

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

NKSJ Holdings, Inc.

Forecasts of Financial Results for the fiscal year ending March 31, 2011 and Management Policy

May 20, 2010

Company Name: **NKSJ Holdings, Inc.**
 Listed on: Tokyo and Osaka Stock Exchange (First section)
 Stock Code Number: 8630
 URL: <http://www.nksj-hd.com/>
 Representative Director: Masatoshi Sato, President & CEO
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Note) Amounts indicated are truncated, and percentages indicated are rounded.

**1. Forecasts of Consolidated Financial Results for the fiscal year ending March 31, 2011
 (April 1, 2010 to March 31, 2011)**

Note) Percentage figures for the entire fiscal year are year-on-year comparisons. Percentage figures for the first half fiscal year are changes from the same period of the previous fiscal year.

	Ordinary income		Ordinary profit		Net income		Net income per share
	millions of yen	%	millions of yen	%	millions of yen	%	yen
First half fiscal year	1,323,000	—	17,000	—	9,000	—	5.41
Entire fiscal year	2,642,000	—	48,000	—	25,000	—	15.04

Notes) Number of shares outstanding at beginning of year used as the basis for calculating the net income per share

- ① Total shares outstanding : 1,661,263,278 shares
- ② Treasury stock : None

2. Dividends

	Dividends per share					Dividend pay-out ratio (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total	
Fiscal year ending March 31, 2011 (Forecast)	yen	yen	yen	yen	yen	%
	—	—	—	20.00	20.00	132.9

(Note for using forecasted information etc.)

The forecasts included in this document are based on the currently available information and certain assumptions that we believe reasonable. Accordingly, the actual results may differ materially from those projected herein depending on various factors. For assumptions underlying the above forecasts and other related matters, please refer to "Forecasts for fiscal 2010" on Page 2 and "Note Regarding Forward-looking Statements" on Page 5.

Policy on shareholder returns and fiscal 2010 dividend

While maintaining financial soundness and boosting capital efficiency through investment in growth businesses, we aim to return profits to shareholders primarily by paying a stable dividend supplemented by stock buybacks where warranted by our level of capital. We target a total payout ratio* of 50%, such that total shareholder returns amount to 50% of adjusted profit (excluding any increase in embedded value).

Based on our current earnings forecasts for the year ending March 31, 2011 (fiscal 2010), we are planning to pay a dividend of 20 yen per share.

Our articles of incorporation allow us to pay an interim dividend in accord with Article 454, Section 5 of the Companies Act should our board of directors agree to do so, but we currently plan to pay only a single annual dividend.

*Total payout ratio = (total dividend + total stock buybacks) / adjusted profit (excluding increase in embedded value of life insurance subsidiaries)

Forecasts for fiscal 2010

We forecast consolidated ordinary income of 2,642 billion yen, consolidated ordinary profit of 48 billion yen, and consolidated net profit of 25 billion yen for the fiscal year ending March 31, 2011 (fiscal 2010). Our assumptions relating to insurance underwriting are based on an extrapolation from past trends, while we have allowed for 38 billion yen in net claims paid due to natural disasters.

Our forecasts relating to asset investment performance assume that market interest rates, exchange rates, and stock prices remain at or near their levels as of end-March 2010.

Management policies

(1) Basic management policies

NKSJ Holdings, Inc. was launched on April 1, 2010, to integrate SOMPO JAPAN INSURANCE INC. and NIPPONKOA Insurance Co., Ltd., under a single holding company. NKSJ Group's basic management policies are as follows.

Recognizing its social responsibility and public mission in insurance and financial services, the NKSJ Group pursues sustained growth by executing management strategies for the entire group through operations premised on building highly transparent governance systems and ensuring effective risk management and compliance. (The No.1 group for "growth" and "customers' trust")

- ① We will enhance management efficiency through collaboration in all areas of the NKSJ Group's operations to ensure that the effects of the business integration are realized as soon as possible.
- ② Drawing on the solid financial foundation and human resources provided by the business integration, we will strategically invest resources in growth areas in the aim of bolstering earnings on a group-wide basis and enhancing our corporate value.
- ③ We will endeavor to enhance operations quality in all of our service processes and provide customers with absolute peace of mind and the highest quality services so as to strengthen the trust that customers place in us.
- ④ Utilizing our core business strengths in areas such as the environment, health, and medical care, we will fulfill our corporate social responsibility and help to build a sustainable society through active dialog with stakeholders.
- ⑤ We will actively undertake human resources exchanges within the group, effectively utilize know-how, and invigorate our workforce to realize a vibrant and open NKSJ Group that grows together with its employees.

(2) Management targets and medium- to long-term business strategies

The NKSJ Group announced numerical management targets in October 2009. We are currently drafting a more specific plan reflecting our financial results for the year ended March 31, 2010 (fiscal 2009), and other subsequent developments. Details will be announced once finalized.

(3) Issues to be addressed

In fiscal 2010, NKSJ Holdings' inaugural fiscal year, we will be working to make the NKSJ Group No.1 for growth and customers' trust. We aim to achieve sustained growth and boost corporate value by meeting the expectations of customers and society through our domestic non-life and life insurance and our overseas operations and by capitalizing on integrative synergies as rapidly as possible.

Forecast for FY2010 ① (NKSJ Consolidated Basis)

Billions of yen

	FY2010 (estimation)
Ordinary income	2,642.0
(P&C Net premiums written)	1,962.0
(Life insurance premiums)	182.0
Ordinary profit	48.0
Net income	25.0
Dividend per share	20 yen

Billions of yen

	Ordinary income	Net income
SJ (consolidated)	34.0	17.0
+		
NK (consolidated)	25.0	15.0
+		
Consolidated adjustments	-11.0	-7.0
=		
NKSJ (consolidated)	48.0	25.0

<Consolidated adjustments>

–In establishing NKSJ Holdings, the purchase method was applied to account for the business combination. Main components of the “Consolidated adjustments” at left in NKSJ Holdings’ fiscal 2010 consolidated earnings forecasts are adjustments associated with use of the purchase method.

–Goodwill is currently being calculated. We do not currently envisage it being a large amount. Our results forecasts therefore do not include any goodwill amortization.

Forecast for FY2010 ②

(Two Major P&C Insurers, Non-consolidated basis)

Billions of yen

	Sompo Japan			Nipponkoa		
	FY2009(A)	FY2010(E)	Change	FY2009(A)	FY2010(E)	Change
Net premiums written	1,258.8	1,268.0	+9.1	633.3	635.0	+1.6
(excl. CALI)	1,094.1	1,104.5	+10.3	559.1	560.1	+1.0
Loss ratio	73.9%	72.9%	-0.9pt	69.4%	67.5%	-1.9pt
(excl. financial guarantee * / CALI)	63.9%	64.0%	+0.1pt	65.0%	62.8%	-2.2pt
Expense ratio	34.1%	33.1%	-0.9pt	35.8%	35.6%	-0.2pt
(excl. CALI)	35.2%	34.2%	-1.0pt	37.3%	37.1%	-0.2pt
Combined ratio	107.9%	106.1%	-1.9pt	105.2%	103.2%	-2.0pt
(excl. financial guarantee * / CALI)	99.1%	98.3%	-0.9pt	102.2%	99.9%	-2.3pt
Underwriting profit	-2.5	-14.0	-11.4	2.2	-2.0	-4.2
Investment profit	65.2	59.0	-6.2	31.2	32.0	+0.8
Ordinary profit	50.3	31.5	-18.8	29.3	25.0	-4.3
Net income	42.7	17.0	-25.7	13.1	15.0	+1.8

* "Excl. financial guarantee" excludes only financial guarantee related losses, and does not exclude premiums or loss adjustments, claims expenses.

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