-
Call loans	50,478	-	-	-
Receivables under securities borrowing transactions	25,382	-	-	-
Monetary receivables bought	2,140	3,774	437	-
Investments in securities				
Held-to-maturity bonds				
Government bonds	-	-	-	184,300
Municipal bonds	17	6	-	46,500
Corporate bonds	-	-	-	54,000
Underwriting reserves bonds				
Government bonds	-	-	-	8,800
Available-for-sale securities with maturity				
Government bonds	13,367	96,577	109,533	202,084
Municipal bonds	7,086	34,793	11,448	-
Corporate bonds	40,524	203,669	78,721	35,933
Foreign securities	24,626	124,339	119,651	10,412
Other securities	5,000	-	-	-
Loans (*)	74,735	121,472	21,210	22,647
Total	350,952	584,768	341,001	564,677

(*) 1,116 million yen of carrying values for loans to bankrupt debtors, substantially bankrupt debtors and intensive control debtors, which are expected to be sunk, are not included in Loans.

(Investments in securities)

Fiscal year ended March 31, 2009

1. Trading securities

N/A

2. Held-to-maturity bonds with fair value

Types		As of March 31, 2009		
		Book value (Millions of Yen)	Fair value (Millions of Yen)	Difference (Millions of Yen)
Securities whose fair values exceed their book values	Bonds	189,241	199,599	10,358
	Foreign securities	-	-	-
	Sub-total	189,241	199,599	10,358
Securities whose book values exceed their fair values	Bonds	50,593	47,162	(3,430)
	Foreign securities	-	-	-
	Sub-total	50,593	47,162	(3,430)
Total		239,834	246,762	6,928

3. Underwriting reserves bonds with fair value

Types		As of March 31, 2009		
		Book value (Millions of Yen)	Fair value (Millions of Yen)	Difference (Millions of Yen)
Securities whose fair values exceed their book values	Bonds	4,534	4,689	154
	Foreign securities	-	-	-
	Sub-total	4,534	4,689	154
Securities whose book values exceed their fair values	Bonds	-	-	-
	Foreign securities	-	-	-
	Sub-total	-	-	-
Total		4,534	4,689	154

4. Available-for-sale securities with fair value

Types		As of March 31, 2009		
		Cost (Millions of Yen)	Book value (Millions of Yen)	Difference (Millions of Yen)
Securities whose book values exceed their costs	Bonds	769,070	784,027	14,957
	Stocks	252,222	431,463	179,240
	Foreign securities	90,482	96,738	6,256
	Other securities	999	1,012	12
	Sub-total	1,112,775	1,313,241	200,466
Securities whose costs exceed their book values	Bonds	173,501	169,535	(3,966)
	Stocks	76,913	69,105	(7,808)
	Foreign securities	269,964	242,440	(27,524)
	Other securities	17,453	16,934	(519)
	Sub-total	537,833	498,014	(39,818)
Total		1,650,608	1,811,256	160,647

(Notes)

As of March 31, 2009	
1.	The NIPPONKOA Group recognized 35,784 million yen of impairments on available-for-sale securities with fair value. The NIPPONKOA Group recognized impairment on securities whose fair value is determinable as of the balance sheet date if the fair value declined by 30% or more from carrying value.
2.	Trust beneficiary rights on loan receivables purchased, classified as monetary receivables bought on the Consolidated Balance Sheets, are included in Other securities.

5. Sales of held-to-maturity bonds during this period

N/A

6. Sales of underwriting reserves bonds during this period

N/A

7. Sales of available-for-sale securities during this period

Types	Fiscal year ended March 31, 2009		
	Proceeds from sales (Millions of Yen)	Gross realized gains (Millions of Yen)	Gross realized losses (Millions of Yen)
Available-for-sale securities	340,677	33,215	8,835

8. Available-for-sale securities whose fair value is not readily determinable

As of March 31, 2009	
Available-for-sale securities:	
Bonds	1,500 million yen
Stocks	57,753 million yen
Foreign securities	10,480 million yen
Other securities	61,838 million yen

(Note)

As of March 31, 2009
Certificates of deposit classified as cash and bank deposits on the consolidated balance sheets and commercial paper classified as monetary receivables bought on the consolidated balance sheets are included in Other securities.

9. Carrying value of debt securities by contractual maturity for securities classified as available-for-sale, held-to-maturity and underwriting reserves

Types	As of March 31, 2009			
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
	(Millions of Yen)	(Millions of Yen)	(Millions of Yen)	(Millions of Yen)
Government bonds	68,263	155,217	92,550	360,442
Municipal bonds	11,223	35,658	19,759	41,453
Corporate bonds	53,836	202,577	97,958	60,489
Foreign securities	26,257	125,182	127,660	32,164
Other securities	49,146	20,761	4,287	-
Total	208,726	539,397	342,217	494,550

(Note)

As of March 31, 2009
Certificates of deposit classified as cash and bank deposits on the consolidated balance sheets and debts purchased and commercial paper classified as monetary receivables bought on the consolidated balance sheets are included in Other securities.

Fiscal year ended March 31, 2010

1. Trading securities

N/A

2. Held-to-maturity bonds

Types		As of March 31, 2010		
		Book value (Millions of Yen)	Fair value (Millions of Yen)	Difference (Millions of Yen)
Securities whose fair values exceed their book values	Bonds	170,958	175,548	4,589
	Foreign securities	-	-	-
	Sub-total	170,958	175,548	4,589
Securities whose book values exceed their fair values	Bonds	109,924	104,202	(5,721)
	Foreign securities	-	-	-
	Sub-total	109,924	104,202	(5,721)
Total		280,882	279,750	(1,131)

3. Underwriting reserves bonds

Types		As of March 31, 2010		
		Book value (Millions of Yen)	Fair value (Millions of Yen)	Difference (Millions of Yen)
Securities whose fair values exceed their book values	Bonds	4,532	4,604	72
	Foreign securities	-	-	-
	Sub-total	4,532	4,604	72
Securities whose book values exceed their fair values	Bonds	4,302	4,279	(23)
	Foreign securities	-	-	-
	Sub-total	4,302	4,279	(23)
Total		8,834	8,883	48

4. Available-for-sale securities

Types		As of March 31, 2010		
		Book value (Millions of Yen)	Cost (Millions of Yen)	Difference (Millions of Yen)
Securities whose book values exceed their costs	Bonds	735,042	717,925	17,117
	Stocks	570,173	291,295	278,877
	Foreign securities	92,938	79,836	13,101
	Other securities	2,158	1,270	887
	Sub-total	1,400,313	1,090,328	309,984
Securities whose costs exceed their book values	Bonds	118,211	120,499	(2,288)
	Stocks	24,958	27,960	(3,001)
	Foreign securities	253,953	278,351	(24,397)
	Other securities	24,749	25,107	(358)
	Sub-total	421,873	451,919	(30,045)
Total		1,822,186	1,542,247	279,938

(Notes)

As of March 31, 2010	
1.	Available-for-securities that are extremely difficult to obtain their fair values are not included in the above table.
2.	Certificates of deposit classified as cash and bank deposit on the consolidated balance sheets and debts purchased classified as monetary receivables bought on the consolidated balance sheets are included in Other securities.

5. Sales of held-to-maturity bonds during this period

N/A

6. Sales of underwriting reserves bonds during this period

N/A

7. Sales of available-for-sale securities during this period

Types	Fiscal year ended March 31, 2010		
	Proceeds from sales (Millions of Yen)	Gross realized gains (Millions of Yen)	Gross realized losses (Millions of Yen)
Bonds	158,412	2,169	24
Stocks	22,476	11,754	26
Foreign securities	43,995	1,953	6,738
Other securities	2,534	350	-
Total	227,419	16,227	6,790

8. Impairment of securities during this period

The NIPPONKOA Group recognized 1,860 million yen (of which 910 million yen of stocks, 71 million yen of foreign securities, and 879 million yen of other securities) of impairments on available-for-sale securities during this period.

The NIPPONKOA Group recognized impairment on securities, in principle, whose fair value is determinable as of the balance sheet date if the fair value declined by 30% or more from carrying value.

(Money in trust)

Fiscal year ended March 31, 2009

1. Money in trust for trading purposes

	As of March 31, 2009	
	Book value (Millions of Yen)	Net unrealized loss charged to income (Millions of Yen)
Money in trust	37,647	(5,551)

2. Held-to-maturity money in trust

N/A

3. Money in trust other than those held for trading purposes or those held to maturity

	As of March 31, 2009		
	Cost (Millions of Yen)	Book value (Millions of Yen)	Difference (Millions of Yen)
Money in trust	37,000	36,296	(703)

(Note)

As of March 31, 2009
Other than the above, money in trust held in joint accounts in the amount of 900 million yen are carried at their cost on the Consolidated Balance Sheets as of March 31, 2009.

Fiscal year ended March 31, 2010

1. Money in trust for trading purposes

	As of March 31, 2010	
	Book value (Millions of Yen)	Net unrealized loss charged to income (Millions of Yen)
Money in trust	55,930	5,367

2. Held-to-maturity money in trust

N/A

3. Money in trust other than those held for trading purposes or those held to maturity

	As of March 31, 2010		
	Book value (Millions of Yen)	Cost (Millions of Yen)	Difference (Millions of Yen)
Money in trust	19,966	20,050	(83)

(Note)

As of March 31, 2010
A part of money in trust that is extremely difficult to obtain their fair values is not included in the above table.

(Derivatives)

Fiscal year ended March 31, 2009

1. Status on derivative transactions

Fiscal year ended March 31, 2009

(1) Types of transaction

The Company enters into forward foreign exchange contracts, currency option contracts, currency swaps, interest rate swaps, bond futures, bond option, stock index futures, independent stock options, credit derivatives, weather derivatives and earthquake derivatives. The domestic consolidated subsidiaries of the Company do not enter into derivative contracts. The consolidated foreign subsidiaries enter into forward foreign exchange contracts.

(2) Transaction policies

The Companies utilize derivative financial instruments to hedge their exposure to market risks arising from fluctuations in prices, foreign exchange rates and interest rates.

The Company also utilizes derivatives for trading purposes, for which transactions are strictly controlled from a risk management perspective.

Derivatives used for hedging purposes. The deferral hedge accounting method is applied to hedging transactions for interest rate swaps to hedge cash flow fluctuation risk of bonds and loans with variable interest rates and interest fluctuation risk related to long term insurance contracts based on “The accounting and auditing treatment on the application of the financial products accounting standard to the insurance industry”(Japanese Institute of Certified Public Accountants Industry Audit Practice Committee Report No.26, hereafter Industry Audit Practice Committee Report No.26). Where certain transactions fulfill the required conditions for the application of the exceptional treatment for interest rate swaps, this treatment is applied to such transactions.

The fair value hedge accounting method is applied to foreign exchange forward contracts and currency option transactions in order to reduce the risk of foreign exchange

rate fluctuation on foreign currency denominated assets. Where certain transactions fulfill the required conditions for the application of assignment accounting, this accounting is applied to such transactions.

Hedge effectiveness is judged by comparing the accumulated fluctuation of the market value or cash flows between each hedged item and the related hedging instrument for the period from the commencement of the hedge to the date of judgment. However, if the material conditions of the hedging instrument and the hedged item are the same and there is high effectiveness for each hedge transaction, the judgment for the effectiveness is omitted.

As for hedge effectiveness based on Industry Audit Practice Committee Report No.26, this is judged by monitoring the circumstance of the interest which effects the calculation of theoretical prices of both insurance liabilities as hedged item and interest rate swap as hedging instrument grouped by the remaining period.

(3) Risks associated with transactions

Derivative financial instruments that the NIPPONKOA Group utilizes involve mainly, market risks and credit risks.

Market risks are those risks associated with price fluctuations of investments, which are influenced by fluctuations of foreign exchange rates, interest rates, and equity prices. These market risks are effectively reduced on derivative financial instruments that the NIPPONKOA Group utilizes to hedge risks on assets held.

In addition, credit risks are those associated with decline of creditworthiness of the investments and/or issuers of securities we own or bankruptcy of our counterparties. The NIPPONKOA Group structures the levels of credit risks by placing limits on its exposure to highly rated financial institutions.

(4) Risk management on transactions

The Company and its domestic consolidated subsidiaries conduct derivative transactions according to their investment guidelines, which include regulations on maximum amounts for each investment and on acceptable investing ranges by creditworthiness of the counterparties. In conducting transactions, back office and front office are systematically separated to supervise mutually.

Conditions of derivative transactions are aggregated by the supervising division for each derivative transaction. Conditions of details and unrealized gain/loss of each derivative transaction and of existing asset portfolios are reported to management on a periodic basis.

Derivative transactions of consolidated foreign subsidiaries are conducted within the range accepted by the Company. The Company receives report of the results of investments every quarter from the consolidated foreign subsidiaries.

(5) Supplementary information on “Fair value and other information on derivative transactions”

In “Fair value and other information on derivative transactions,” “Contract amount” represents the contract amount or notional principal amount, not the amount exposed by market and/or credit risks.

Derivative transactions held for non-profit purpose are to mitigate the market risks, as the primary purpose. In this case, it is necessary to evaluate the results of derivative transactions by recognizing profit/loss derivatives and existing asset portfolios all in all.

2. Fair value and other information on derivative transactions

(1) Currency-related transactions

Currency-related transactions that have hedge accounting not applied: N/A

Currency-related transactions that have hedge accounting applied are exempt from disclosure.

(2) Interest-related transactions

Types of transactions	Types	As of March 31, 2009			
		Contracted amount (Millions of Yen)	Over one year Contracted amount (Millions of Yen)	Fair value (Millions of Yen)	Unrealized gains or losses (Millions of Yen)
Transactions not traded in exchanges	Interest rate swap agreements Receive fixed rate, pay floating rate	15,000	15,000	100	100
Total		-	-	-	100

(Note)

As of March 31, 2009	
1.	Derivative transaction related to interest-rate other than described above: N/A
2.	Calculation method of fair values Fair values are present values of expected cash flows discounted by interest rate as of March 31, 2009.
3.	Interest-related transactions that have hedge accounting applied are exempt from disclosure.

(3) Stock-related transactions

N/A

(4) Bond-related transactions

N/A

(5) Other

Types of transactions	Types	As of March 31, 2009			
		Contracted amount (Millions of Yen)	Over one year Contracted amount (Millions of Yen)	Fair value (Millions of Yen)	Unrealized gains or losses (Millions of Yen)
Transactions not traded in exchanges	Credit derivatives Short positions	7,000	7,000	(398)	(398)
	Long positions	3,438	-	928	928
Total		-	-	-	529

(Note) Calculation method of fair values

As of March 31, 2009	
Fair values are calculated with prices offered by financial institutions.	

Fiscal year ended March 31, 2010

1. Transactions with hedge accounting not applied

(1) Currency-related transactions

N/A

(2) Interest-related transactions

Types of transactions	Types	As of March 31, 2010			
		Contracted amount (Millions of Yen)	Over one year Contracted amount (Millions of Yen)	Fair value (Millions of Yen)	Net unrealized gain (loss) (Millions of Yen)
Transactions not traded in exchanges	Interest rate swap agreements Receive fixed rate, pay floating rate	15,000	-	112	112
Total		-	-	112	112

(Notes)

As of March 31, 2010	
1.	Derivative transaction related to interest-rate other than described above: N/A
2.	Calculation method of fair values Fair values are present values of future cash flows discounted by interest rate as of March 31, 2010.

(3) Stock-related transactions

N/A

(4) Bond-related transactions

N/A

(5) Other

Types of transactions	Types	As of March 31, 2010			
		Contracted amount (Millions of Yen)	Over one year Contracted amount (Millions of Yen)	Fair value (Millions of Yen)	Net unrealized gain (loss) (Millions of Yen)
Transactions not traded in exchanges	Credit derivatives Short	7,000	7,000	(7)	(7)
Total		-	-	(7)	(7)

(Note) Calculation method of fair values

As of March 31, 2010	
Fair values are calculated with prices offered by financial institutions.	

2. Transactions with hedge accounting applied

(1) Currency-related transactions

Types of hedge accounting	Types	Hedged items	As of March 31, 2010		
			Contracted amount (Millions of Yen)	Over one year Contracted amount (Millions of Yen)	Fair value (Millions of Yen)
Fair value hedge accounting	Forward foreign exchange contracts	Available-for-sale securities			
	Short positions				
	US dollar		44,827	-	(1,613)
	Canadian dollar		8,612	-	(521)
	Australian dollar		8,053	-	(396)
	Euro		68,040	-	2,104
Assignment accounting for forward foreign exchange contracts	Forward foreign exchange contracts	Available-for-sale securities			
	Long positions				
	US dollar		137	-	(Note 3)
Total			-	-	(426)

(Notes)

As of March 31, 2010	
1.	Derivative transactions with currency other than described above: N/A
2.	Calculation method of fair values Fair values are calculated with forward foreign exchange rates as of March 31, 2010.
3.	Assignment accounting for forward foreign exchange contracts are treated within fair value of securities described in “Financial instruments” because those are combined with securities subject to hedge accounting.

(2) Interest-related transactions

Types of hedge accounting	Types	Hedged items	As of March 31, 2010		
			Contracted amount (Millions of Yen)	Over one year Contracted amount (Millions of Yen)	Fair value (Millions of Yen)
Deferral hedge	Interest rate swap agreements Receive fixed rate, pay floating rate	Insurance liabilities	83,000	83,000	3,311
Exceptional treatment for interest rate swaps	Interest rate swap agreements Receive fixed rate, pay floating rate	Loans	500	-	0
Total			-	-	3,311

(Notes)

As of March 31, 2010
1. Derivative transaction related to interest other than described above: N/A
2. Calculation method of fair values Fair values are present values of expected cash flows discounted by interest rate as of March 31, 2010

(3) Stock-related transactions

N/A

(4) Bond-related transactions

N/A

(5) Other

N/A

(Retirement benefits)

Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010
<p data-bbox="140 302 287 324">1. Overview</p> <p data-bbox="188 347 785 660">In addition to the defined contribution pension plan, the Company provides a defined benefit plan with a lump-sum payment for retiring employees. It also provides a corporate pension plan (Contract-type) and an in-house retirement pension plan both for retiring employees who receive or will receive employees' benefits. The company has set up trust funds for the retirement plans.</p> <p data-bbox="188 683 785 996">These defined contribution pension plan, defined benefit plan with a lump-sum payment, and corporate pension plan (Contract-type) for retiring employees who receive or will receive employees' benefits have been created by rearranging the former corporate pension plan (Fund-type), defined benefit plan with a lump-sum payment, and tax-qualified pension plan on April 1, 2008.</p> <p data-bbox="188 1019 785 1187">The domestic consolidated subsidiaries of the Company provide defined benefit plans with lump-sum payments for retiring employees and one of them provides a tax-qualified pension plan.</p> <p data-bbox="188 1209 785 1276">The consolidated foreign subsidiaries of the Company provide defined contribution pension plans.</p>	<p data-bbox="809 302 956 324">1. Overview</p> <p data-bbox="857 347 1453 660">In addition to the defined contribution pension plan, the Company provides a defined benefit plan with a lump-sum payment for retiring employees. It also provides a corporate pension plan (Contract-type) and an in-house retirement pension plan both for retiring employees who receive or will receive employees' benefits. The company has set up trust funds for the retirement plans.</p> <p data-bbox="857 683 1453 851">The domestic consolidated subsidiaries of the Company provide defined benefit plans with lump-sum payments for retiring employees and one of them provides a defined contribution pension plan.</p> <p data-bbox="857 873 1453 952">The consolidated foreign subsidiaries of the Company provide defined contribution pension plans.</p>

2. Retirement benefits obligations and a breakdown of such obligations (As of March 31, 2009)

	(Millions of Yen)
(a) Retirement benefits obligations	(71,490)
(b) Plan assets	44,480
(c) Unfunded portion of retirement benefit obligations (a+b)	<u>(27,009)</u>
(d) Amount not yet attended to difference due to changes in accounting standards	-
(e) Unrecognized actuarial difference	9,554
(f) Unrecognized prior service cost	<u>(2,658)</u>
(g) Net amount of retirement benefits obligations on the Consolidated Balance Sheets (c+d+e+f)	(20,113)
(h) Prepaid pension cost	<u>1,894</u>
(i) Reserve for retirement benefits (g-h)	<u>(22,007)</u>

(Notes) 1. Domestic consolidated subsidiaries adopt a simplified method in calculating their retirement benefits obligations.

2. The effects of the partial transfer of the defined benefit pension plans to the defined contribution pension plans are as follows:

	(Millions of Yen)
Change in retirement benefit liabilities	57,794
Change in pension assets	<u>(40,429)</u>
Change in reserve for retirement benefits	17,364

The decrease of unrealized actuarial gain or loss and unrealized past service liability were recorded as a revenue/loss in prior fiscal year caused by partial termination of the retirement benefit plan.

The amount of assets that should be transferred from the defined benefit plan with a lump-sum payment to the defined contribution pension plan is 17,364 million yen, which is planned to be transferred over four years. The remaining transfer amount as of the end of the current consolidated business year, 12,292 million yen is included in other liabilities.

2. Retirement benefits obligations and a breakdown of such obligations (As of March 31, 2010)

	(Millions of Yen)
(a) Retirement benefits obligations	(70,155)
(b) Plan assets	45,465
(c) Unfunded portion of retirement benefit obligations (a+b)	<u>(24,690)</u>
(d) Amount not yet attended to difference due to changes in accounting standards	-
(e) Unrecognized actuarial difference	5,066
(f) Unrecognized prior service cost	<u>(1,957)</u>
(g) Net amount of retirement benefits obligations on the Consolidated Balance Sheets (c+d+e+f)	(21,581)
(h) Prepaid pension cost	<u>1,382</u>
(i) Reserve for retirement benefits (g-h)	<u>(22,963)</u>

(Note) Domestic consolidated subsidiaries adopt a simplified method in calculating their retirement benefits obligations.

3. Details of expense for retirement benefits are as follows:

	(Millions of Yen)
(a) Service cost (Note 1)	2,060
(b) Interest expense	1,315
(c) Expected investment income	(408)
(d) Amortization of prior service cost	(700)
(e) Amortization of actuarial difference	730
(f) Amortization of difference due to changes in accounting standards	-
(g) Sub-total (a+b+c+d+e+f)	<u>2,998</u>
(h) Other (Note 2)	<u>2,127</u>
Total	<u>5,125</u>

(Note 1) Service cost includes expense for retirement benefits of consolidated subsidiaries under the simplified method.

(Note 2) Other is an amount contributed to the defined contribution pension plan.

4. Basis for calculation of retirement benefits obligations:

The method of apportionment of the estimated funds for retirement benefit obligations over the period	Per amount basis, point basis
Discount rate	1.8%
Expected earnings ratio on Investments	0.0%~1.5%
Period for amortization of prior service cost	10 years
Period for amortization of actuarial difference	10 years

3. Details of expense for retirement benefits are as follows:

	(Millions of Yen)
(a) Service cost (Note 1)	1,844
(b) Interest expense	1,277
(c) Expected investment income	(479)
(d) Amortization of prior service cost	(700)
(e) Amortization of actuarial difference	2,261
(f) Amortization of difference due to changes in accounting standards	-
(g) Sub-total (a+b+c+d+e+f)	<u>4,203</u>
(h) Other (Note 2)	<u>2,197</u>
Total	<u>6,401</u>

(Note 1) Service cost includes expense for retirement benefits of consolidated subsidiaries under the simplified method.

(Note 2) Other includes 2,194 million yen of an amount contributed to the defined contribution pension plan and 2 million yen of loss resulting from partial termination of the retirement benefit plans of consolidated subsidiaries.

4. Basis for calculation of retirement benefits obligations:

Same as the left

(Stock Options)

Stock options are not described because they are immaterial to disclose in this statements.

(Per share information)

Fiscal year ended March 31, 2009		Fiscal year ended March 31, 2010	
	(Yen)		(Yen)
Net assets per share	458.09	Net assets per share	576.70
Basic net income per share	13.15	Basic net income per share	18.63
Diluted net income per share	13.13	Diluted net income per share	18.59

(Notes) 1. Computational elements for basic net income per share and diluted net income per share are as follows:

(Millions of Yen, Thousands of shares)

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010
(1) Basic net income per share		
Net income	9,971	14,018
Net income not attributable to common shareholders	-	-
Net income attributable to common stock	9,971	14,018
Weighted average number of shares of outstanding common stock	757,928	752,467
(2) Diluted net income per share		
Net income – diluted net income	-	-
Increase in number of shares of common stock	999	1,263
Of which, subscription rights to shares	999	1,263
A brief summary regarding potential shares that were excluded from the calculation of diluted net income per share because they had no dilutive effect	N/A	N/A

2. Computational elements for net assets per share are as follows:

(Millions of Yen, Thousands of shares)

	As of March 31, 2009	As of March 31, 2010
Total net assets	345,467	434,857
Deduction from total net assets	793	913
Of which, subscription rights to shares	458	565
Of which, minority interests	334	348
Net assets at year-end attributable to common stock	344,674	433,943
Number of shares of common stock at year-end used for calculation of net assets per share	752,404	752,453

(Subsequent events)

Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010
-	<p>(Establishment of a joint holding company through a share exchange)</p> <p>The Company established a joint holding company, NKSJ Holdings, Inc. (the Joint Holding Company), effective as of April 1, 2010, jointly with Sompo Japan Insurance Inc. (SOMPO JAPAN, and collectively with the Company, the Parties) through a share exchange (the Share Exchange) as a result of which the Joint Holding Company holds 100% of the shares of the Parties and the businesses of the Parties will be integrated (the Business Integration) approved by extraordinary shareholder's meeting held on December 30,2009.</p> <p>(1) Name of the Joint Holding Company NKSJ Holdings, Inc.</p> <p>(2) Location of the Head Office of the Joint Holding Company 26-1, Nishi-Shinjuku 1-chome, Shinjuku-ku, Tokyo</p> <p>(3) Representatives of Holding company Representative Director, Chairman and CEO: Makoto Hyodo Representative Director, President and CEO: Masatoshi Sato</p> <p>(4) Capital 100,000 million yen</p> <p>(5) Business of the joint holding company Management and administration of companies made subsidiaries pursuant to applicable provisions of the Insurance Business Act, including, but not limited to, casualty insurance companies and life insurance companies, and business incidental thereto.</p>

(6) Background and objectives of business integration

In the face of the declining birthrate and aging society - the significant challenges Japan faces in the medium to long-term period - as well as of increased risks associated with depopulating society, deteriorating global climate change, and in response to the diversified consumer demands amidst the individuals' lifestyle changes, companies are urged to take proper actions and contribute to social safety and to customers' sense of security. Based on this shared perspective, SOMPO JAPAN and the Company decided to establish a - new solution service group which provides customers with security and service of the highest quality and contribute to social welfare, while sharing as a unitary group the strengths nurtured through 120 years of their respective history.

(7) Establishment date

April 1, 2010

4. Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheets

(Millions of Yen)

	As of March 31, 2009	As of March 31, 2010
Assets		
Cash and bank deposits	92,440	80,793
Cash	60	61
Bank deposits	92,379	80,732
Call loans	15,000	50,000
Receivables under resale agreements	29,996	-
Monetary receivables bought	41,300	6,129
Money in trust	38,547	56,752
Investments in securities	1,848,982	1,822,848
Government bonds	452,234	366,918
Municipal bonds	61,731	48,913
Corporate bonds	356,457	345,742
Stocks	601,039	679,555
Foreign securities	354,705	362,761
Other securities	22,813	18,956
Loans	229,695	227,417
Policy loans	6,399	5,953
General loans	223,296	221,464
Tangible fixed assets	129,326	130,437
Land	68,165	67,914
Buildings	48,828	55,872
Leased assets	52	52
Construction in progress	5,394	225
Other tangible fixed assets	6,885	6,372
Intangible fixed assets	1,097	534
Other assets	156,536	159,263
Premiums receivable	350	460
Agents' balances receivable	23,327	21,895
Foreign agents' balances receivable	5,122	5,946
Co-insurance balances receivable	2,371	2,336
Reinsurance balances receivable	29,069	29,573
Foreign reinsurance balances receivable	4,933	7,678
Account receivable	11,528	8,824
Accrued revenue	5,552	5,871

Deposits	6,830	6,301
Deposits for earthquake insurance	43,639	46,186
Suspense payments	14,095	16,131
Derivative financial instruments	7,123	5,977
Other assets	2,592	2,079
Deferred tax assets	103,865	60,392
Reserve for doubtful accounts	(2,145)	(2,106)
Reserve for investment loss	(12,926)	-
Total assets	2,671,715	2,592,464
Liabilities		
Underwriting fund	2,178,097	2,059,290
Outstanding claims	283,027	267,872
Underwriting reserves	1,895,069	1,791,418
Other liabilities	116,365	65,184
Co-insurance balances payable	1,366	1,225
Reinsurance balances payable	18,766	18,771
Foreign reinsurance balances payable	2,421	1,245
Payable under securities lending transactions	41,264	-
Loans payable	1,740	1,561
Accrued tax	2,498	5,210
Deposits payable	1,855	1,829
Deferred revenue	950	974
Account payable	26,280	24,478
Suspense receipts	6,764	6,841
Derivative financial instruments	12,400	2,993
Lease obligations	54	53
Other liabilities	0	0
Reserve for retirement benefits	21,708	22,583
Reserve for bonuses	5,631	6,078
Reserve for bonuses to directors	2	41
Statutory reserves	2,581	5,643
Reserve for price fluctuations	2,581	5,643
Total liabilities	2,324,386	2,158,821
Net assets		
Shareholders' equity		
Common stock	91,249	91,249
Capital surplus		
Capital reserve	46,702	46,702

Total capital surplus	46,702	46,702
Retained earnings		
Revenue reserve	36,947	38,151
Other retained earnings	131,302	79,050
Reserve for dividends	34,385	34,385
Reserve for extraordinary losses	54,000	54,000
Reserve for losses from foreign investments	0	0
Reserve for reduction entry	3,100	3,270
General reserve	25,962	25,962
Deferred retained earnings	13,854	(38,567)
Total retained earnings	168,249	117,202
Treasury stock	(58,122)	-
Total shareholders' equity	248,078	255,153
Valuation and translation adjustments		
Net unrealized gains on available-for-sale securities	95,091	175,808
Net deferred gains (losses) on hedge accounting	3,700	2,115
Total valuation and translation adjustments	98,792	177,924
Subscription rights to shares	458	565
Total net assets	347,329	433,642
Total liabilities and net assets	2,671,715	2,592,464

(2) Non-consolidated Statements of Income

(Millions of Yen)

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010
Operating income	910,706	859,978
Underwriting income	849,404	813,345
Net premiums written	653,400	633,336
Deposit premiums from policyholders	42,425	38,562
Investment income on deposit premiums	24,143	22,147
Reversal of outstanding claims	1,684	15,154
Reversal of underwriting reserves	127,712	103,651
Gain on foreign exchange	-	438
Other underwriting income	38	53
Investment income	59,005	45,131
Interest and dividends	51,124	44,999
Investment income from money in trust	259	2,510
Gain on sale of securities	31,477	16,075
Redemption profit from securities	252	198
Income for derivative financial instruments	-	3,470
Gain on foreign exchange	-	7
Other investment income	35	17
Transfer of investment income on deposit premiums	(24,143)	(22,147)
Other operating income	2,297	1,502
Operating expenses	913,558	830,594
Underwriting expenses	724,529	689,800
Net losses paid	400,790	403,857
Loss adjustment expenses	35,313	35,813
Commissions and brokerage expenses	110,378	107,151
Maturity refunds to policyholders	176,779	142,510
Dividends to policyholders	8	250
Loss on foreign exchange	1,053	-
Other underwriting expenses	205	216
Investment expenses	63,299	13,920
Investment loss from money in trust	4,495	100
Loss on sale of securities	8,830	6,786
Revaluation loss on securities	35,983	2,104
Redemption loss from securities	651	1,671
Expense for derivative financial instruments	6,298	-

Loss on foreign exchange	748	-
Provision for reserve for investment loss	2,770	-
Other investment expenses	3,521	3,257
Operating and administrative expenses	124,773	125,792
Other operating expenses	956	1,080
Interest paid	130	45
Provision for reserve for doubtful accounts	68	34
Write off of bad debts	6	2
Other ordinary expenses	751	997
Ordinary profit (loss)	(2,851)	29,384
Special gains	18,414	508
Gain on sale of fixed assets	335	508
Reversal of statutory reserves	18,079	-
Reversal of reserve for price fluctuations	18,079	-
Special losses	933	6,936
Loss on sale and disposal of fixed assets	444	476
Impairment losses	489	263
Provision for statutory reserves	-	3,061
Provision for reserve for price fluctuations	-	3,061
Other special losses	-	3,134
Income before income taxes and minority interests	14,630	22,957
Income taxes	6,728	7,865
Deferred tax adjustment	(2,210)	1,967
Total income taxes	4,518	9,833
Net income	10,111	13,123

(3) Non-consolidated Statements of Changes in Net Assets

(Millions of Yen)

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010
Shareholders' equity		
Common stock		
Balance at the previous fiscal year-end	91,249	91,249
Balance at the current fiscal year-end	91,249	91,249
Capital surplus reserves		
Capital reserve		
Balance at the previous fiscal year-end	46,702	46,702
Balance at the current fiscal year-end	46,702	46,702
Other capital surplus reserve		
Balance at the previous fiscal year-end	-	-
Changes during this period		
Retirement of treasury stock	-	(57,974)
Disposal of treasury stock	(126)	(177)
Reclassification of negative other capital surplus reserve	126	58,152
Total changes during this period	-	-
Balance at the current fiscal year-end	-	-
Retained earnings		
Revenue reserves		
Balance at the previous fiscal year-end	35,647	36,947
Changes during this period		
Provision for revenue reserve	1,300	-
Cash dividends	-	1,203
Total changes during this period	1,300	1,203
Balance at the current fiscal year-end	36,947	38,151
Other retained earnings		
Reserve for dividends		
Balance at the previous fiscal year-end	34,385	34,385
Balance at the current fiscal year-end	34,385	34,385
Reserve for extraordinary losses		
Balance at the previous fiscal year-end	54,000	54,000
Balance at the current fiscal year-end	54,000	54,000
Reserve for losses from foreign investments		
Balance at the previous fiscal year-end	0	0

Changes during this period		
Reversal of reserve for losses from foreign investments	(0)	(0)
Total changes during this period	(0)	(0)
Balance at the current fiscal year-end	0	0
Reserve for reduction entry		
Balance at the previous fiscal year-end	2,992	3,100
Changes during this period		
Provision for reserve for reduction entry	152	852
Reversal of reserve for reduction entry	(44)	(681)
Total changes during this period	107	170
Balance at the current fiscal year-end	3,100	3,270
General reserve		
Balance at the previous fiscal year-end	25,962	25,962
Balance at the current fiscal year-end	25,962	25,962
Deferred retained earnings		
Balance at the previous fiscal year-end	10,994	13,854
Changes during this period		
Provision for revenue reserve	(1,300)	-
Cash dividends	(5,716)	(7,223)
Reversal of reserve for losses from foreign investments	0	0
Provision for reserve for reduction entry	(152)	(852)
Reversal of reserve for reduction entry	44	681
Net income	10,111	13,123
Reclassification of negative other capital surplus reserve	(126)	(58,152)
Total changes during this period	2,860	(52,422)
Balance at the current fiscal year-end	13,854	(38,567)
Treasury stock		
Balance at the previous fiscal year-end	(51,592)	(58,122)
Changes during this period		
Acquisition of treasury stock	(6,781)	(149)
Retirement of treasury stock	-	57,974
Disposal of treasury stock	251	297
Total changes during this period	(6,530)	58,122
Balance at the current fiscal year-end	(58,122)	-
Total shareholders' equity		

Balance at the previous fiscal year-end	250,340	248,078
Changes during this period		
Cash dividends	(5,716)	(6,019)
Net income	10,111	13,123
Acquisition of treasury stock	(6,781)	(149)
Disposal of treasury stock	124	120
Total changes during this period	<u>(2,261)</u>	<u>7,075</u>
Balance at the current fiscal year-end	<u>248,078</u>	<u>255,153</u>
Valuation and translation adjustments		
Net unrealized gain on available-for-sale securities		
Balance at the previous fiscal year-end	284,592	95,091
Changes during this period		
Net change of items other than shareholders' equity	(189,500)	80,716
Total changes during this period	<u>(189,500)</u>	<u>80,716</u>
Balance at the current fiscal year-end	<u>95,091</u>	<u>175,808</u>
Net deferred gains (losses) on hedge accounting		
Balance at the previous fiscal year-end	1,790	3,700
Changes during this period		
Net change of items other than shareholders' equity	1,909	(1,584)
Total changes during this period	<u>1,909</u>	<u>(1,584)</u>
Balance at the current fiscal year-end	<u>3,700</u>	<u>2,115</u>
Total valuation and translation adjustments		
Balance at the previous fiscal year-end	286,382	98,792
Changes during this period		
Net change of items other than shareholders' equity	(187,590)	79,132
Total changes during this period	<u>(187,590)</u>	<u>79,132</u>
Balance at the current fiscal year-end	<u>98,792</u>	<u>177,924</u>
Subscription rights to shares		
Balance at the previous fiscal year-end	408	458
Changes during this period		
Net change of items other than shareholders' equity	50	106
Total changes during this period	<u>50</u>	<u>106</u>
Balance at the current fiscal year-end	<u>458</u>	<u>565</u>
Total net assets		
Balance at the previous fiscal year-end	537,131	347,329
Changes during this period		
Cash dividends	(5,716)	(6,019)
Net income	10,111	13,123

Acquisition of treasury stock	(6,781)	(149)
Disposal of treasury stock	124	120
Net change of items other than shareholders' equity	(187,540)	79,238
Total changes during this period	(189,802)	86,313
Balance at the current fiscal year-end	347,329	433,642

(4) Note related to the premise of a going concern

N/A

5. Others

(1) Appointment of Corporate Auditor (Effective as of June 28, 2010)

(New Position)	(Name)	(Current Position)
Outside Corporate Auditor (Absentee)	Tadashi Yanagisawa	Sotsu Corporation Corporate Auditor (Full-time)

(2) Major consolidated and non-consolidated components

	Consolidated (A)		Non-consolidated (B)		(A-B)	(A/B)
	Amount	Year-on-year rate	Amount	Year-on-year rate		
	(Billions of Yen)	(%)	(Billions of Yen)	(%)	(Billions of Yen)	
Operating income	949.1	(2.7)	-	-	-	-
	903.1	(4.8)	-	-	-	-
Net premiums written	663.8	(5.0)	653.4	(5.2)	10.4	1.02
	645.0	(2.8)	633.3	(3.1)	11.6	1.02
Ordinary profit (loss)	(3.0)	(117.2)	(2.8)	(117.0)	(0.1)	-
	30.8	-	29.3	-	1.5	1.05
Net income	9.9	10.9	10.1	28.4	(0.1)	0.99
	14.0	40.6	13.1	29.8	0.8	1.07
Total assets	3,089.5	(7.0)	2,671.7	(10.2)	417.8	1.16
	3,051.9	(1.2)	2,592.4	(3.0)	459.4	1.18

(Notes) 1. Upper: Fiscal year ended March 31, 2009

Lower: Fiscal year ended March 31, 2010

2. Number of consolidated subsidiaries for the fiscal year ended March 31, 2009: 6

Number of subsidiaries and affiliates with equity method applied for the fiscal year ended March 31, 2009: 0

Number of consolidated subsidiaries for the fiscal year ended March 31, 2010: 7

Number of subsidiaries and affiliates with equity method applied for the fiscal year ended March 31, 2010: 0

NIPPONKOA Insurance Company (China) Limited is newly established and recognized as a consolidated subsidiary.

(3) Statements of Gains and Losses (consolidated)

(Millions of Yen)

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010	Change	Year-on-year rate
				(%)
Ordinary profit or loss				
Underwriting income	878,563	848,020	(30,543)	(3.5)
Net premiums written	663,888	645,021	(18,867)	(2.8)
Deposit premiums from policyholders	42,425	38,562	(3,863)	(9.1)
Life insurance premiums	63,568	66,337	2,768	4.4
Underwriting expenses	749,680	716,279	(33,400)	(4.5)
Net losses paid	406,234	410,141	3,906	1.0
Loss adjustment expenses	36,107	36,355	248	0.7
Commissions and brokerage expenses	116,647	113,952	(2,694)	(2.3)
Maturity refunds to policyholders	176,779	142,510	(34,269)	(19.4)
Life insurance losses and other payments	11,816	12,327	510	4.3
Investment income	68,760	54,139	(14,621)	(21.3)
Interest and dividends	58,479	53,169	(5,309)	(9.1)
Gain on sale of securities	33,209	16,227	(16,982)	(51.1)
Investment expenses	60,541	13,657	(46,884)	(77.4)
Loss on sales of securities	8,819	6,790	(2,029)	(23.0)
Revaluation loss on securities	36,000	1,819	(34,181)	(94.9)
Operating and administrative expenses	140,827	141,127	300	0.2
Other operating income and expenses	681	(209)	(891)	(130.8)
Ordinary profit (loss)	(3,043)	30,886	33,929	-
Special gains and losses				
Special gains	18,337	508	(17,828)	(97.2)
Special losses	987	7,034	6,046	612.6
Special gains and losses	17,350	(6,525)	(23,875)	(137.6)
Income before income taxes and minority interests	14,307	24,360	10,053	70.3
Income taxes	8,429	11,343	2,914	34.6
Deferred tax adjustment	(4,118)	(1,019)	3,098	-
Total income taxes	4,311	10,324	6,013	139.5
Minority interests	24	18	(6)	(27.6)
Net income	9,971	14,018	4,047	40.6

(4) Premiums written and losses paid by line of business (consolidated)

i. Direct premiums written (excludes deposit premiums)

Line of business	Fiscal year ended March 31, 2009			Fiscal year ended March 31, 2010		
	Amounts (Millions of Yen)	Composition (%)	Year-on-year rate (%)	Amounts (Millions of Yen)	Composition (%)	Year-on-year rate (%)
Fire and allied lines	122,281	17.5	1.0	122,892	18.1	0.5
Marine	19,746	2.8	(15.3)	15,917	2.3	(19.4)
Personal accident	52,376	7.5	(5.9)	49,835	7.3	(4.9)
Voluntary automobile	333,996	47.8	(1.4)	328,943	48.5	(1.5)
Compulsory automobile liability	82,384	11.8	(17.2)	76,564	11.3	(7.1)
Other	87,656	12.6	(0.1)	84,889	12.5	(3.2)
Total	698,442	100.0	(3.8)	679,041	100.0	(2.8)

ii. Net premiums written

Line of business	Fiscal year ended March 31, 2009			Fiscal year ended March 31, 2010		
	Amounts (Millions of Yen)	Composition (%)	Year-on-year rate (%)	Amounts (Millions of Yen)	Composition (%)	Year-on-year rate (%)
Fire and allied lines	96,063	14.5	(0.0)	96,896	15.0	0.9
Marine	17,786	2.7	(14.7)	14,488	2.2	(18.5)
Personal accident	52,918	8.0	(6.1)	50,672	7.9	(4.2)
Voluntary automobile	333,734	50.2	(1.4)	328,579	51.0	(1.5)
Compulsory automobile liability	81,099	12.2	(21.3)	74,355	11.5	(8.3)
Other	82,287	12.4	(1.7)	80,028	12.4	(2.7)
Total	663,888	100.0	(5.0)	645,021	100.0	(2.8)

iii. Net losses paid

Line of business	Fiscal year ended March 31, 2009			Fiscal year ended March 31, 2010		
	Amounts (Millions of Yen)	Composition (%)	Year-on-year rate (%)	Amounts (Millions of Yen)	Composition (%)	Year-on-year rate (%)
Fire and allied lines	42,054	10.4	(2.1)	42,625	10.4	1.4
Marine	7,308	1.8	(14.4)	8,489	2.1	16.1
Personal accident	32,397	8.0	3.7	30,872	7.5	(4.7)
Voluntary automobile	203,299	49.9	(4.0)	212,321	51.8	4.4
Compulsory automobile liability	73,767	18.2	(1.9)	70,963	17.3	(3.8)
Other	47,406	11.7	(5.7)	44,869	10.9	(5.4)
Total	406,234	100.0	(3.3)	410,141	100.0	1.0

(Note) The information above indicates the figures before eliminating transactions by segment.

(5) Risk monitored loans (consolidated)

(Millions of Yen)

	As of March 31, 2009	As of March 31, 2010	Change
Loans to bankrupt borrowers	11	41	30
Delinquent/overdue loans	1,695	1,191	(503)
Delinquent/overdue loans for three months or more	-	-	-
Restructured loans	191	566	375
Total	1,897	1,799	(97)
Risk monitored loan ratio against total loans	0.78%	0.75%	(0.03%)
(Reference) Total loans	242,215	241,181	(1,033)

(Note) The definitions of each loan are as stated in Notes to Consolidated Balance Sheets.

<Referential Information>

1. Underwriting profit and loss (non-consolidated)

(1) Summary of underwriting profit and loss

(Millions of Yen)

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010	Change	Year-on-year rate
Underwriting profit and loss				(%)
Direct premiums written	685,837	664,984	(20,852)	(3.0)
Net premiums written	653,400	633,336	(20,063)	(3.1)
Net losses paid	400,790	403,857	3,067	0.8
Loss adjustment expenses	35,313	35,813	500	1.4
Underwriting costs and expenses	229,096	226,792	(2,304)	(1.0)
Commissions and brokerage expenses	110,378	107,151	(3,226)	(2.9)
Operating and administrative expenses on underwriting	118,718	119,640	922	0.8
Underwriting balance	(11,799)	(33,126)	(21,327)	-
Provision for outstanding claims	(1,684)	(15,154)	(13,470)	
Provision for ordinary underwriting reserves	(17,619)	(22,278)	(4,658)	
Provision for catastrophe reserves	5,372	4,994	378	
Underwriting profit	5,445	2,293	(3,151)	(57.9)
Ratios				
Loss ratio	66.7%	69.4%	2.7%	
Expense ratio	35.1%	35.8%	0.7%	
Underwriting balance ratio	(1.8%)	(5.2%)	(3.4%)	

(Note) Provision for ordinary underwriting reserves includes provision for underwriting reserves of earthquake insurance and of compulsory automobile insurance.

(2) Details of direct premiums written by line of business (excludes deposit premiums)

(Millions of Yen)

Line of business	Fiscal year ended March 31, 2009			Fiscal year ended March 31, 2010		
	Amounts	Composition	Year-on-year rate	Amounts	Composition	Year-on-year rate
		(%)	(%)		(%)	(%)
Fire and allied lines	121,107	17.7	1.4	121,472	18.3	0.3
Marine	17,739	2.6	(13.0)	14,069	2.1	(20.7)
Personal accident	52,289	7.6	(5.9)	49,735	7.5	(4.9)
Voluntary automobile	325,312	47.4	(1.8)	319,032	48.0	(1.9)
Compulsory automobile liability	82,384	12.0	(17.2)	76,564	11.5	(7.1)
Other	87,004	12.7	0.2	84,108	12.6	(3.3)
Total	685,837	100.0	(3.8)	664,984	100.0	(3.0)

(3) Details of net premiums written by line of business

(Millions of Yen)

Line of business	Fiscal year ended March 31, 2009			Fiscal year ended March 31, 2010		
	Amounts	Composition	Year-on-year rate	Amounts	Composition	Year-on-year rate
		(%)	(%)		(%)	(%)
Fire and allied lines	95,828	14.7	(0.1)	96,566	15.2	0.8
Marine	16,593	2.5	(13.5)	13,488	2.1	(18.7)
Personal accident	52,859	8.1	(6.1)	50,605	8.0	(4.3)
Voluntary automobile	325,120	49.7	(1.9)	318,749	50.4	(2.0)
Compulsory automobile liability	80,938	12.4	(21.2)	74,187	11.7	(8.3)
Other	82,058	12.6	(1.7)	79,738	12.6	(2.8)
Total	653,400	100.0	(5.2)	633,336	100.0	(3.1)

(4) Details of net losses paid by line of business

(Millions of Yen)

Line of business	Fiscal year ended March 31, 2009			Fiscal year ended March 31, 2010			
	Amounts	Year-on-year rate	Loss ratio	Amounts	Year-on-year rate	Loss ratio	Year-on-year rate
Fire and allied lines	42,165	(1.9)	47.9	42,668	1.2	48.1	0.2
Marine	6,908	(11.6)	42.9	8,006	15.9	61.0	18.1
Personal accident	32,363	3.7	66.9	30,830	(4.7)	66.4	(0.5)
Voluntary automobile	198,511	(4.2)	66.9	206,911	4.2	71.0	4.1
Compulsory automobile liability	73,597	(1.9)	97.3	70,780	(3.8)	102.9	5.6
Other	47,243	(5.6)	62.7	44,660	(5.5)	61.1	(1.6)
Total	400,790	(3.3)	66.7	403,857	0.8	69.4	2.7

2. Losses paid for natural disasters (includes earthquake losses) (non-consolidated)

(Millions of Yen)

	Fiscal year ended March 31, 2009			Fiscal year ended March 31, 2010		
	(a) Net losses paid	(b) Outstanding claims	(c) Total ((a)+(b))	(d) Net losses paid	(e) Outstanding claims	(f) Total ((d)+(e))
Fire and allied lines	3,878	619	4,497	8,309	2,051	10,361
Marine	0	-	0	891	9	901
Personal accident	16	0	16	23	1	25
Voluntary automobile	1,093	2	1,095	1,041	30	1,072
Other	314	15	329	545	128	674
Total claims during the current year	5,303	637	5,940	10,811	2,222	13,033
Total claims in the previous years	2,938			2,256		
Total	8,241			13,068		

3. Business expenses (non-consolidated)

(Millions of Yen)

		Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010		
		Amounts	Amounts	Change	Year-on-Year rate
Loss adjustment expenses, and Operating and administrative expenses	Personnel expenses	83,250	85,383	2,133	2.6
	Non-personnel expenses	68,757	68,356	(400)	(0.6)
	Contributions	457	442	(15)	(3.3)
	Taxes	7,621	7,422	(198)	(2.6)
	Total	160,086	161,606	1,519	0.9
Underwriting costs and expenses	Operating and administrative expenses on underwriting	118,718	119,640	922	0.8
	Commissions and brokerage expenses	110,378	107,151	(3,226)	(2.9)
	Total	229,096	226,792	(2,304)	(1.0)

Expense ratio	35.1%	35.8%	0.7%
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4. Reserve for outstanding claims (non-consolidated)

(Millions of Yen)

	Fiscal year ended March 31, 2009		Fiscal year ended March 31, 2010	
	Amounts	Change	Amounts	Change
Fire and allied lines	27,010	(1,798)	22,211	(4,799)
Marine	8,579	138	6,439	(2,139)
Personal accident	22,107	1,111	19,263	(2,843)
Voluntary automobile	139,781	1,600	130,636	(9,145)
Compulsory automobile liability	26,303	(720)	25,716	(586)
Other	59,245	(2,014)	63,604	4,359
Total	283,027	(1,684)	267,872	(15,154)

5. Ordinary underwriting reserves (non-consolidated)

(Millions of Yen)

	Fiscal year ended March 31, 2009		Fiscal year ended March 31, 2010	
	Amounts	Change	Amounts	Change
Fire and allied lines	361,153	(577)	362,647	1,493
Marine	5,856	(1,901)	4,009	(1,847)
Personal accident	27,642	(1,353)	27,873	230
Voluntary automobile	93,954	600	91,696	(2,258)
Compulsory automobile liability	195,183	(12,528)	177,127	(18,056)
Other	79,206	(1,858)	77,365	(1,841)
Total	762,998	(17,619)	740,719	(22,278)

(Note) Underwriting reserves for earthquake insurance and compulsory automobile liability insurance are included in the above table.

6. Catastrophe reserve (non-consolidated)

(Millions of Yen)

	Fiscal year ended March 31, 2009				Fiscal year ended March 31, 2010			
	Reversal	Provision	Amounts	Reserve ratio	Reversal	Provision	Amounts	Reserve ratio
				(%)				(%)
Fire and allied lines	-	6,586	114,580	122.2	-	6,557	121,138	128.4
Marine	-	748	18,636	112.3	211	603	19,028	141.1
Personal accident	6,728	1,632	25,648	48.5	6,208	1,576	21,016	41.5
Voluntary automobile	22,755	22,357	22,357	6.9	22,357	21,909	21,909	6.9
Other	522	4,053	48,375	59.0	747	3,872	51,501	64.6
Total	30,005	35,378	229,598	40.3	29,525	34,519	234,593	42.1

(Note) Reserve ratio = Catastrophe reserve amount / Net premiums written (excludes earthquake and compulsory automobile liability insurance) * 100

7. Statements of Gains and Losses (non-consolidated)

(Millions of Yen)

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010	Change	Year-on-year rate
				(%)
Direct premiums written (includes deposit premiums)	728,262	703,546	(24,716)	(3.4)
Direct premiums written	685,837	664,984	(20,852)	(3.0)
Ordinary profit or loss				
Underwriting income	849,404	813,345	(36,058)	(4.2)
Net premiums written	653,400	633,336	(20,063)	(3.1)
Deposit premiums from policyholders	42,425	38,562	(3,863)	(9.1)
Reversal of outstanding claims	1,684	15,154	13,470	799.9
Reversal of underwriting reserves	127,712	103,651	(24,061)	(18.8)
Underwriting expenses	724,529	689,800	(34,728)	(4.8)
Net losses paid	400,790	403,857	3,067	0.8
Loss adjustment expenses	35,313	35,813	500	1.4
Commissions and brokerage expenses	110,378	107,151	(3,226)	(2.9)
Maturity refunds to policyholders	176,779	142,510	(34,269)	(19.4)
Investment income	59,005	45,131	(13,874)	(23.5)
Interest and dividends	51,124	44,999	(6,124)	(12.0)
Gain on sale of securities	31,477	16,075	(15,402)	(48.9)
Income for derivative financial instruments	-	3,470	3,470	-
Investment expenses	63,299	13,920	(49,378)	(78.0)
Loss on sales of securities	8,830	6,786	(2,044)	(23.1)
Revaluation loss on securities	35,983	2,104	(33,878)	(94.2)
Expense for derivative financial instruments	6,298	-	(6,298)	(100.0)
Operating and administrative expenses	124,773	125,792	1,019	0.8
Operating and administrative expenses on underwriting	118,718	119,640	922	0.8
Other operating income and expenses	1,340	421	(918)	(68.5)
Ordinary profit (loss)	(2,851)	29,384	32,235	-
Underwriting profit	5,445	2,293	(3,151)	(57.9)
Special gains and losses				
Special gains	18,414	508	(17,905)	(97.2)
Special losses	933	6,936	6,002	643.3
Special gains and losses	17,481	(6,427)	(23,908)	(136.8)

Income before income taxes and minority interests	14,630	22,957	8,326	56.9
Income taxes	6,728	7,865	1,136	16.9
Deferred tax adjustment	(2,210)	1,967	4,178	-
Total income taxes	4,518	9,833	5,315	117.6
Net income	10,111	13,123	3,011	29.8
Ratios				
Loss ratio	66.7%	69.4%	2.7%	
Expense ratio	35.1%	35.8%	0.7%	
Income return	2.19%	2.06%	(0.13%)	
Realized return	0.85%	2.47%	1.62%	

(Reference) Total return based on the market value: Fiscal year ended March 31, 2009: -9.76%

Fiscal year ended March 31, 2010: 7.55%

(Note) See "10. Calculation methods of each indicator" for further details of calculation methods.

8. Unrealized gain/loss on investments in securities (non-consolidated)

(Millions of Yen)

	Fiscal year ended March 31, 2009			Fiscal year ended March 31, 2010		
	Cost	Book value	Difference	Cost	Book value	Difference
Bonds	860,155	868,798	8,642	749,121	761,549	12,428
Stocks	326,251	495,726	169,475	316,370	588,239	271,869
Foreign securities	355,746	334,540	(21,206)	352,974	341,737	(11,237)
Other securities	18,452	17,946	(506)	21,378	21,907	529
Total	1,560,606	1,717,011	156,405	1,439,844	1,713,434	273,590

(Note) The above table indicates available-for-sale securities with fair value.

9. Solvency margin ratio (non-consolidated)

(Millions of Yen)

	As of March 31, 2009	As of March 31, 2010
(A) Total amount of solvency margin	737,341	840,210
Capital or foundation funds etc.	242,517	249,698
Reserve for price fluctuations	2,581	5,643
Contingency reserve	13	12
Catastrophe reserve	278,051	285,675
Reserve for doubtful accounts(general)	79	40
Unrealized gain or loss on available-for- sale securities (before tax effect deduction)	131,328	242,132
Unrealized gain or loss on Land	21,105	24,275
Excess refund reserve	-	-
Subordinated debts	-	-
Deduction items	13,573	13,269
Other items	75,238	46,002
(B) Total amount of risks $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	207,144	226,293
Ordinary insurance risks(R_1)	41,627	39,271
Third-sector insurance risks(R_2)	1	1
Assumed interest rate risks(R_3)	3,234	3,088
Asset management risks(R_4)	76,827	85,444
Business management risks(R_5)	4,678	7,492
Major catastrophe risks(R_6)	112,227	121,948
(C) Solvency margin ratio [(A) / {(B) * 1/2}] * 100	711.9%	742.5%

(Notes) The amounts and figures indicated above are calculated in accordance with Articles 86 and 87 of the Enforcement Regulations of the Insurance Business Law and with Ministry of Finance Notification No.50 of 1996.

<Solvency margin ratio>

• While non-life insurance companies accumulate policy reserves to prepare for the payment of insurance for actual losses incurred and maturity refund of savings-type insurance policies etc., sufficient solvency should be maintained in the event the company is exposed to an extraordinary risk that cannot be predicted because of the occurrence of a major disaster, a widespread decline in prices with regard to assets which the non-life insurance companies own, etc.

• Solvency margin ratio ((C) in the above table) is an index calculated under the Insurance Business Law etc. that indicates the ratio of the “solvency margin of a non-life insurance company by means of its capital, reserves, etc.”((A) in the above table) to “risks which will exceed usual estimates”((B) in above table).

- The “risks that exceed usual estimates” is the total of each of the following risk types.

- i. Underwriting Risk (Ordinary Insurance Risks, Third-sector Insurance Risks):

Risks of the payment of insurance claims in excess of usual estimates (excluding major catastrophe risk)

- ii. Risk of assumed interest rate (Assumed Interest Risks):

Risks that may arise as a result of an actual return on investment that is lower than the assumed interest rate at the time the insurance premium is calculated.

- iii. Asset Management Risks:

Risks of retained securities and other assets fluctuating in prices in excess of usual estimates, etc.

- iv. Business Management Risks:

Risks other than i through iii above and v. that may arise in the business operations in excess of usual estimates.

- v. Major Catastrophe Risks:

Risks of the occurrence of major catastrophes as a result of major disasters (such as the Great Kanto earthquake, the Ise Bay Typhoon or equivalent) in excess of usual estimates

- The “solvency margin of a non-life insurance company by means of its capital, reserves, etc.” (Total amount of solvency margin) is the amount of a non-life insurance company’s net assets, reserves (such as reserve for price fluctuations, catastrophe reserve and others), unrealized gain or loss on land etc.

- The solvency margin ratio is one of the indices that regulatory authorities use to determine the soundness of an insurance company. It is generally held that insurance company is “adequate in terms of solvency to meet insurance payments” if the ratio is 200% or more.

10. Calculation methods of each indicator

- (1) Underwriting profit = Underwriting income – (Underwriting expenses + Operating and administrative expenses on underwriting)
± Other income and expenses

Other income and expenses include income taxes on Compulsory automobile liability insurance.

(2) Loss ratio & expense ratio

(a) Loss ratio = (Net losses paid + Loss adjustment expenses) / Net premiums written * 100

(b) Expense ratio = (Commissions and brokerage expenses + Operating and administrative expenses on underwriting) / Net premiums written * 100

(3) Calculation methods of each returns

Calculation methods of Income return and Realized return are as follows:

(a) Income return:

Numerator = Interest and dividends (includes amount equivalent to Interest and dividends of Investment income from money in trust and to Investment loss from money in trust)

Denominator = Average amount of costs and amortized costs

(b) Realized return:

Numerator = Investment income + Investment income on deposit premiums – Investment expenses

Denominator = Average amount of costs and amortized costs

(c) Total return based on the market value (reference):

Numerator = (Investment income + Investment income on deposit premiums – Investment expenses) + (Unrealized gains and losses as of current fiscal year-end – Unrealized gains and losses as of previous fiscal year-end) + changes in Net deferred gains and losses on hedge accounting

Denominator = Average amount of costs and amortized costs + Unrealized gain or loss on available-for- sale securities of previous fiscal year-end + Net unrealized gain or loss on trading securities

*1 “Unrealized gains and losses” and “Net deferred gains and losses on hedge accounting” are amount before tax-effect deduction.

*2 Trading securities include money in trust for trading purposes.

(Reference)

Investments on securitized paper and on subprime loan equivalents (As of March 31, 2010)

Investment conditions of the Company on securitized paper, as of March 31, 2010, are as follows.

In addition, consolidated subsidiaries do not hold any of these investments:

1. CDO (Collateralized Debt Obligation)

(Billions of Yen)

	As of March 31, 2010			(Reference) As of March 31, 2009		
	Fair value	Unrealized gains or losses	Impairment losses	Fair value	Unrealized gains or losses	Impairment losses
CDO	7.8	0.1	-	8.2	(0.2)	(6.5)
Rated	7.2	-	-	6.4	(0.2)	(3.6)
Non-rated	0.6	0.1	-	1.8	-	(2.9)

(Notes)

- (1) The Company recognized impairment on securities whose fair value is determinable as of the balance sheet date if the fair value declined by 30% or more from carrying value. Also applied to the table below.
- (2) Categorizations of the rated CDO are 13% AAA, 14% AA, 62% A, and 11% BB rated.
- (3) All collateral for CDO are assets supported by corporate.
- (4) CDO by region are domestic 92% and foreign 8%.
- (5) The ratios of categorizations of the rated CDO and categorizations of the CDO by region are calculated by using fair value.
- (6) Values in impairment losses are disposed as Revaluation loss on securities or as expense for derivative financial instruments.
- (7) Other than the figures in the table above, related to CDO, the Company recorded 4.6 billion yen of income for derivative financial instruments.

2. CMBS (Commercial Mortgage-Backed Security)

(Billions of Yen)

	As of March 31, 2010			(Reference) As of March 31, 2009		
	Fair value	Unrealized gains or losses	Impairment losses	Fair value	Unrealized gains or losses	Impairment losses
CMBS	8.8	(0.3)	(0.1)	13.1	(0.4)	-
Domestic	8.8	(0.3)	(0.1)	13.1	(0.4)	-
Foreign	-	-	-	-	-	-

(Note) Values in impairment losses are disposed as Revaluation loss on securities or as other investment expenses.

3. CDS (Credit Default Swap)

The Company does not hold CDS securities, such as CDOs. The Company holds CDS that relate to a single credit of a firm (7.0 billion yen of short commitment notional value, -0.0 billion yen of fair value, -0.0 billion yen of valuation loss).

4. Other equivalent investments

The Company does not hold any of SPEs, leveraged finance, financial assurance, receivables and securitized paper guaranteed by Monoline insurers, or other subprime Alt-A exposure.

5. Subprime loan equivalent investment of the above four investments

The Company does not hold subprime loan equivalent investments.

[Definitions of securitized assets]

- CDO: Collateralized Debt Obligation. A securitized security, which was supported as an asset, by asset pool of number of debt securities and loans. Also, non-rated CDO held by the Company are indicated as equity of CLO (Collateralized Loan Obligation. A securitized security, which was supported as an asset, by number of loans).
- CMBS: Commercial Mortgage-Backed Security. An instrument that securitized loans of commercial real estate.
- CDS: Credit Default Swap. A swap contract involving transaction of credit, which refers to a firm or securitized papers.
- SPEs: Special Purpose Entities. A general term of special purpose entities that are specialized in investment of securitized papers such as SIV (Structured Investment Vehicle)
- Monoline insurer: An insurer specialized in financial assurance (assurance of debt securities and securitized papers).

Additional information for the fiscal year ended March 31, 2010

(Non-consolidated)

(Billions of Yen)

	As of March 31, 2009	As of September 30, 2009	As of March 31, 2010		
				Change from previous fiscal year	Change from first half of current fiscal year
Net premiums written	653.4	319.7	633.3	(20.0)	-
(increase / decrease ratio)	(5.2%)	(5.7%)	(3.1%)	2.1%	2.6%
Total assets	2,671.7	2,634.8	2,592.4	(79.2)	(42.4)
Loss ratio	66.7%	66.2%	69.4%	2.7%	3.2%
Expense ratio	35.1%	35.4%	35.8%	0.7%	0.4%
Combined ratio	101.8%	101.6%	105.2%	3.4%	3.6%
Underwriting ratio	(1.8%)	(1.6%)	(5.2%)	(3.4%)	(3.6%)
Voluntary automobile insurance					
Net premiums written	325.1	160.4	318.7	(6.3)	-
(increase / decrease ratio)	(1.9%)	(1.9%)	(2.0%)	(0.1%)	(0.1%)
Underwriting balance ratio	2.3%	1.8%	(2.4%)	(4.7%)	(4.2%)
Loss ratio	66.9%	66.4%	71.0%	4.1%	4.6%
Expense ratio	30.8%	31.8%	31.4%	0.6%	(0.4%)
Fire and allied lines					
Net premiums written	95.8	43.7	96.5	0.7	-
(increase / decrease ratio)	(0.1%)	(5.5%)	0.8%	0.9%	6.3%
Underwriting balance ratio	8.4%	5.9%	7.7%	(0.7%)	1.8%
Loss ratio	47.9%	50.5%	48.1%	0.2%	(2.4%)
Expense ratio	43.7%	43.6%	44.2%	0.5%	0.6%
Number of employees	7,972 persons	8,292 persons	8,257 persons	285 persons	(35 persons)
Number of insurance agents	29,852 agencies	29,055 agencies	28,520 agencies	(1,332 agencies)	(535 agencies)

(Notes) 1. Loss ratio = (Net losses paid + Loss adjustment expenses) / Net premiums written * 100

2. Expense ratio = (Commissions and brokerage expenses + Operating and administrative expenses on underwriting) / Net premiums written * 100

3. Combined ratio = Loss ratio + Expense ratio

4. Underwriting balance ratio = 100% - Combined ratio

5. In “Change from previous fiscal year” and “Change from first half of current fiscal year,” numbers with % shows change of percentage.

6. Number of employees does not include numbers of agent trainees nor in-house agents but includes numbers of employees who are loaned from other companies.

<Reference> Highlights of consolidated financial statements

(Billions of Yen)

	As of March 31, 2009	As of September 30, 2009	As of March 31, 2010		
				Change from previous fiscal year	Change from first half of current fiscal year
Operating income	949.1	444.5	903.1	(46.0)	-
Net premiums written (increase / decrease ratio)	663.8 (5.0%)	325.7 (5.5%)	645.0 (2.8%)	(18.8) 2.2%	- 2.7%
Life insurance premiums (increase / decrease ratio)	63.5 (0.9%)	31.1 (3.1%)	66.3 4.4%	2.7 5.3%	- 7.5%
Ordinary profit	(3.0)	31.8	30.8	33.9	-
Net income	9.9	18.8	14.0	4.0	-

1. Disclosure of doubtful debt (non-consolidated)

[Risk monitored loans]

(Billions of Yen)

	As of March 31, 2009	As of September 30, 2009	As of March 31, 2010
Loans to bankrupt borrowers	0.0	0.0	0.0
Delinquent/overdue loans	1.6	1.4	1.1
Delinquent/overdue loans for three months or more	-	0.0	-
Restructured loans	0.1	0.4	0.5
Total	1.8	1.9	1.7
(Ratio against total loans)	0.8%	0.9%	0.8%

(Reference) Total loans	229.6	232.4	227.4
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[Result of asset self-assessment by the Company] (non-consolidated)

(Billions of Yen)

	As of March 31, 2009	As of September 30, 2009	As of March 31, 2010
Not classified	2,663.8	2,623.4	2,585.0
Class II	7.9	11.5	7.4
Class III	14.7	14.9	1.7
Class IV	36.6	0.7	15.5
(Sub-total)	59.2	27.2	24.7
Total	2,723.0	2,650.7	2,609.7

(Notes) 1. Total is described the amount before amortized or provisioned, however the amount of class III and IV have been fully amortized and/or provisioned.

2. The amount Class IV as of March 31, 2009 does not include 81million yen of impairment loss for tangible asset recognized in first half of fiscal year 2008.

3. The amount Class IV as of March31, 2010 does not include 68million yen of impairment loss for tangible asset recognized in first half of fiscal year 2009.

2. Impairment losses on securities (non-consolidated)

(Billions of Yen)

	As of March 31, 2009	As of September 30, 2009	As of March 31, 2010
Bonds	-	-	-
Stocks	18.5	0.1	1.2
Foreign securities	12.9	0.1	0.0
Other securities	4.5	-	0.8
Total	35.9	0.3	2.1

* Adopted rule for proceeding impairment losses

All securities which have fair value recognized impairment loss if fair values have declined 30% or more against to their book values at the end of fiscal period.

3. Loss on structured finance related to the subprime issue in U.S (non-consolidated)

There is no asset held related to sub-prime loans as of March 31, 2010.

Further information about structured finance held by company is described on "Investments on securitized paper and on subprime loan equivalents (As of March 31, 2010)" of the reference material.

4. Proceeding impairment losses on fixed assets (non-consolidated)

(Billions of Yen)

	As of March 31, 2009	As of September 30, 2009	As of March 31, 2010
Land	0.2	0.0	0.0
Buildings	0.1	0.0	0.2
Other	0.0	-	-
Total	0.4	0.0	0.2

5. Unrealized gains or losses on investments in securities (non-consolidated)

(Billions of Yen)

	As of March 31, 2009	As of September 30, 2009	As of March 31, 2010
Bonds	8.6	14.2	12.4
Stocks	169.4	248.1	271.8
Foreign securities	(21.2)	(26.4)	(11.2)
Other securities	(0.5)	0.3	0.5
Total	156.4	236.2	273.5

(Note) Above figures show difference between cost and book values for available-for-sale securities with fair value.

6. Sales result of insurance products for third sector insurance (note 2) (non-consolidated)

(Hundreds)

	Total numbers as of March 31, 2010		Details	
	Numbers	Increase /decrease of numbers from previous fiscal year	By the Company	By subsidiaries
Number of contracts	1,522	43	1,027	494

(Notes) 1. Above figures are the number of contracts by the Company and subsidiaries from April 1, 2009 to March 31, 2010.

2. It shows the number of contract for medical insurance and cancer insurance does not include accident insurance and nursing insurance.

7. Natural disasters (non-consolidated)

(Billions of Yen)

	As of March 31, 2009	As of September 30, 2009	As of March 31, 2010
Direct losses paid	6.0	2.3	11.4
Net losses paid	5.3	2.1	10.8
Unpaid losses (Note 2)	0.6	0.9	2.2

(Notes) 1. The above amount describes paid losses and unpaid losses related to natural disasters that occurred within this fiscal year.

2. Unpaid losses equals to loss reserves minus reinsurance claim reserves.

3. The amount of natural disaster includes losses caused by earthquakes.

8. Amount, reserve ratio and change in reserve for catastrophe reserve

(Billions of Yen)

Line of business	As of March 31, 2009			As of September 30, 2009			As of March 31, 2010		
	Amount	Reserve ratio	Change in	Amount	Reserve ratio	Change in	Amount	Reserve ratio	Change in
Fire and allied lines	114.5	122.2%	6.5	117.5	137.7%	2.9	121.1	128.4%	6.5
Marine	18.6	112.3%	0.7	18.9	142.5%	0.3	19.0	141.1%	0.6
Personal accident	25.6	48.5%	1.6	24.6	44.7%	0.8	21.0	41.5%	1.5
Voluntary automobile	22.3	6.9%	22.3	17.2	5.4%	11.0	21.9	6.9%	21.9
Other	48.3	59.0%	4.0	50.2	56.8%	2.1	51.5	64.6%	3.8
Total	229.5	40.3%	35.3	228.6	40.6%	17.3	234.5	42.1%	34.5

(Notes) 1. Reserve ratio=(Amount of catastrophe reserve) / (Net premiums written excluding earthquake insurance for individuals and compulsory automobile insurance)*100

At first half of fiscal year, net premiums written excluding earthquake insurance for individuals and compulsory automobile insurance is doubled.

2. Change in amount is counted for gross amount.

9. Reinsurance assumed

(Billions of Yen)

Line of business	As of March 31, 2009		As of March 31, 2010	
	Net premiums assumed	Net losses assumed	Net premiums assumed	Net losses assumed
Fire and allied lines	4.3	3.0	4.3	1.8
Marine	3.6	1.9	2.6	1.5
Personal accident	1.6	1.2	1.7	1.4
Voluntary automobile	2.6	1.8	2.5	1.7
Compulsory automobile liability	54.9	73.5	50.1	70.7
Other	3.0	1.0	2.8	1.8
Total	70.3	82.6	64.3	79.1

10. Reinsurance ceded

(Billions of Yen)

Line of business	As of March 31, 2009		As of March 31, 2010	
	Net premiums assumed	Net losses assumed	Net premiums assumed	Net losses assumed
Fire and allied lines	29.6	10.5	29.2	5.4
Marine	4.8	1.8	3.2	2.2
Personal accident	1.0	0.2	0.9	0.4
Voluntary automobile	2.8	2.0	2.8	2.1
Compulsory automobile liability	56.3	76.3	52.5	76.4
Other	8.0	1.2	7.1	2.3
Total	102.7	92.3	95.9	89.2

Note Regarding Forward-looking Statements

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

The risks, uncertainties and other factors referred to above include, but are not limited to, those below.

- (1) Effects of deterioration of economic and business conditions in Japan
- (2) Risks associated with non-life insurance business, life insurance business, and other businesses in which NKSJ group participates
- (3) Changes to laws, regulations, and systems
- (4) Risk of natural disasters
- (5) Occurrence of unpredictable damages
- (6) Reinsurance risk
- (7) Overseas business risk
- (8) Effects of declining stock price
- (9) Effects of fluctuation in exchange rate
- (10) Effects of fluctuation in interest rate
- (11) Liquidity risk
- (12) Effects of decline in creditworthiness of investment and/or loan counterparties
- (13) Credit rating downgrade
- (14) Litigation risk
- (15) Risk concerning retirement benefit liabilities
- (16) Occurrence of personal information leak
- (17) Damage on business operations by major disasters
- (18) Effects resulting from business integration
- (19) Other risks