
Highlights of 1Q FY2012 Results

August 13, 2012

NKSJ Holdings, Inc.

Overview of 1Q FY2012 Results – NKSJ Consolidated

- ◆ Domestic P&C insurance and domestic life insurance both posted top-line growth. However an ordinary loss and a net loss were posted.
- ◆ No change in full FY2012 forecasts.

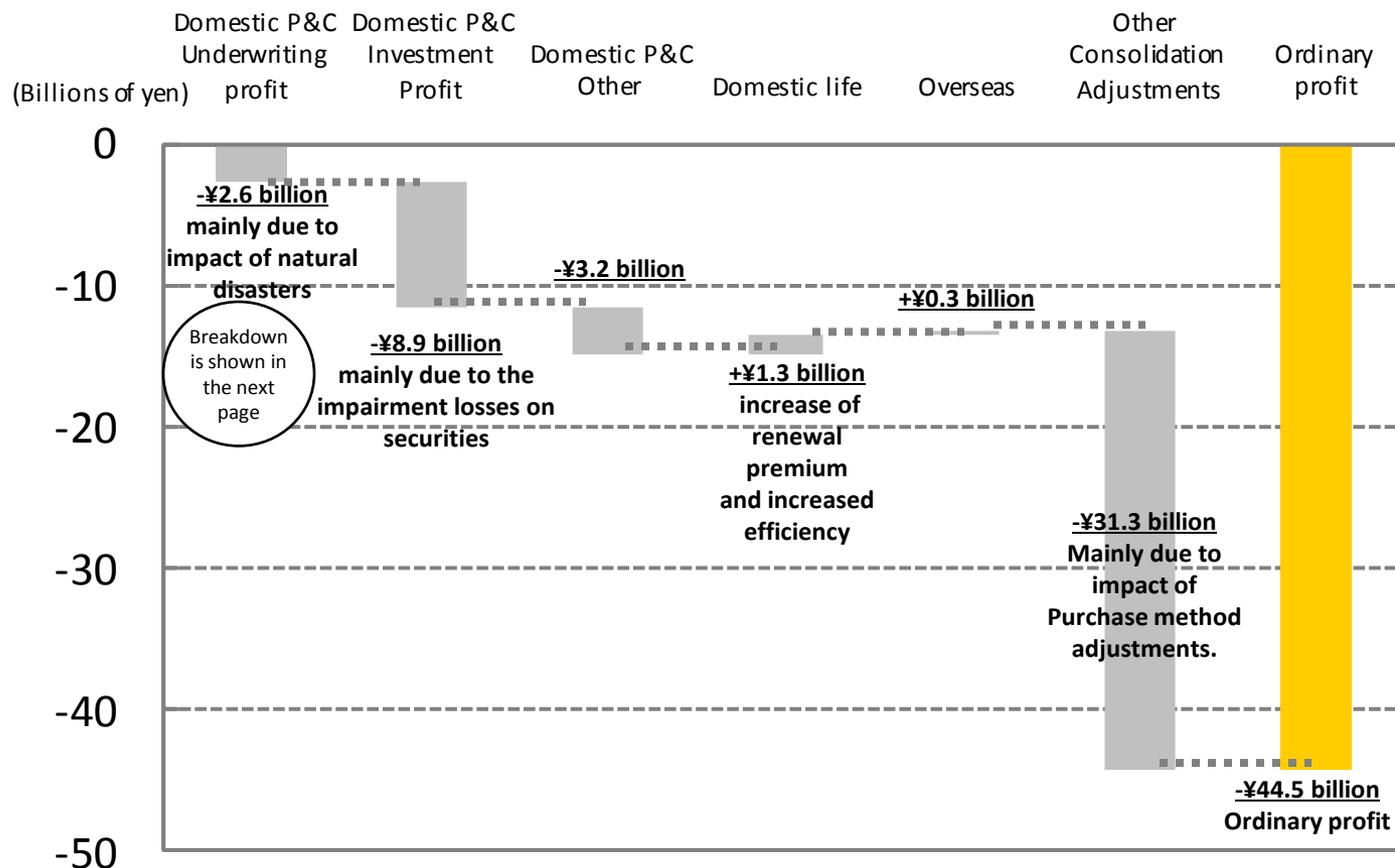
	1QFY2011	1QFY2012	(Billions of yen) Change	(Billions of yen) FY2012 Forecasts
P&C net premium written	508.2	525.9	+17.6(+3.5%)	
Life insurance premium	57.5	58.6	+1.0(+1.9%)	
Ordinary profit	11.7	-44.5	-56.2	64.0
Domestic P&C insurance business*1	15.6	-14.8	-30.5	
Domestic life insurance business*2	-1.0	1.3	+2.4	
Overseas insurance business	1.7	0.3	-1.3	
Consolidated adjustments*3/Others	-4.6	-31.3	-26.7	
Net Income	12.0	-34.3	-46.3	24.0
Domestic P&C insurance business*1	10.1	-12.0	-22.2	
Domestic life insurance business*2	-1.3	0.7	+2.0	
Overseas insurance business	1.3	-0.2	-1.6	
Consolidated adjustments*3/Others	1.8	-22.7	-24.6	

unchanged

*1 "Domestic P&C insurance business" is the sum of figures of Sompo Japan and Nipponkoa. This is applied to other pages. *2 "Domestic life insurance business" is the sum of figures of Sonpo Japan Himawari Life and Nipponkoa Life on FY2009, FY2010 and 1st half of FY2011, and it is the figures of NKSJ Himawari Life on FY2012 2nd half. This is applied to other pages. *3 "Purchase method" accountings was adopted in establishing NKSJ Holdings. In NKSJ consolidated financial statements, assets and liabilities of Nipponkoa are booked at the market value as of the completion of business integration. Therefore, book value used in Nipponkoa's statements and that used in NKSJ' consolidated statements are different. As a result, in calculating NKSJ consolidated profit, adjustments are necessary in Nipponkoa's realized gains on securities, etc. These adjustments are included in "consolidated adjustments" shown in the above table.

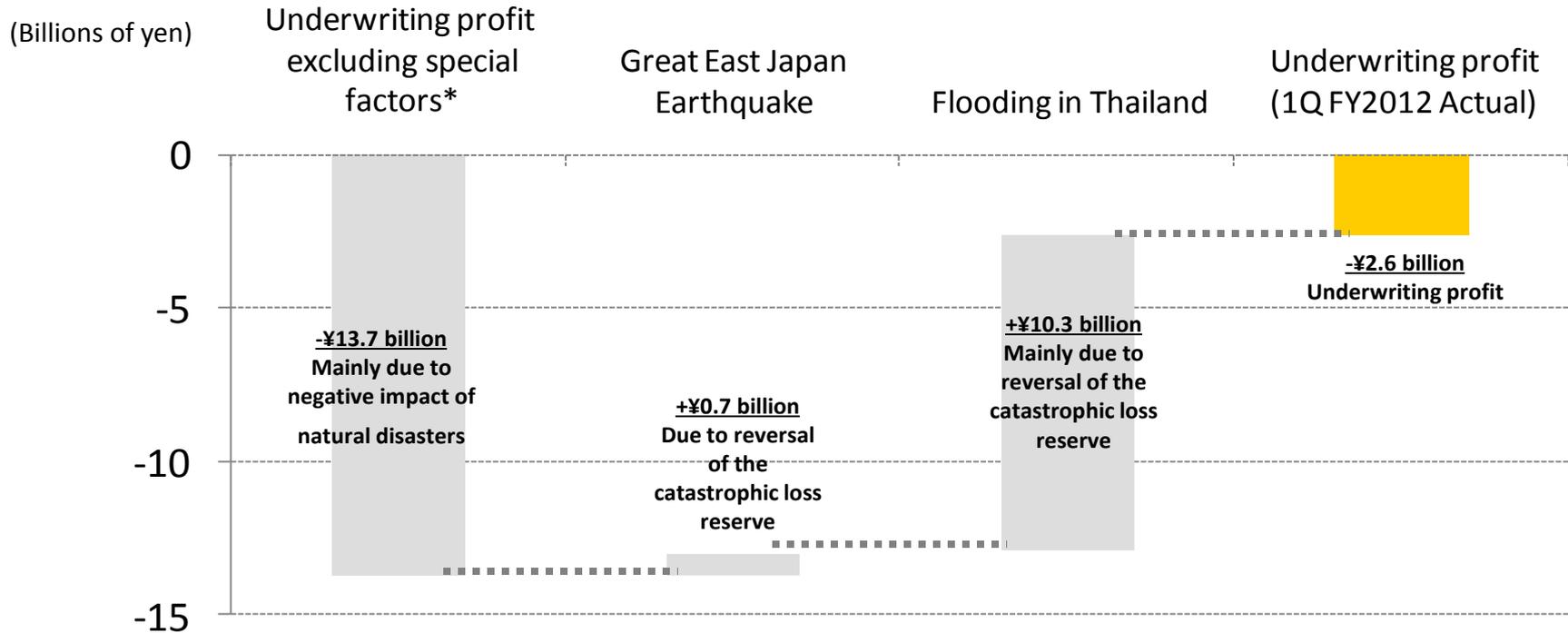
- ◆ Ordinary loss was mainly due to the impairment losses on securities (including purchase method adjustments) caused from stagnation of domestic stock market.

Ordinary profit by business domains



- ◆ Underwriting profit was negative mainly due to the payment of domestic natural disasters.
- ◆ Reversal of catastrophic loss reserve of the Great East Japan Earthquake and the flooding in Thailand made a positive contribution.

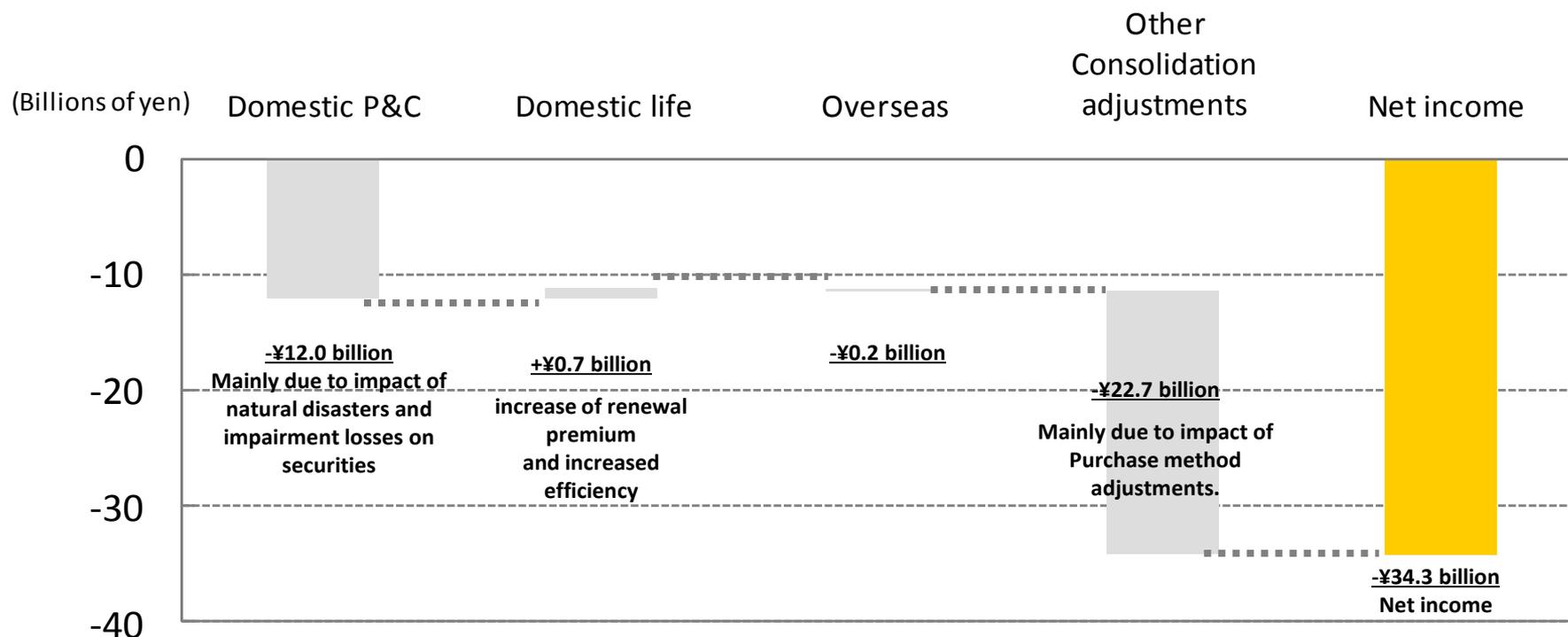
Underwriting profit – Domestic P&C insurance



Special factors: Great East Japan Earthquake and Flooding in Thailand

- ◆ Large impairment losses on securities (including purchase method adjustments) made a negative impact.

Net income by business domains



Overview of 1Q FY2012 Results of Domestic P&C insurance

- ◆ Rose in loss ratio and combined ratio due to the negative impact of natural disasters.
- ◆ Net loss was posted mainly due to the worsened investment profit caused from stagnation of domestic stock market.

(Billions of yen)	Sum of two companies			Sompo Japan		Nipponkoa	
	1Q FY2011	1Q FY2012	Change	1Q FY2012	Change	1Q FY2012	Change
Net premiums written	488.6	501.5	+12.8(+2.6%)	339.8	+12.0(+3.7%)	161.6	+0.8(+0.5%)
excl. CALI	434.5	438.3	+3.7(+0.9%)	296.2	+5.8(+2.0%)	142.1	-2.0(-1.5%)
Loss ratio	69.8%	71.2%	+1.4pt	69.0%	-0.8pt	75.9%	+0.7pt
excl. financial guarantee losses*1 and CALI	66.1%	67.1%	+1.1pt	64.6%	+0.8pt	72.4%	+1.7pt
Expense ratio	33.7%	33.3%	-0.4pt	32.2%	-0.9pt	35.4%	+0.7pt
Excl. CALI	34.2%	34.6%	+0.4pt	33.4%	-0.2pt	37.0%	+1.7pt
Combined ratio	103.5%	104.5%	+1.0pt	101.2%	-1.7pt	111.3%	+1.4pt
excl. financial guarantee losses*1 and CALI	100.3%	101.7%	+1.5pt	98.0%	+0.7pt	109.5%	+3.4pt
Underwriting profit	-1.0	-2.6	-1.6	-5.4	-2.2	2.7	+0.6
Investment profit	20.4	-8.9	-29.3	-22.5	-35.7	13.6	+6.3
Ordinary profit	15.6	-14.8	-30.5	-31.0	-37.9	16.1	+7.4
Net income	10.1	-12.0	-22.2	-22.1	-25.5	10.1	+3.3
【reference】 Adjusted profit							
Net income	10.1	-12.0	-22.2	-22.1	-25.5	10.1	+3.3
+ Provision for catastrophic loss reserve (net of tax)	1.6	-12.7	-14.3	-3.4	-7.4	-9.2	-6.8
+ Provision for price fluctuation reserve (net of tax)	0.0	-8.3	-8.4	-8.7	-9.7	0.4	+1.3
- Realized gain/losses and Impairment loss on securities.	-0.1	-22.2	-22.0	-23.3	-24.5	1.1	+2.4
- Extraordinary items*2 (net of tax)	-	-	-	-	-	-	-
Adjusted profit	12.0	-10.8	-22.8	-11.0	-18.2	0.1	-4.6

*1 "excl. financial guarantee is only for Sompo Japan.

*2 Extraordinary items are not included in the first quarter.

Net Premiums Written – Domestic P&C insurance

- ◆ Top-line growth trend is continuing.
- ◆ Premium growth on both Voluntary Automobile and CALI because of an increase of new car sales and a positive impact from premium rate revision.
- ◆ Nipponkoa's fire & allied lines net premiums decreased due to increase of ceded premiums, however gross premiums increased.

(Billions of yen)

	Sum of two companies		Sompo Japan		Nipponkoa	
	Amount	Change	Amount	Change	Amount	Change
Fire & allied lines	54.4	-1.1 (-2.1%)	36.0	+1.9 (+5.6%)	18.3	-3.0 (-14.3%)
Marine	9.2	-0.0 (-0.4%)	6.1	-0.0 (-1.1%)	3.1	+0.0 (+1.1%)
Personal Accident	51.9	+0.9 (+1.8%)	37.2	+0.6 (+1.9%)	14.6	+0.2 (+1.6%)
Voluntary Automobile	250.1	+4.6 (+1.9%)	167.6	+3.5 (+2.2%)	82.5	+1.0 (+1.3%)
CALI	63.2	+9.1 (+16.9%)	43.6	+6.2 (+16.6%)	19.5	+2.9 (+17.5%)
Other	72.5	-0.5 (-0.8%)	49.2	-0.2 (-0.5%)	23.3	-0.3 (-1.5%)
Of which, liability	48.0	-0.4 (-0.8%)	34.6	-0.5 (-1.6%)	13.4	+0.1 (+1.2%)
Total	501.5	+12.8 (+2.6%)	339.8	+12.0 (+3.7%)	161.6	+0.8 (+0.5%)
Total excl. CALI	438.3	+3.7 (+0.9%)	296.2	+5.8 (+2.0%)	142.1	-2.0 (-1.5%)

Loss Ratio (written paid basis) – Domestic P&C insurance

- ◆ Claims paid for fire insurance and automobile insurance increased because of impact from domestic natural disasters including severe storms.

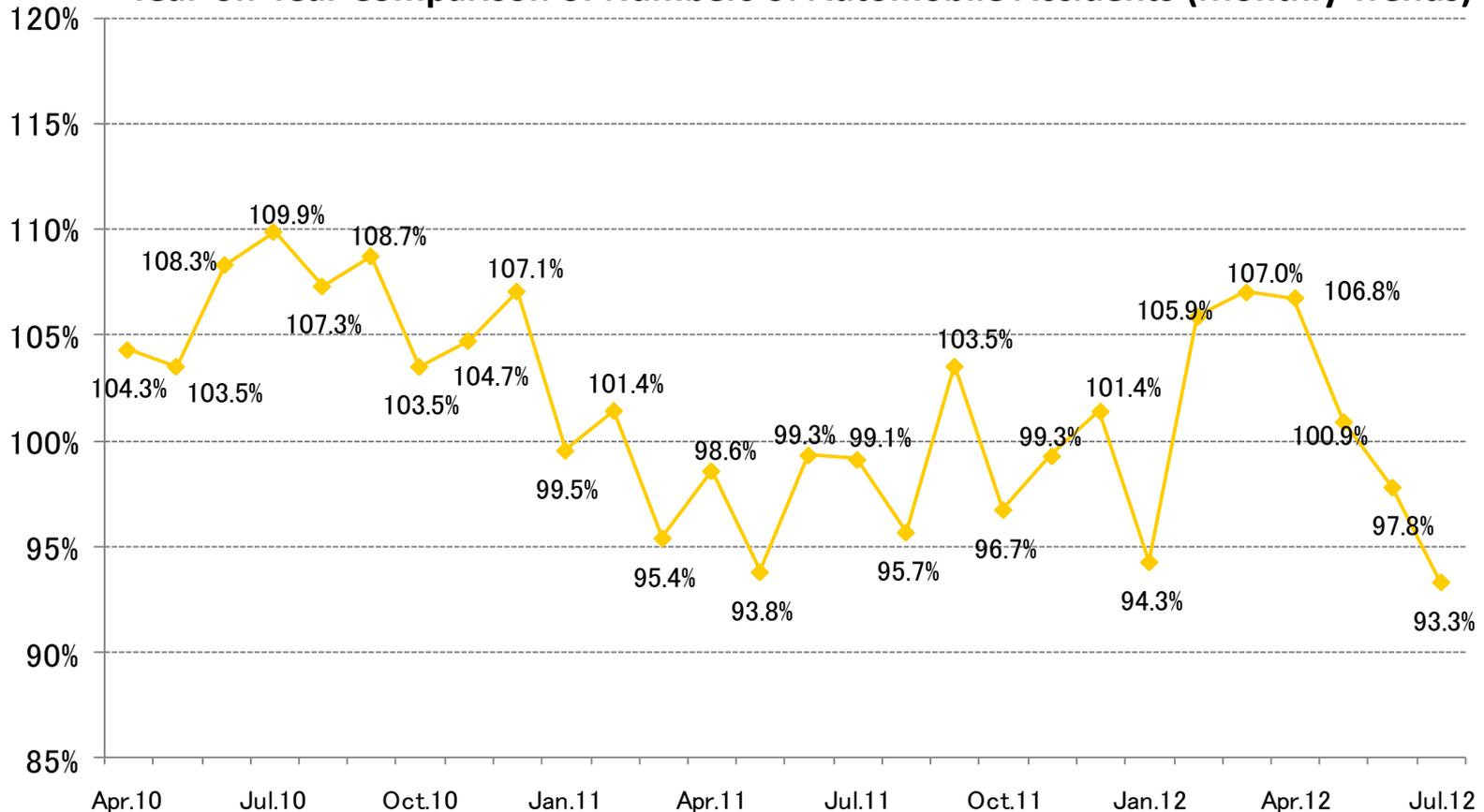
(Billions of yen)

	Sum of two companies				Sompo Japan		Nipponkoa	
	Net claims paid		Loss Ratio		Loss Ratio		Loss Ratio	
		Change		Change		Change		Change
Fire & allied lines	57.9	-0.5	110.4%	+2.7pt	95.9%	+4.8pt	138.9%	+4.6pt
Excl. Great East Japan Earthquake and Thai floods	53.4	+25.4	98.2%	+47.9pt	87.4%	+43.7pt	119.5%	+58.7pt
Marine	4.5	-1.5	53.2%	-16.4pt	54.7%	-24.4pt	50.2%	-0.2pt
Personal Accident	24.0	-0.2	50.9%	-1.4pt	51.4%	-0.6pt	49.7%	-3.5pt
Voluntary Automobile	151.4	+9.3	68.7%	+2.1pt	68.4%	+1.4pt	69.1%	+3.6pt
CALI	57.6	+1.6	99.2%	-12.4pt	98.5%	-12.6pt	100.9%	-12.1pt
Other	28.5	-1.5	42.8%	-2.1pt	39.9%	-5.1pt	49.0%	+4.2pt
Of which, liability	16.8	+0.6	38.1%	+1.6pt	36.6%	-0.1pt	41.8%	+6.0pt
Total	324.3	+36.6	71.2%	-0.4pt	69.0%	-0.8pt	75.9%	+0.7pt
Total (exc. CALI, financial guarantee losses, Great East Japan Earthquake, and Thai Floods)	287.3	+36.4	65.6%	+7.8pt	63.7%	+6.5pt	69.5%	+10.6pt

※Only Sompo Japan excludes financial guarantee losses.

◆ The number of accidents, which provides a leading indicator for the loss ratio, showed a generally downward trend, however a counter effect to the impact from the Great East Japan Earthquake was observed in this early fiscal year.

Year-on-Year Comparison of Numbers of Automobile Accidents (Monthly Trends)



* Simple sum figures of Sompo Japan and Nipponkoa (excl. the Great East Japan Earthquake)

Impact of domestic natural disasters

◆ 1Q was ¥17.1 billion and a full-year forecast is ¥50 billion. Big increase comparing to the previous 1Q.

Net claims paid

(Billions of yen)

	Sum of two companies			Sompo Japan		Nipponkoa	
	1QFY2011	1QFY2012	Change	1QFY2012	Change	1Q2012	Change
Fire & allied lines	0.7	14.3	+13.6	8.1	+7.8	6.2	+5.7
Marine	-	0.0	+0.0	-	-	0.0	+0.0
Personal Accident	0.0	0.0	+0.0	0.0	+0.0	0.0	+0.0
Voluntary Automobile	0.1	2.4	+2.2	1.6	+1.5	0.7	+0.6
Other	0.0	0.3	+0.3	0.0	+0.0	0.2	+0.2
Total	0.9	17.1	+16.2	9.8	+9.5	7.2	+6.6

*Above figures are net claims paid caused from domestic natural disasters incurred in the fiscal year. Net claims paid incurred in the previous year are not included.

* Since outstanding loss reserve is worked out by compendium method in the quarterly results, incurred losses related to natural disasters were not aggregated.

Reference: Net claims paid (main disasters)

(Billions of yen)

	Sum of two companies	Sompo Japan	Nipponkoa
Severe storm (April 2012)	14.0	8.2	5.7
Tornado and hail (May 2012)	2.2	1.2	0.9

* Major natural disasters did not occurred in the 1st quarter of 2011 fiscal year.

* Paid claims related to the typhoon No. 4 occurred in June 2012 would be minor, and incurred loss of multibillion yen is expected as of this moment.

◆ There were almost no additional losses, and posted profit in this quarter.

(Billions of yen)

	FY2011	1QFY2012			
	Group Total	Group Total	Sompo Japan	Nipponkoa	Overseas subsidiaries
Paid claims	18.6	6.2	1.9	4.1	0.1
Provision of outstanding loss reserve	84.1	-10.3	-3.3	-7.0	0.0
Incurred losses	109.8*	-4.1	-1.4	-2.8	0.1
Provision of catastrophic loss reserve	-18.0	-6.0	-1.9	-4.1	-
Impact on ordinary profit	-91.8	10.1	3.3	7.0	-0.1

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

Posted ¥10.1 billion profit due to decrease of outstanding loss reserve caused from depreciation of Thai Baht and reversal of catastrophic loss reserve.
(Sum of profit of two domestic P&C companies were ¥10.3 billion.)

Net Expense Ratio – Domestic P&C insurance

◆ Net expense ratio dropped due to the reduction of company expenses (mainly personnel expenses) and growth of net written premium.

Net expense ratio

(Billions of yen)

	Sum of two companies				Sompo Japan				Nipponkoa			
	Amount		Net expense ratio		Amount		Net expense ratio		Amount		Net expense ratio	
		Change		Change		Change		Change		Change		Change
Net commissions and brokerage fee	87.3	+2.8	17.4%	+0.1pt	58.4	+1.9	17.2%	-0.0pt	28.8	+0.9	17.8%	+0.5pt
Operating, general and administrative expenses*	79.5	-0.5	15.9%	-0.5pt	51.0	-0.9	15.0%	-0.9pt	28.4	+0.4	17.6%	+0.2pt
Total	166.8	+2.3	33.3%	-0.4pt	109.5	+0.9	32.2%	-0.9pt	57.2	+1.4	35.4%	+0.7pt

*Only for underwriting

Company expenses

(Billions of yen)

	Sum of two companies				Sompo Japan				Nipponkoa			
	Amount		% of net premium		Amount		% of net premium		Amount		% of net premium	
		Change		Change		Change		Change		Change		Change
Personnel expenses	62.2	-0.5	12.4%	-0.4pt	40.3	-0.5	11.9%	-0.6pt	21.8	-0.0	13.5%	-0.1pt
Non-personnel expenses	47.7	+0.2	9.5%	-0.2pt	31.6	-0.4	9.3%	-0.5pt	16.1	+0.7	10.0%	+0.4pt
Tax and contributions	6.6	-0.2	1.3%	-0.1pt	4.9	-0.1	1.4%	-0.1pt	1.7	-0.0	1.1%	-0.0pt
Total	116.6	-0.4	23.3%	-0.7pt	76.9	-1.1	22.6%	-1.2pt	39.7	+0.6	24.6%	+0.3pt

Investment Profit – Domestic P&C insurance

- ◆ Interest and dividend of foreign securities decreased due to decline of interest rates and appreciation of the yen.
- ◆ Posted substantial amount of impairment losses on securities caused from decline of the stock market.
- ◆ Posted profit in stock futures hedge positions and currency hedge positions (Gains on derivative products).

(Billions of yen)

	Sum of two companies			Sompo Japan		Nipponkoa	
	1QFY2011	1QFY2012	Change	1QFY2012	Change	1QFY2012	Change
Interest and dividend income	38.6	33.7	-4.8	20.7	-3.0	12.9	-1.8
Net interest and dividend income 1	24.0	20.4	-3.6	12.0	-2.0	8.3	-1.5
Realized gain on securities sales 2	3.2	10.7	+7.5	5.7	+2.5	5.0	+4.9
of which, realized gain on domestic stock sales	1.7	2.2	+0.5	0.5	-0.8	1.6	+1.3
Impairment losses on securities 3	-3.4	-44.0	-40.5	-40.7	-39.3	-3.2	-1.2
of which, impairment losses on domestic stock	-3.0	-43.9	-40.9	-40.7	-39.3	-3.2	-1.5
Gain on derivative products 4	0.5	6.4	+5.9	1.9	+1.9	4.5	+3.9
Other investment income 5	-3.9	-2.5	+1.3	-1.5	+1.0	-1.0	+0.2
Investment profit 1+2+3+4+5	20.4	-8.9	-29.3	-22.5	-35.7	13.6	+6.3

Overview of 1Q FY2012 Results of Domestic life insurance

- ◆ New business decreased year-on-year due to controlling sales of saving-type products.
- ◆ Turned into black.
- ◆ Shift toward protection-type products is continuing.

(Billions of yen)

	1Q FY2011	1Q FY2012	Change	Change %
Amount of new business	701.3	654.2	-47.0	-6.7%
Annualized premium	8.5	7.9	-0.5	-6.6%
Income from insurance premium	84.6	85.4	+0.8	+1.0%
(excl. lump-sum payment)	80.4	84.6	+4.1	+5.2%
Ordinary profit	-0.2	2.2	+2.5	- %
Net income	-1.3	0.7	+2.0	- %

(Billions of yen)

	End of FY2011	End of 1Q FY2012	Change	Change %
Amount of business in force	17,659.7	17,928.5	+268.8	+1.5%
Annualized premium	286.2	287.7	+1.5	+0.5%

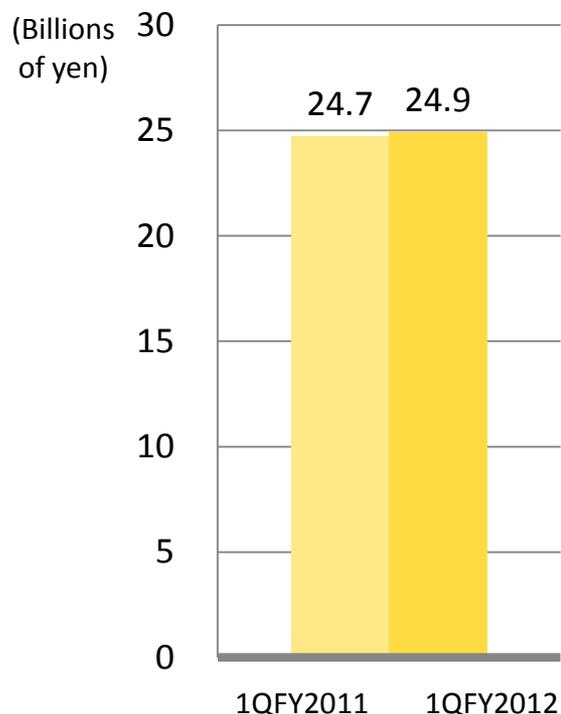
	Change
Protection-type	+2.0
Saving-type	-0.2
Total	+1.7

*Amount of new business, amount of business in force, and annualize premium are the sum of personal insurance and personal pension insurance.

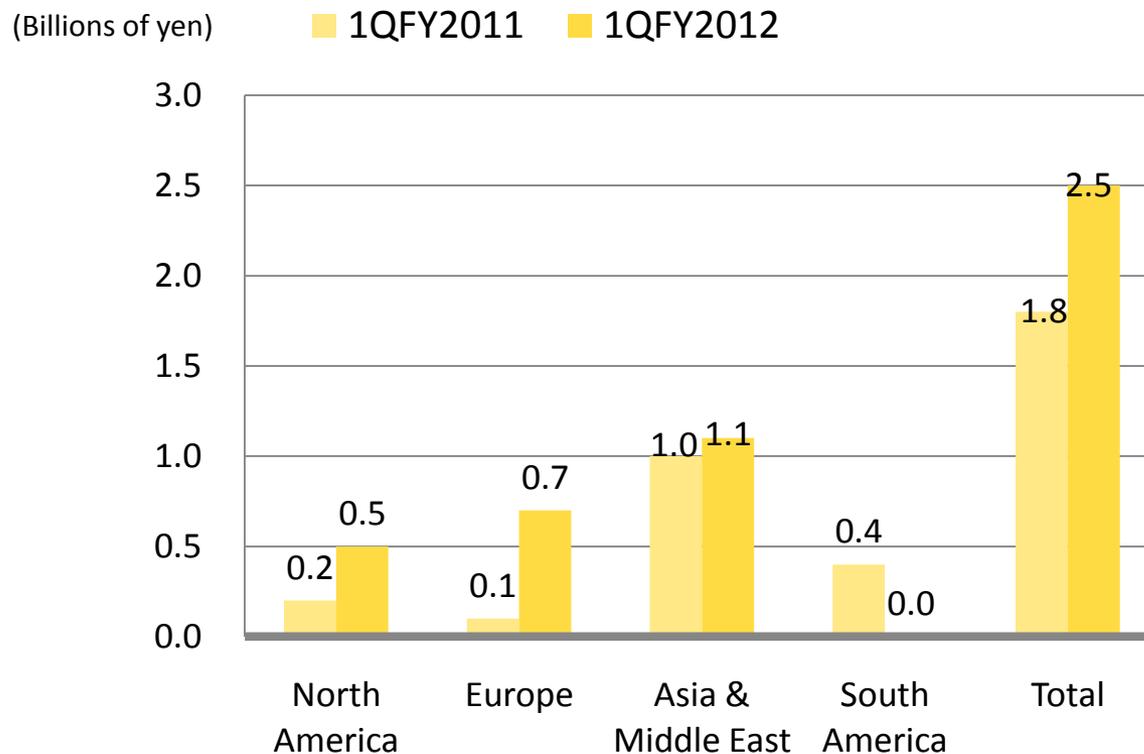
* As the figures in the table on the right show annualized premium of business in force based on in-house standard, the total figures do not coincide with the figures in the table on the left.

◆ Increased in top-line and profit.

Net premium written



Net income



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

*Net income reflects holding shares of each subsidiary and affiliate, and figures are before consolidation adjustments excluding SJ Europe and SJ Singapore.

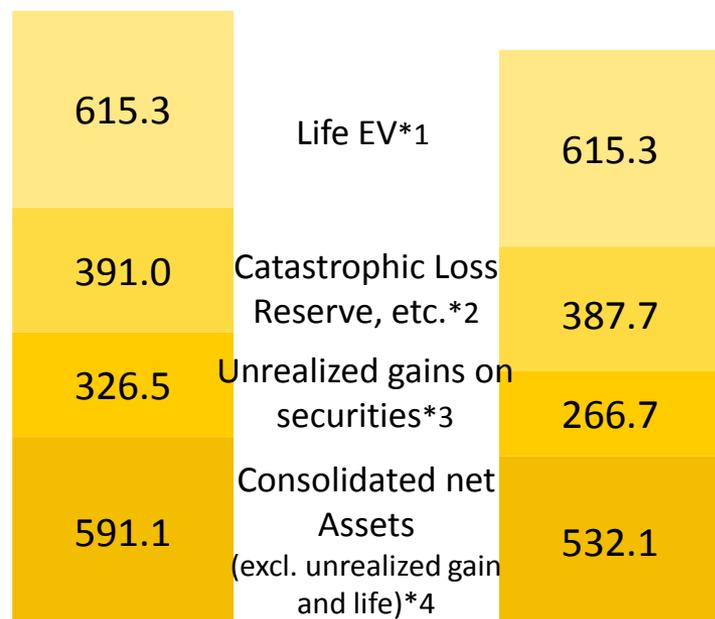
- ◆ A slight decrease from the end of previous fiscal year due to the decrease of unrealized gains on securities caused from decline in the stock market.

Adjusted consolidated net assets

(Billions of yen)

Total 1,924.1
(¥4,638 per share)

Total 1,801.9
(¥4,340 per share)



End of Mar. 2012

End of Jun. 2012

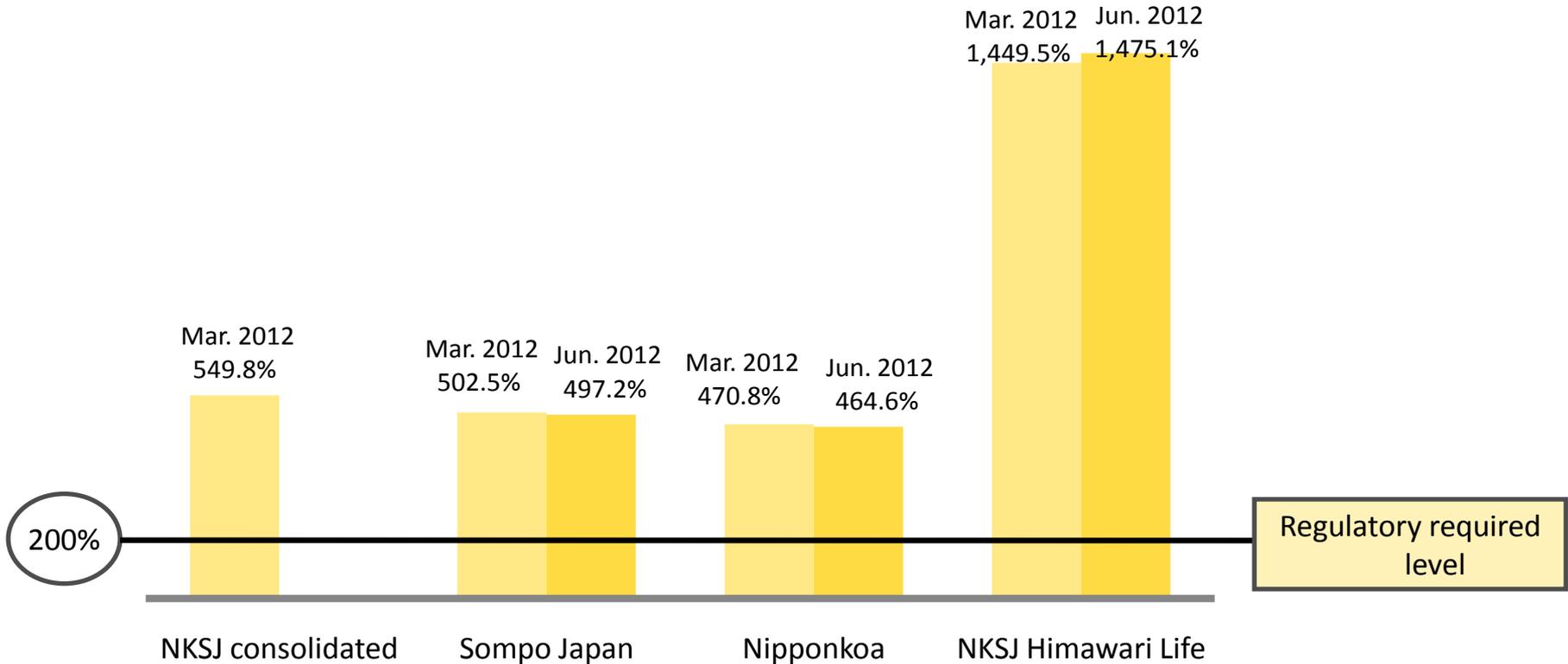
*1 Life insurance EV is the nominal price before deduction of changes in EV attributable to interest rate movements. However, in the case of adjusted profit, which is the subject of the management plan, the growth in EV is the value after deduction of changes in EV attributable to interest rate movements. As EV is calculated annually, the figure as of the end of June 2012 is the same as of the end of March 2012.

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

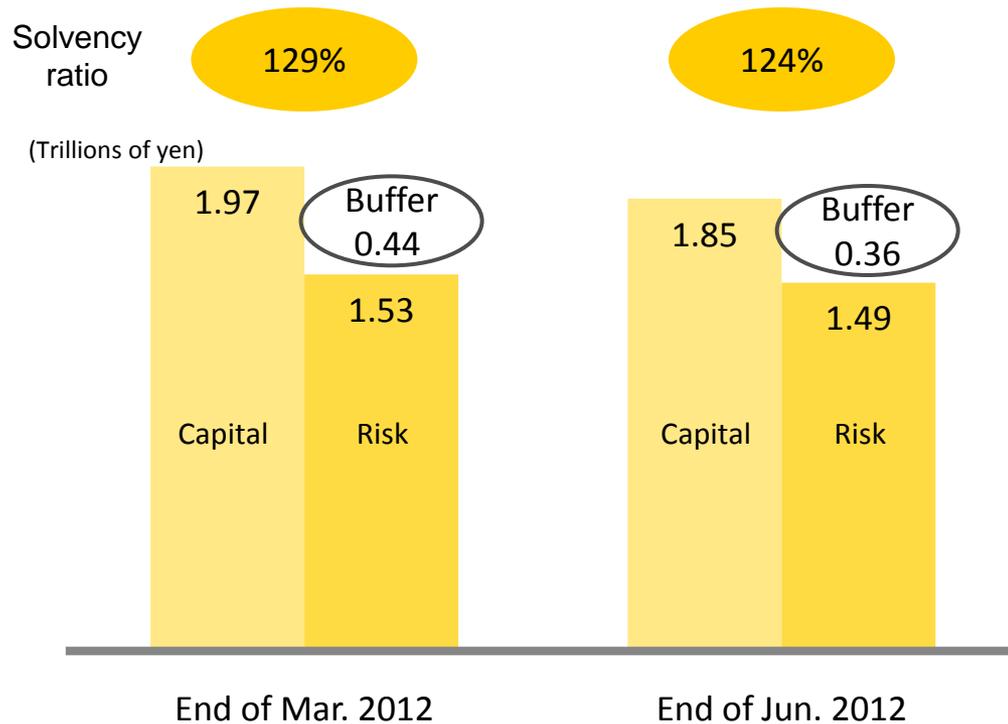
*3 Unrealized gains/losses on securities is after tax.

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

◆ Maintain levels greatly in excess of that required by regulation.



- ◆ Maintain appropriate level for AA rating (confidence level of 99.95%)
- ◆ Introduced management on after-tax basis, in keeping with international trends



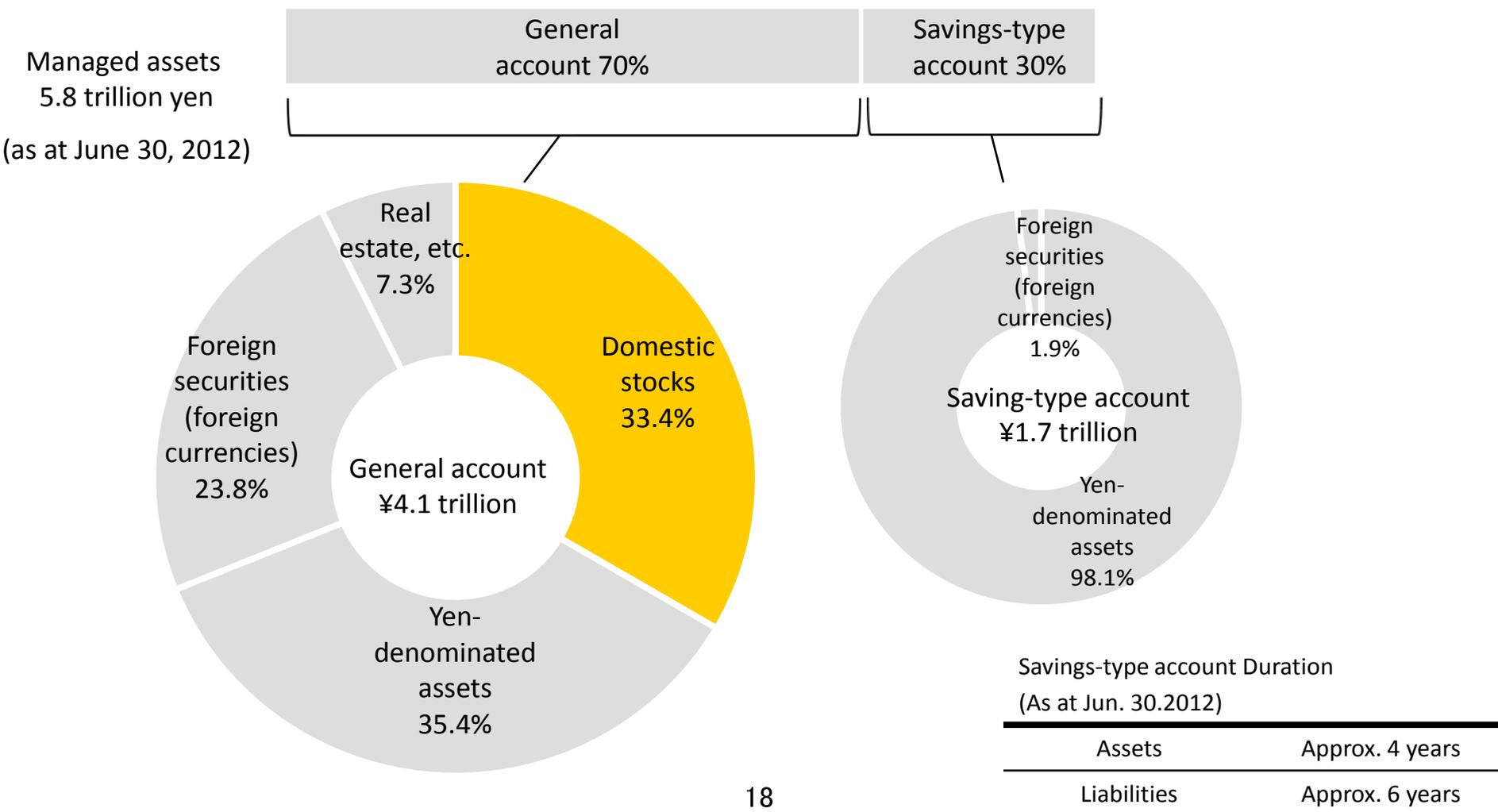
Solvency ratio (internal standard)
Sensitivity
(as at March 31, 2012)

Change in stock price by 30% increase	+11.3%
Change in stock price by 30% decrease	-17.8%
10% appreciation in yen exchange rate	-1.9%
100bps increase in interest rates	+1.1%
100bps decrease in interest rates	-7.9%
Stock price decrease by 30% + 100bps decrease in interest rates	-23.4%

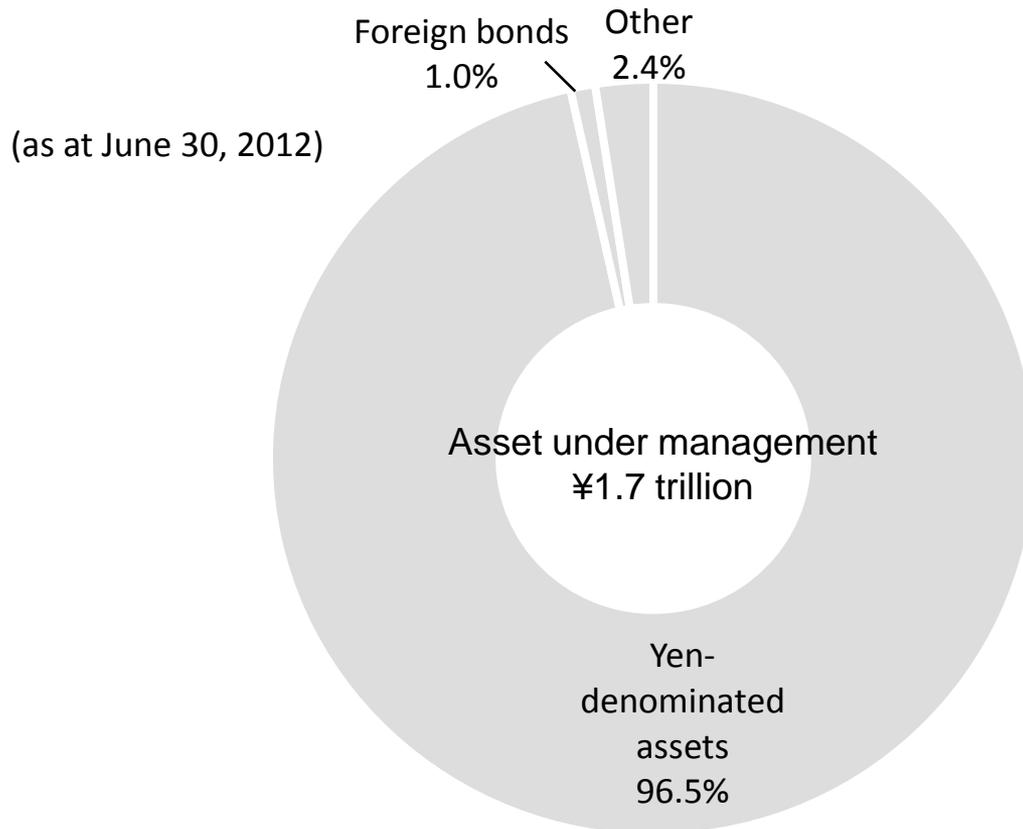
Definition, etc.

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

- ◆ General account is managed with diversified investments, while saving-type account is managed with ALM
- ◆ Reduction of exposure to domestic stocks (= strategic holding stocks) under way.



◆ Reflecting the high profitability of life insurance products, the asset portfolio is extremely conservative



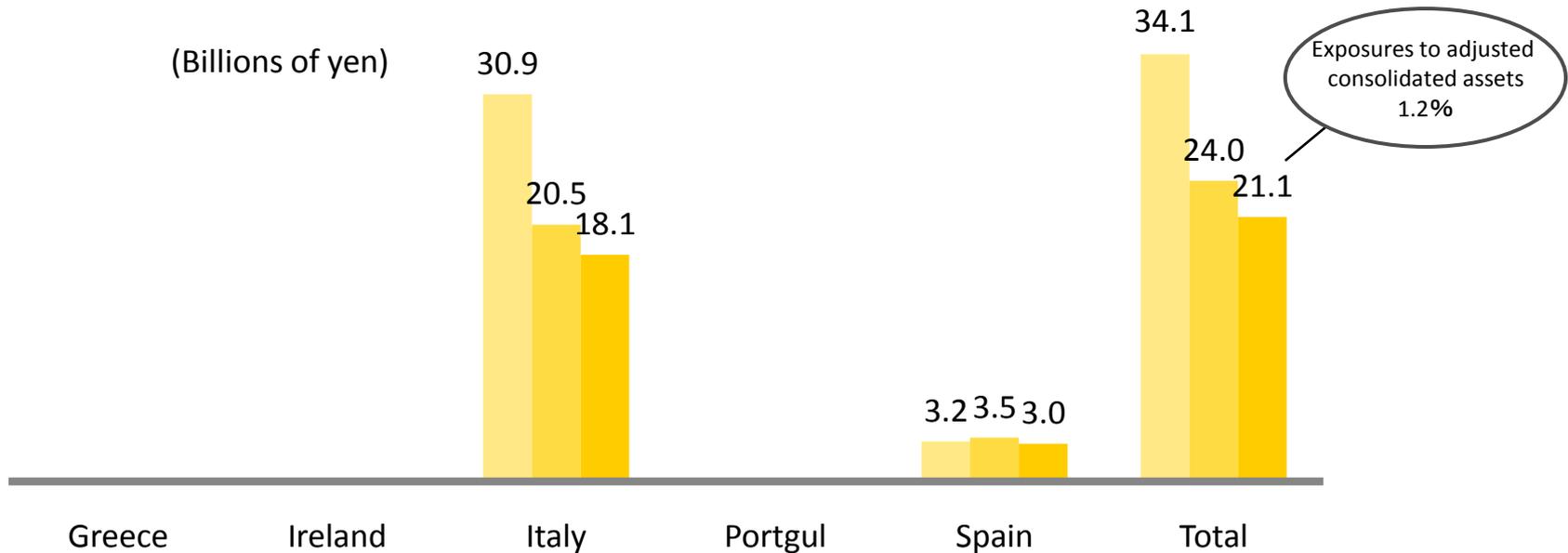
Assets /liabilities Duration
(As at Jun. 30, 2012)

Assets	Approx. 12 years
Liabilities	Approx. 14 years

◆ Exposure is limited. Continue to reduce exposures.

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

■ End of Sep. 2011 ■ End of Mar. 2012 ■ End of Jun. 2012



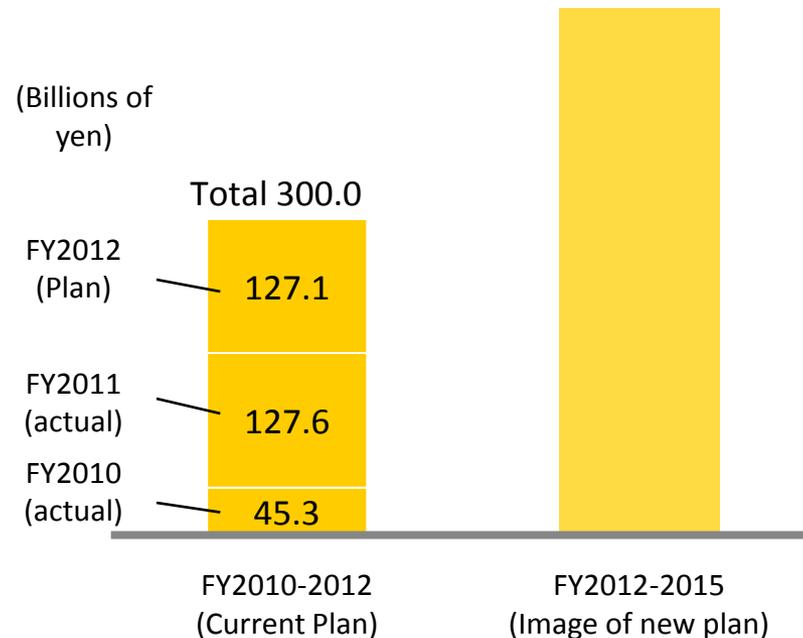
◆ Reduced ¥53.4billion in the first quarter (including stock futures selling).

<Net reduction> (Billions of yen)

	Actual April-June 2012		Total
	Stocks	Stock futures	
Sompo Japan	0.8	12.7	13.6
Nipponkoa	3.0	36.8	39.8
Sum of two companies	3.8	49.5	53.4

*Net reduction = Fair sales value – Fair purchase value

Scale image of reducing strategic-holding stocks



Full FY2012 Forecasts

— Unchanged from the initial forecasts —

◆ Profit will be improved drastically mainly in P&C insurance business

(Billions of yen)	FY2011(A)	FY2012(E)	Change
Ordinary income(NKSJHD consolidated)	2,790.5	2,820.0	+29.4(+1.1%)
P&C net premiums written	1,973.7	2,012.0	+38.2(+1.9%)
Life insurance premium	250.1	254.0	+3.8(+1.5%)
Ordinary profit(NKSJHD consolidated)	-51.8	64.0	+115.8
Domestic P&C insurance business	-3.7	106.0	+109.7
Domestic life insurance business	1.1	4.3	+3.2
Overseas insurance business	-16.5	8.4	+24.9
Consolidated adjustments*/others	-32.6	-54.7	-22.1
Net income(NKSJHD consolidated)	-92.2	24.0	+116.2
Domestic P&C insurance business	-60.1	53.0	+113.1
Domestic life insurance business	-11.1	2.2	+13.3
Overseas insurance business	-17.2	6.1	+23.3
Consolidated adjustments*/others	-3.9	-37.3	-33.4

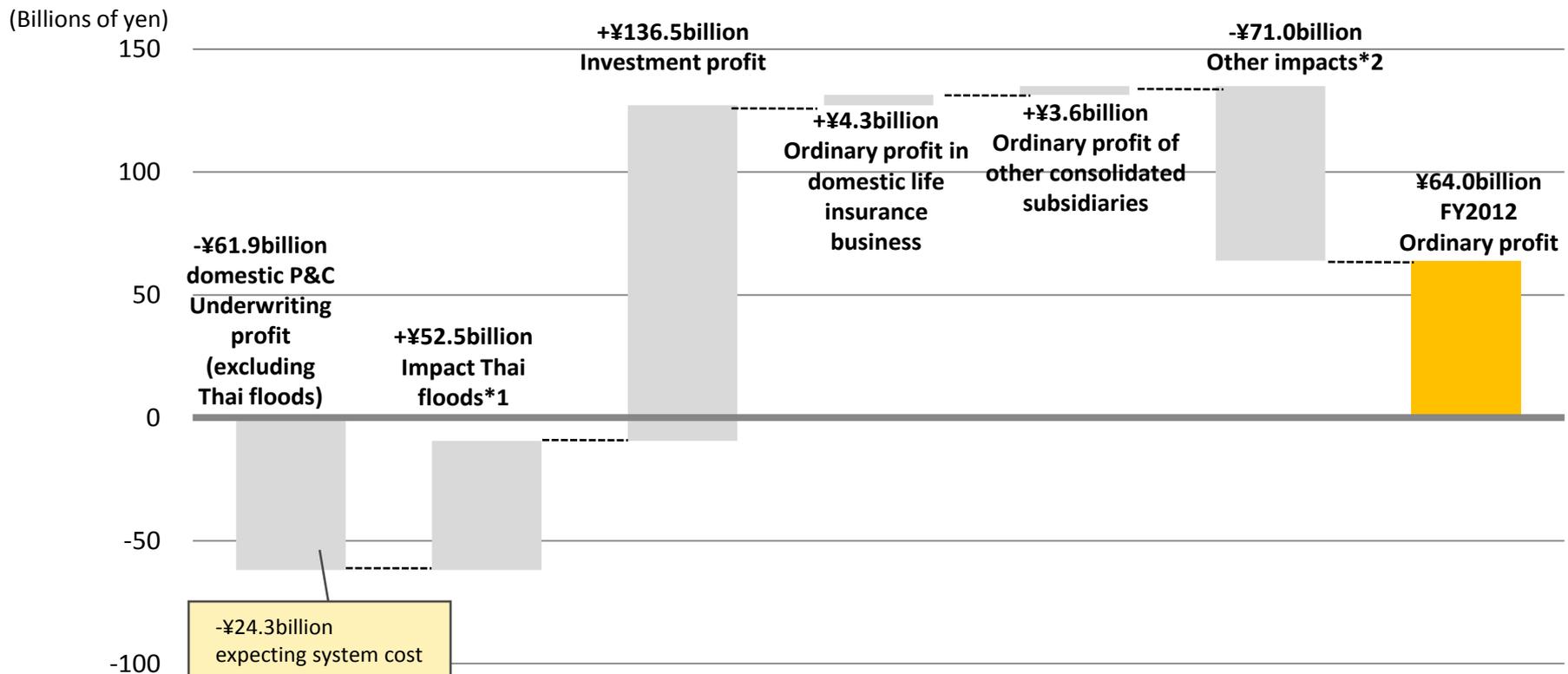
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Main points of Business Forecasts (Consolidated ordinary profit) (1)

Unchanged

- ◆ NKSJ is forecasting consolidated ordinary profit of ¥64.0 billion.
 - Underwriting profit: Underwriting loss in automobile insurance continues, however reversal of catastrophic reserve caused from flooding in Thailand contributes positively.
 - Investment profit : Realized gain on securities sales boosts profit.

Main factors behind change in consolidated ordinary profit



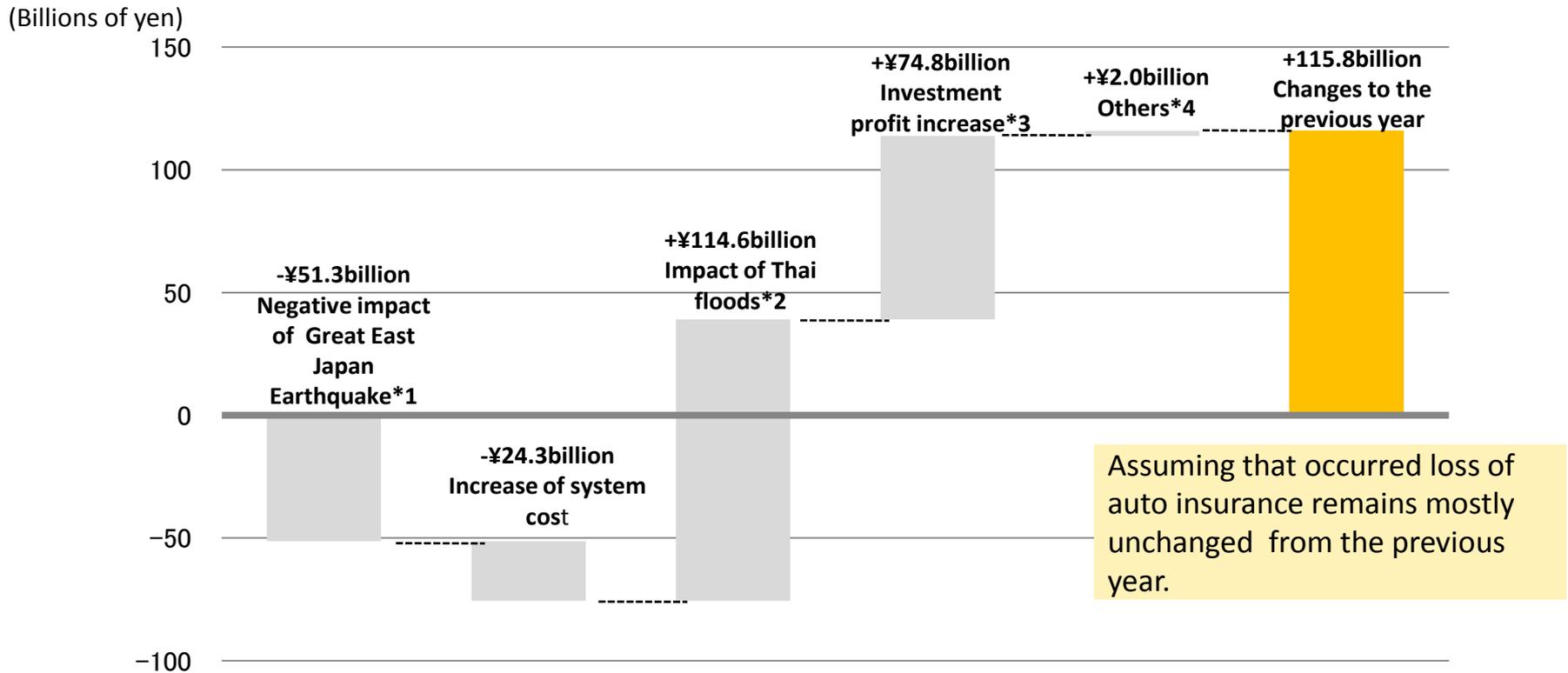
*1 Impact is from the reversal of the catastrophic loss reserve (¥52.5 billion)

*2 Other major factors include other ordinary loss in domestic P&C insurance business (-¥21.1 billion), purchase method adjustments (-¥46.8 billion) and amortization of goodwill (-¥3.9 billion).

Main points of Business Forecasts (Consolidated ordinary profit) (2)

◆ Improves dramatically compared to the previous fiscal year.

Factors of changes to the previous year



*1 Impact refers to the decrease in gain on reversal of catastrophic loss reserve.
 *2 The main reason for this impact is reduced provision for outstanding loss reserve (¥61.9 billion) and gain on reversal of catastrophic loss reserve (¥52.5 billion) of Sompo Japan and Nipponkoa.
 *3 The main reason for this impact is increase in gain on securities sales (¥66.8 billion).
 *4 Other main factors are as follows: Decrease in loss of overseas insurance subsidiary due to flooding in Thailand: ¥21.1 billion. Purchase method adjustment: -¥19.1 billion

Summary of Business Forecasts of Domestic P&C Insurance

Unchanged

NKSJ
HOLDINGS

- ◆ Expecting loss ratio improvement due to the decrease of natural disasters, however incurred losses of automobile insurance are remaining at the same level.
- ◆ Net expense ratio rises due to the system cost, which worsens combined ratio by 0.6 points.

(Billions of yen)	FY2011(A)	2012(E)	Change
Net premiums written	1,911.7	1,912.0	+0.2(+0.0%)
(Excluding CALI)	1,654.0	1,645.1	-8.9(-0.5%)
Loss Ratio	81.9%	73.8%	-8.1pt
(Excl. financial guarantee and CALI)	79.2%	70.3%	-8.8pt
(Excl. Financial guarantee, CALI, the Great East Japan Earthquake and flooding in Thailand)	67.6%	66.8%	-0.8pt
E/I Loss Ratio(Excl. CALI and household earthquake insurance)	73.0%	69.7%	-3.3pt
(Excl. Financial guarantee, the Great East Japan Earthquake and flooding in Thailand)	68.0%	66.8%	-1.2pt
Net Expense Ratio	33.7%	34.9%	+1.2pt
(Excl. CALI)	35.4%	36.8%	+1.4pt
Combined Ratio	115.6%	108.7%	-6.9pt
(Excl. financial guarantee and CALI)	114.6%	107.1%	-7.5pt
(Excl. Financial guarantee, CALI, the Great East Japan Earthquake and flooding in Thailand)	103.0%	103.6%	+0.6pt
Underwriting profit	-66.1	-9.4	+56.7
Investment profit	61.7	136.5	+74.7
Ordinary profit	-3.7	106.0	+109.7
Net income	-60.1	53.0	+113.1
Adjusted profit	-71.3	-33.2	+38.0

* Sum of Sompo Japan and Nipponkoa

Losses from domestic natural disasters	50 billion yen
Flooding in Thailand	Net claims paid: ¥52.5billion *excluding the amount to be paid by overseas subsidiaries (Assuming that remaining amount 7.6 billion yen are paid in FY2013)
Catastrophic loss reserve	Net reversal: 46.0 (of which, reversal as a result of loss payment of the flooding in Thailand is 52.5 billion yen)
(Provision rate of Catastrophic loss reserve)	Provision rate of fire group: Sompo Japan:10%, Nipponkoa : 7.7% Provision rate of automobile group: Sompo Japan:5.5%, Nipponkoa:6.2%
Market indicators	<Stock> Nikkei225:10,083 yen <Interest yield> 10y JGB:0.99% <Foreign exchange> 1US\$=82.19 yen/1Euro:109.80 yen
Interest and dividend income	Gross:101.4 billion yen Net:51.4 billion yen
Realized gains on securities	Realized gain on securities: 103.0 billion yen Impairment losses on securities: 12.0 billion yen
Reserve for price fluctuation	Net provision: 7.9 billion yen
Financial guarantee insurance	Loss of 3.0 billion yen

* Sum of Sompo Japan and Nipponkoa

- ◆ Insurance premiums excluding low margin lump-sum payment increases steadily.
- ◆ Expecting net income to become black in FY2012 due to large increase in basic profit.

(Billions of yen)

	FY2011 Actual	FY2012 Forecast	Change
Ordinary income	395.2	395.2	-0.0 (-0.0%)
Insurance premiums and other	360.1	361.5	+1.4 (+0.4%)
(excl. lump-sum payment)	345.8	357.0	+11.2 (+3.2%)
Ordinary profit	4.2	7.5	+3.3 (+79.5%)
Extraordinary gains	-12.2	*1 -0.3	+11.9 (-97.3%)
Net income	-11.1	*2 2.2	+13.3 (-)
Basic profit	5.8	8.7	+2.9 (+50.5%)
【reference】			
Adjusted profit (Adjusted EV growth)	100.0	85.0	-15.0

*1 ¥11.7 billion merger related cost is included.

*2 -¥3.6 billion impact from reduction of the corporate income tax rate is included.

- ◆ High level of increase in adjusted EV to be sustained due to favorable sales of protection-type products.
- ◆ Forecasting a fall YOY due to absence of temporary contributor in “Experience variances and assumption changes”.

*In Fiscal 2012, we expect the expense ratio to worsen.

(Billions of yen)

	FY2011	FY2012	
	Actual	Planned	Change
New business value*	46.4	60.0	+ 13.6
Expected existing business contribution	25.7	30.0	+ 4.3
Sub-total	72.1	90.0	+ 17.9
Experience variances and assumption changes	27.9	-5.0	-32.9
Increase in adjusted EV	100.0	85.0	-15.0
Other operating/non-operating variances	64.0	-	-64.0
Economic Variances	-15.7	-	+ 15.7
Change of EV amount	148.3	85.0	-63.3
EV as of the end of the fiscal year	615.3	700.3	+ 85.0

*1 Excluded the impact of the reduction of the corporate income tax rate ¥6.4 billion from ¥52.8 billion presented in disclosure materials of FY2011 results regarding MCEV.

(Excluded ¥6.4 billion is included in other factors ¥64.0 billion.)

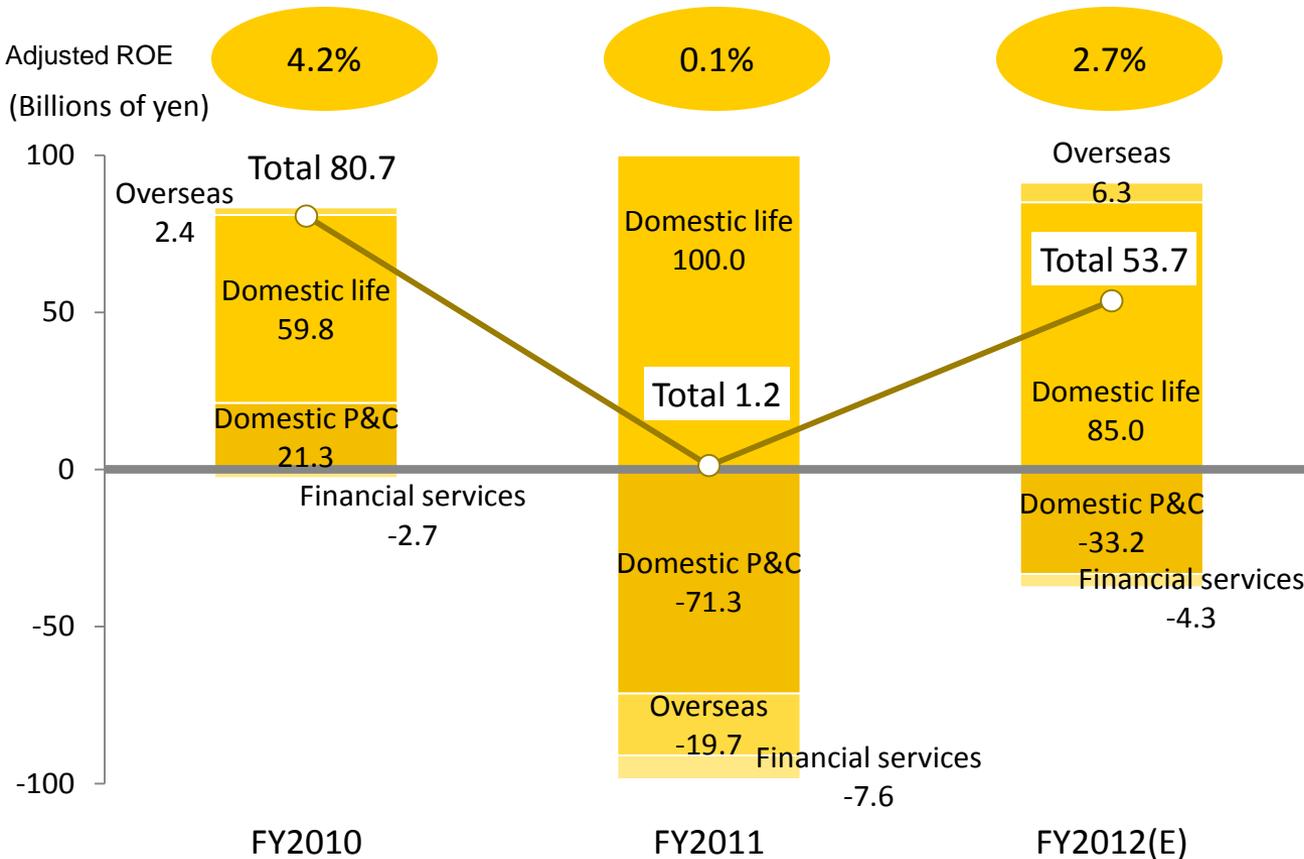
*2 Assumption of interest rate (used for investment yield and discount rate)

(1) Assumption of FY2011 actual: Interest-swap rate of Japanese yen as of the end of FY2011.

(2) Assumption of FY2012 planning: Interest-swap rate after 1 year assumed as (1).

- ◆ Adjusted consolidated profit is projected to recover substantially in FY2012.
- ◆ Domestic P&C insurance business is still in the red, however domestic life insurance business continuously contributes to make a profit, and overseas insurance business recovers.

Change in Adjusted consolidated profit



Under review toward fall in 2012

<reference>

Current plan (FY2015)

(revised in Sep. 2011) (Billions of yens)

Domestic P&C	81
Domestic life	55
Overseas	20
Financial services, etc.	4
Total(Adjusted consolidated profit)	160
Adjusted ROE	7% or more

*See next page for definition of adjusted profit and adjusted ROE.

	Definition of business	Calculation of adjusted profit
Domestic P&C insurance business	Sum of Sampo Japan and Nipponkoa (non-consolidated)	Net income + provisions to catastrophic loss reserve (after tax) + provisions to price fluctuation reserve (after tax) - gains/losses on securities sales and securities impairment losses (after tax) - extraordinary items
Domestic life insurance business	NKSJ Himawari Life (non-consolidated)	Growth in embedded value (EV) net of capital account transactions - changes in EV attributable to interest rate movements
Overseas insurance business	Overseas insurance subsidiaries	Net income as reported in financial statements
Financial services, etc.	Sonpo 24, Saison Automobile and Fire, Sampo Japan DIY, financial services, healthcare, etc.	Net income as reported in financial statements

< Calculation of adjusted ROE >

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

Note Regarding Forward-looking Statements

The forecasts included in this document are based on the currently available information and certain assumptions that we believe reasonable. Accordingly, the actual results may differ materially from those projected herein depending on various factors.

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