

UNOFFICIAL TRANSLATION

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Summary of Consolidated Financial Results
for the nine months ended December 31, 2010

Supplementary Information

February 14, 2011

NKSJ Holdings, Inc.

(Stock code number : 8630)

Summary of Consolidated Financial Results for the nine months ended December 31, 2010

Supplementary Information Contents

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Overview of Business Results of Principal Consolidated Subsidiaries

Sampo Japan Insurance Inc. (Non-consolidated)

Quarterly Balance Sheets

(Millions of yen)			
	As of December 31, 2010	As of March 31, 2010	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits	48,404	118,455	(70,051)
Call loans	53,500	46,800	6,700
Receivables under resale agreements	64,984	61,489	3,494
Monetary receivables bought	31,559	34,585	(3,026)
Money trusts	3,502	6,773	(3,271)
Securities	3,454,480	3,525,735	(71,254)
Loans	467,274	476,173	(8,899)
Tangible fixed assets	209,905	212,244	(2,338)
Intangible fixed assets	96	758	(662)
Other assets	359,722	437,671	(77,948)
Deferred tax assets	150,889	121,347	29,541
Allowance for possible loan losses	(3,642)	(5,068)	1,426
Allowance for possible investment losses	(7,907)	(7,734)	(172)
Total assets	4,832,768	5,029,232	(196,463)
Liabilities:			
Underwriting funds:	3,674,736	3,797,586	(122,849)
Reserve for outstanding losses and claims	630,548	687,801	(57,252)
Underwriting reserves	3,044,187	3,109,784	(65,597)
Bonds	128,000	128,000	—
Other liabilities	162,839	181,855	(19,015)
Reserve for retirement benefits	81,003	76,741	4,261
Reserve for bonus payments	5,088	13,405	(8,317)
Reserves under the special laws:	13,821	11,462	2,358
Reserve for price fluctuation	13,821	11,462	2,358
Total liabilities	4,065,489	4,209,051	(143,562)
Net assets:			
Shareholders' equity:			
Common stock	70,000	70,000	—
Capital surplus	24,229	24,229	—
Retained earnings	341,269	338,304	2,965
Total shareholders' equity	435,499	432,534	2,965
Valuation and translation adjustments:			
Unrealized gains on securities available for sale, net of tax	331,779	386,343	(54,563)
Total valuation and translation adjustments	331,779	386,343	(54,563)
Stock acquisition rights	—	1,302	(1,302)
Total net assets	767,279	820,181	(52,901)
Total liabilities and net assets	4,832,768	5,029,232	(196,463)

Sompo Japan Insurance Inc. (Non-consolidated)

Quarterly Statements of Income

(Millions of yen)

	Nine months ended December 31, 2009 (April 1 to December 31, 2009)	Nine months ended December 31, 2010 (April 1 to December 31, 2010)	Increase (Decrease)	Rate of change
	Amount	Amount		
Ordinary income:	1,246,139	1,250,890	4,751	0.4 %
Underwriting income:	1,191,885	1,199,925	8,040	0.7
Net premiums written	951,167	953,354	2,186	0.2
Deposits of premiums by policyholders	86,824	90,610	3,786	4.4
Interest and dividend income on deposits of premiums, etc.	31,668	29,333	(2,334)	(7.4)
Reversal of reserve for outstanding losses and claims	68,586	57,252	(11,334)	(16.5)
Reversal of underwriting reserves	52,198	65,597	13,398	25.7
Investment income:	49,818	46,836	(2,981)	(6.0)
Interest and dividend income	66,092	62,758	(3,333)	(5.0)
Investment gains on money trusts	0	0	0	810.4
Investment gains on trading securities	25	—	(25)	(100.0)
Gains on sales of securities	12,538	4,737	(7,801)	(62.2)
Transfer of interest and dividend income on deposits of premiums, etc.	(31,668)	(29,333)	2,334	—
Other ordinary income	4,435	4,128	(306)	(6.9)
Ordinary expenses:	1,218,150	1,211,186	(6,964)	(0.6)
Underwriting expenses:	1,011,802	1,016,719	4,917	0.5
Net claims paid	647,426	609,055	(38,370)	(5.9)
Loss adjustment expenses	57,887	69,667	11,779	20.3
Net commissions and brokerage fees	160,338	161,168	830	0.5
Maturity refunds to policyholders	138,682	172,814	34,131	24.6
Investment expenses:	25,018	21,935	(3,083)	(12.3)
Investment losses on money trusts	1,127	395	(731)	(64.9)
Investment losses on trading securities	—	23	23	—
Losses on sales of securities	5,528	2,042	(3,485)	(63.0)
Impairment losses on securities	6,642	6,137	(505)	(7.6)
Operating, general and administrative expenses	173,990	166,407	(7,583)	(4.4)
Other ordinary expenses:	7,338	6,123	(1,214)	(16.5)
Interest paid	4,246	5,299	1,053	24.8
Ordinary profit	27,989	39,704	11,715	41.9
Extraordinary gains:	15,857	3,219	(12,637)	(79.7)
Gains on disposal of fixed assets	843	131	(712)	(84.5)
Other extraordinary gains	15,013	3,088	(11,925)	(79.4)
Extraordinary losses:	4,909	3,679	(1,230)	(25.1)
Losses on disposal of fixed assets	615	293	(321)	(52.2)
Impairment losses	—	259	259	—
Provision for reserves under the special laws:	4,294	2,358	(1,935)	(45.1)
Provision for reserve for price fluctuation	4,294	2,358	(1,935)	(45.1)
Other extraordinary losses	—	767	767	—
Income before income taxes	38,936	39,245	308	0.8
Income taxes and deferred income taxes	14,784	14,340	(444)	(3.0)
Net income	24,152	24,904	752	3.1
Underwriting result:				
Net premiums written (+)	951,167	953,354	2,186	0.2
Net claims paid (—)	647,426	609,055	(38,370)	(5.9)
Loss adjustment expenses (—)	57,887	69,667	11,779	20.3
Operating expenses: (—)	325,436	319,514	(5,921)	(1.8)
Net commissions and brokerage fees	160,338	161,168	830	0.5
Operating, general and administrative expenses related to underwriting	165,097	158,346	(6,751)	(4.1)
Underwriting result	(79,582)	(44,883)	34,699	—
Underwriting profit	13,125	22,416	9,291	70.8
Ratios:				
Net loss ratio (%)	74.2	71.2	(3.0)	
Net expense ratio (%)	34.2	33.5	(0.7)	
Underwriting result ratio (%)	(8.4)	(4.7)	3.7	

Sompo Japan Insurance Inc. (Non-consolidated)

Premiums Written and Claims Paid by Lines of Business

Direct premiums written (excluding deposits of premiums by policyholders)

(Millions of yen)

Business line	Nine months ended December 31, 2009 (April 1 to December 31, 2009)			Nine months ended December 31, 2010 (April 1 to December 31, 2010)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	137,276	13.7 %	(0.8) %	132,385	13.2 %	(3.6) %
Marine insurance	21,570	2.2	(24.3)	23,467	2.3	8.8
Personal accident insurance	97,573	9.7	(1.1)	98,026	9.7	0.5
Voluntary automobile insurance	482,910	48.2	(2.6)	480,627	47.8	(0.5)
Compulsory automobile liability insurance	132,319	13.2	(10.6)	132,447	13.2	0.1
Others	130,852	13.1	0.4	138,984	13.8	6.2
Total	1,002,501	100.0	(3.6)	1,005,938	100.0	0.3
Deposits of premiums by policyholders	86,824	—	(22.3)	90,610	—	4.4

Net premiums written

(Millions of yen)

Business line	Nine months ended December 31, 2009 (April 1 to December 31, 2009)			Nine months ended December 31, 2010 (April 1 to December 31, 2010)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	107,253	11.3 %	(1.5) %	106,453	11.2 %	(0.7) %
Marine insurance	17,924	1.9	(25.4)	19,081	2.0	6.5
Personal accident insurance	96,435	10.1	(1.1)	97,453	10.2	1.1
Voluntary automobile insurance	483,336	50.8	(2.2)	481,165	50.5	(0.4)
Compulsory automobile liability insurance	123,076	12.9	(12.2)	125,868	13.2	2.3
Others	123,141	12.9	0.8	123,331	12.9	0.2
Total	951,167	100.0	(3.6)	953,354	100.0	0.2

Net claims paid

(Millions of yen)

Business line	Nine months ended December 31, 2009 (April 1 to December 31, 2009)			Nine months ended December 31, 2010 (April 1 to December 31, 2010)		
	Amount	Rate of change	Net loss ratio	Amount	Rate of change	Net loss ratio
Fire and allied insurance	46,329	11.3 %	44.7 %	41,589	(10.2) %	40.8 %
Marine insurance	10,031	(7.0)	60.6	10,886	8.5	60.8
Personal accident insurance	50,541	0.4	57.6	51,564	2.0	58.4
Voluntary automobile insurance	296,905	(2.0)	68.7	293,286	(1.2)	70.6
Compulsory automobile liability insurance	117,742	(3.5)	104.0	117,996	0.2	101.2
Others	125,875	95.0	106.3	93,731	(25.5)	80.6
Total	647,426	9.3	74.2	609,055	(5.9)	71.2

Sompo Japan Insurance Inc. (Non-consolidated)

Solvency Margin Ratio

(Millions of yen)

	As of December 31, 2010	As of March 31, 2010
(A) Total Solvency Margin	1,571,422	1,671,429
Capital and funds, etc.	435,499	414,156
Reserve for price fluctuation	13,821	11,462
Contingency reserve	611	611
Catastrophic loss reserve	481,312	466,702
General allowance for possible loan losses	276	992
Unrealized gains on securities (before tax effect deductions)	464,201	536,605
Net unrealized gains and losses on real estate	30,208	52,252
Excess amount of reserve for maturity refunds	—	—
Subordinated debt, etc.	128,000	128,000
Deductions	157,460	101,616
Others	174,952	162,261
(B) Total Risks	407,089	417,827
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$		
Underwriting risk (R_1)	83,979	83,975
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_2)	—	—
Guaranteed interest rate risk (R_3)	5,332	5,368
Investment risk (R_4)	175,548	185,633
Business management risk (R_5)	9,265	9,493
Major catastrophe risk (R_6)	198,398	199,686
(C) Solvency Margin Ratio		
$[(A) / \{(B) \times 1/2\}] \times 100$	772.0 %	800.0 %

Note) The above figures are calculated based on Articles 86 and 87 of the Ordinance for Enforcement of the Insurance Business Law and the provisions of Notification No. 50 of the Ministry of Finance (1996). The figures as of December 31, 2010 are partly calculated on the simplified method, for example, some bases for the major catastrophe risk calculation are deemed same as the figures as of September 30, 2010.

Exposure to Structured Finance

As of December 31, 2010

February 14, 2011

SOMPO JAPAN INSURANCE INC.

Summary of Financial Guarantee Insurance


SOMPO JAPAN INSURANCE INC.

**Gains/Losses for the
nine months ended
December 31, 2010**
(Overall financial guarantee)

19.8 billion yen gain

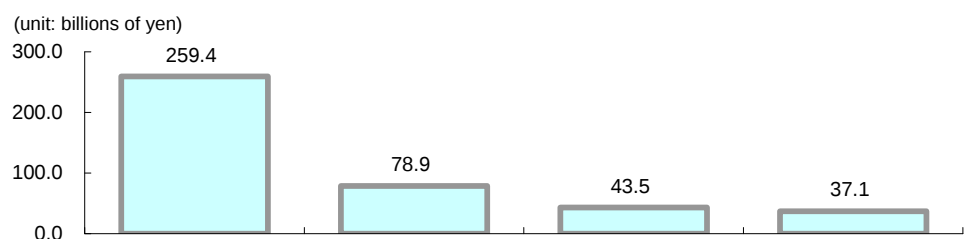
※ Primarily due to some recovery from the past fiscal year's loss payment and the reversal of loss reserve for ABS-CDO guarantees.

Overall financial guarantee (Gains/Losses)	(Unit: billions of yen)			
	Six months ended September 30, 2010	Three months ended December 31, 2010	Nine months ended December 31, 2010	Nine months ended December 31, 2009
Loss Payment (*1)	(18.5)	(12.1)	(30.6)	(63.7)
Provision/Reversal of Loss Reserves (*2)	31.1	19.3	50.4	62.3
Gains/Losses	12.6	7.1	19.8	(1.3)

*1 Including commutation. *2 Including gains/losses of exchange hedge transaction.

**Net exposure
to ABS-CDOs**

Net exposure to ABS-CDOs (after deduction of loss reserves) reduced to 37.1 billion yen. (Decreased by 6.4 billion yen since March 31, 2010)



ABS-CDOs (Insured Amount)	(Unit: billions of yen)			
	3/31/2008	3/31/2009	3/31/2010	12/31/2010
Total of Insured Amount	289.4	218.0	123.1	64.2
Outstanding Loss Reserves	(30.0)	(139.0)	(79.5)	(27.1)
Insured Amount Net of Loss Reserves	259.4	78.9	43.5	37.1

<Appendix 1> Financial Guarantee Insurance

(As of December 31, 2010, Unit: billions of yen, USD/JPY=81.44)

Categories		Insured Amount					Gains/Losses for the nine months ended December 31, 2010 ^{(*)8}
		Direct Insurance ^{(*)6}	Treaty Reinsurance ^{(*)7}	Total	Outstanding Loss Reserves	Insured Amount Net of Loss Reserves	
CDOs	ABS CDOs (backed by pools of asset backed securities) ^{(*)1}	63.7	0.4	64.2	27.1	37.1	19.6
	Corporate CDOs (backed by pools of single corporate credits) ^{(*)2}	137.7	0.7	138.4	-	138.4	-
	CDOs Total	201.4	1.1	202.6	27.1	175.5	19.6
ABS	RMBS ^{(*)3}						
	Global RMBS	-	9.0	9.0	0.5	8.5	(0.2)
	Domestic RMBS	32.8	-	32.8	-	32.8	-
	RMBS Total	32.8	9.0	41.8	0.5	41.3	(0.2)
	CMBS ^{(*)4}	-	-	-	-	-	-
	Other ABS						
	Global ABS ^{(*)5}	2.7	13.3	16.0	-	16.0	0.5
	Domestic ABS	5.4	-	5.4	-	5.4	-
	Other ABS Total	8.2	13.3	21.5	-	21.5	0.5
	ABS Total	41.0	22.3	63.4	0.5	62.9	-
Public Finance		-	144.5	144.5	0.1	144.4	(0.1)
Total		242.5	168.1	410.6	27.7	382.8	19.8

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

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

*3 RMBS: Asset Backed Securities where underlying assets are residential mortgages. 83% of RMBS are rated investment grade (BBB or above) including AAA ratings for 78%.

*4 CMBS: Asset-backed securities where underlying assets are commercial mortgage loans.

*5 6% of global ABS are U.S. consumer loan-related ABS, while others are mainly related to corporate credit (e.g., leasing receivables).

*6 "Direct Insurance" includes 8.2 billion yen of Direct Insurance to cover U.S. monoline guaranteed notes.

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

*8 Total amount of 19.8 billion yen gain is comprised of 30.6 billion yen of loss payment offset by 52.9 billion yen of reversal of loss reserve and 2.4 billion yen losses of foreign exchange hedge transaction for loss reserve. Financial Guarantee Insurance is not supposed to book mark-to-market unrealized gains/losses through income statement as it is an insurance policy.

<Appendix 2> List of Guarantee for ABS CDOs (Excl. Treaty Reinsurance)

(As of December 31, 2010, Unit: billions of yen, USD/JPY=81.44)

Policy No. ^{(*)1}	Issue Rating ^{(*)2} (S&P/MDY)	Fiscal Year Issued	Insured Amount ^{(*)3}	Sub-ordination Ratio ^{(*)4}	Distribution of Underlying Assets Rating						Ratio of Subprime RMBS
					AAA	AA	A	BBB	Below BBB	Default ^{(*)5}	
Guarantee for CDO①	AA/Caa3	2003	8.1	17%	29%	8%	2%	21%	39%	5.5%	0%
Guarantee for CDO② ^{(*)6}	AAA/Aa3	2004	4.8	56%	32%	20%	14%	0%	34%	24.4%	0%
	AAA/Aa3	2004	10.0	32%							
Guarantee for CDO⑦	CCC+/C	2006	16.2	9%	2%	13%	7%	5%	73%	0.0%	31%
Guarantee for CDO⑪	CC/Caa1	2004	24.4	20%	10%	10%	19%	14%	47%	30.0%	-
Total of ABS CDOs			63.7	22%	11%	13%	9%	8%	59%	9.2%	-
Insured Amount Net of Loss Reserves			36.6								

*1 Previously listed Guarantee for CDO③, ④, ⑤, ⑥, ⑧, ⑨, ⑩ and ⑫ have been excluded from above as they have been terminated due to the commutation or the full redemption of tranches guaranteed by us.

*2 Issue Ratings are as of January 31, 2011.

*3 Insured Amount is amount of principal insured, and some policies also insure interest payments. If a principal/interest shortfall occurs, Sompo Japan will become liable for the guarantee obligation.

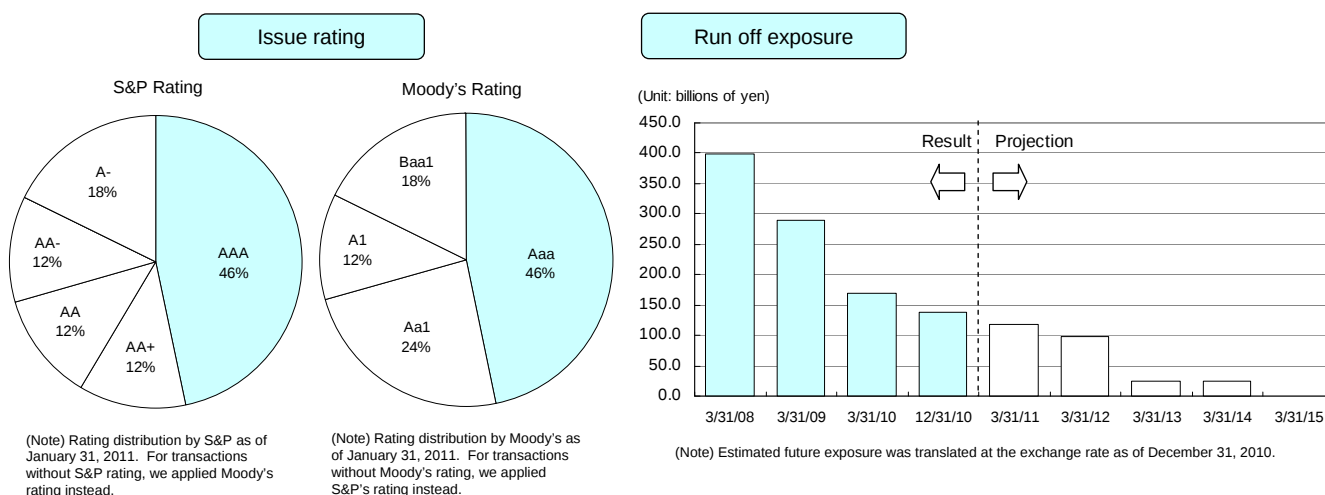
*4 Subordination Ratio is a ratio of portions subordinated to our guaranteed tranche for the underlying assets. A redemption of senior tranche results in an increase of Subordination Ratio.

*5 Default of underlying assets is determined by the default definition of each transaction through detailed scrutiny and the Default amount is determined based on adjustment by recovery.

*6 Guarantee for CDO② insures different two classes of the same CDO.

<Appendix 3> Summary of Guarantee for Corporate CDOs (Excl. Treaty Reinsurance)

- The total outstanding of insured corporate CDO (direct underwriting) amounted to 137.7 billion yen as of December 31, 2010. As a result of overall scrutiny of the individual contracts, there are no losses expected at this point.
- Average residual period of all direct underwritten corporate CDO guarantees is approximately 1.8 years. Approximately 82% of our exposure or 113.3 billion yen is to be redeemed by the end of FY2012.
- Each corporate CDO is well diversified with approximately 150 reference corporations. Thus a potential impact by default of one reference company would be limited.
- We don't see any concentration to particular sector or corporation. For example, exposure to financial institutions which is the largest sector in the reference corporations accounts for around 14%.



<Appendix 4> Structured Finance Exposure in Our Investment Portfolio

(As of December 31, 2010, Unit: billions of yen, USD/JPY=81.44)

Categories		Outstanding Balance	Gains/Losses for the nine months ended December 31, 2010		
			Gains/Losses Charged to P/L	Unrealized Gains/Losses	Total
CDOs	ABS CDOs (backed by pools of asset backed securities)	-	-	-	-
	Corporate CDOs (backed by pools of single corporate credits) (*1)	-	-	-	-
	CDOs Total	-	-	-	-
ABS	RMBS (*2)				
	Global RMBS	1.6	-	(0.4)	(0.4)
	Domestic RMBS	27.5	-	1.1	1.1
	RMBS Total	29.2	-	0.6	0.6
	CMBS				
	Global CMBS	0.7	-	(0.2)	(0.2)
	Domestic CMBS	11.3	-	(0.3)	(0.3)
	CMBS Total	12.1	-	(0.5)	(0.5)
	Other ABS				
	Global ABS	0.7	-	(0.2)	(0.2)
Investment in SIV	Domestic ABS	-	-	-	-
	Other ABS Total	0.7	-	(0.2)	(0.2)
	ABS Total	42.1	-	(0.1)	(0.1)
Investment in SIV		-	-	-	-
Leveraged Finance (*3)		0.7	-	-	-
Total		42.8	-	(0.1)	(0.1)
Reference: Hedge funds (U.S. subprime loans related exposure)		1.2	Net of the long position and the short position		

*1 Excluding public finance CLO.

*2 Excluding RMBS issued by government sponsored enterprises. Most of the RMBS are rated investment grade (BBB or above), and 83% are rated AAA. Exposure to U.S. housing related government-sponsored enterprises (GSEs)'s RMBS and Agency Bonds amounted to 57.9 billion yen (Decreased by 3.3 billion yen since March 31, 2010). No impairment losses were recognized for the nine months ended December 31, 2010.

*3 Leveraged Finance: Finance where funding are provided for corporate mergers and acquisitions, mainly based on cash flows of acquired companies. Domestic transactions only.

NIPPONKOA Insurance Co., Ltd. (Non-consolidated)

Quarterly Balance Sheets

(Millions of yen)

	As of December 31, 2010	As of March 31, 2010	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits	95,111	80,793	14,317
Call loans	10,000	50,000	(40,000)
Monetary receivables bought	3,161	6,129	(2,967)
Money trusts	56,333	56,752	(418)
Securities	1,757,100	1,822,848	(65,748)
Loans	204,638	227,417	(22,779)
Tangible fixed assets	127,722	130,437	(2,715)
Intangible fixed assets	528	534	(6)
Other assets	164,966	159,263	5,702
Deferred tax assets	74,055	60,392	13,662
Allowance for possible loan losses	(2,122)	(2,106)	(16)
Total assets	2,491,494	2,592,464	(100,969)
Liabilities:			
Underwriting funds:	1,990,867	2,059,290	(68,423)
Reserve for outstanding losses and claims	265,060	267,872	(2,812)
Underwriting reserves	1,725,807	1,791,418	(65,610)
Other liabilities	56,364	65,184	(8,820)
Reserve for retirement benefits	24,220	22,583	1,636
Reserve for bonus payments	1,619	6,078	(4,458)
Reserve for bonus payments to directors	—	41	(41)
Reserves under the special laws:	7,931	5,643	2,288
Reserve for price fluctuation	7,931	5,643	2,288
Total liabilities	2,081,002	2,158,821	(77,819)
Net assets:			
Shareholders' equity:			
Common stock	91,249	91,249	—
Capital surplus	46,702	46,702	—
Retained earnings	119,735	117,202	2,533
Total shareholders' equity	257,686	255,153	2,533
Valuation and translation adjustments:			
Unrealized gains on securities available for sale, net of tax	148,531	175,808	(27,276)
Deferred gains on hedges	4,274	2,115	2,158
Total valuation and translation adjustments	152,806	177,924	(25,118)
Stock acquisition rights	—	565	(565)
Total net assets	410,492	433,642	(23,150)
Total liabilities and net assets	2,491,494	2,592,464	(100,969)

NIPPONKOA Insurance Co., Ltd. (Non-consolidated)

Quarterly Statements of Income

(Millions of yen)

	Nine months ended December 31, 2009 (April 1 to December 31, 2009)	Nine months ended December 31, 2010 (April 1 to December 31, 2010)	Increase (Decrease)	Rate of change
	Amount	Amount		
Ordinary income:	640,987	614,517	(26,470)	(4.1) %
Underwriting income:	608,294	582,868	(25,425)	(4.2)
Net premiums written	480,629	471,742	(8,887)	(1.8)
Deposits of premiums by policyholders	29,725	27,187	(2,537)	(8.5)
Interest and dividend income on deposits of premiums, etc.	17,284	15,480	(1,804)	(10.4)
Reversal of reserve for outstanding losses and claims	2,986	2,812	(174)	(5.8)
Reversal of underwriting reserves	77,408	65,610	(11,797)	(15.2)
Investment income:	31,660	30,534	(1,126)	(3.6)
Interest and dividend income	35,617	33,706	(1,911)	(5.4)
Investment gains on money trusts	1,746	453	(1,292)	(74.0)
Gains on sales of securities	8,205	10,260	2,055	25.0
Transfer of interest and dividend income on deposits of premiums, etc.	(17,284)	(15,480)	1,804	—
Other ordinary income	1,033	1,114	80	7.8
Ordinary expenses:	618,764	597,882	(20,881)	(3.4)
Underwriting expenses:	514,789	494,286	(20,503)	(4.0)
Net claims paid	300,424	296,235	(4,188)	(1.4)
Loss adjustment expenses	26,440	26,193	(246)	(0.9)
Net commissions and brokerage fees	81,706	79,295	(2,410)	(2.9)
Maturity refunds to policyholders	105,924	91,154	(14,769)	(13.9)
Investment expenses:	9,864	10,411	546	5.5
Investment losses on money trusts	196	513	317	161.8
Losses on sales of securities	2,831	4,888	2,057	72.7
Impairment losses on securities	2,846	2,334	(511)	(18.0)
Operating, general and administrative expenses	93,518	92,306	(1,211)	(1.3)
Other ordinary expenses:	591	878	287	48.6
Interest paid	38	26	(11)	(30.4)
Ordinary profit	22,223	16,634	(5,588)	(25.1)
Extraordinary gains:	398	746	347	87.2
Gains on disposal of fixed assets	398	181	(217)	(54.5)
Other extraordinary gains	—	565	565	—
Extraordinary losses:	4,721	3,031	(1,690)	(35.8)
Losses on disposal of fixed assets	323	178	(144)	(44.8)
Impairment losses	68	402	334	489.5
Provision for reserves under the special laws:	1,922	2,288	365	19.0
Provision for reserve for price fluctuation	1,922	2,288	365	19.0
Other extraordinary losses	2,407	162	(2,245)	(93.3)
Income before income taxes	17,900	14,349	(3,551)	(19.8)
Income taxes and deferred income taxes	4,666	4,522	(144)	(3.1)
Net income	13,234	9,827	(3,406)	(25.7)
Underwriting result:				
Net premiums written (+)	480,629	471,742	(8,887)	(1.8)
Net claims paid (—)	300,424	296,235	(4,188)	(1.4)
Loss adjustment expenses (—)	26,440	26,193	(246)	(0.9)
Operating expenses: (—)	170,584	167,080	(3,504)	(2.1)
Net commissions and brokerage fees	81,706	79,295	(2,410)	(2.9)
Operating, general and administrative expenses related to underwriting	88,878	87,784	(1,094)	(1.2)
Underwriting result	(16,819)	(17,766)	(946)	—
Underwriting profit	3,123	(111)	(3,234)	(103.6)
Ratios:				
Net loss ratio (%)	68.0	68.3	0.3	
Net expense ratio (%)	35.5	35.4	(0.1)	
Underwriting result ratio (%)	(3.5)	(3.8)	(0.3)	

NIPPONKOA Insurance Co., Ltd. (Non-consolidated)

Premiums Written and Claims Paid by Lines of Business

Direct premiums written (excluding deposits of premiums by policyholders)

(Millions of yen)

Business line	Nine months ended December 31, 2009 (April 1 to December 31, 2009)			Nine months ended December 31, 2010 (April 1 to December 31, 2010)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	92,746	18.3 %	2.2 %	87,976	17.6 %	(5.1) %
Marine insurance	10,394	2.0	(26.2)	11,118	2.2	7.0
Personal accident insurance	38,965	7.7	(5.3)	38,202	7.7	(2.0)
Voluntary automobile insurance	241,312	47.5	(1.8)	237,367	47.7	(1.6)
Compulsory automobile liability insurance	57,851	11.4	(10.0)	57,982	11.6	0.2
Others	66,301	13.1	(2.9)	66,061	13.2	(0.4)
Total	507,572	100.0	(3.2)	498,709	100.0	(1.7)
Deposits of premiums by policyholders	29,725	—	(31.2)	27,187	—	(8.5)

Net premiums written

(Millions of yen)

Business line	Nine months ended December 31, 2009 (April 1 to December 31, 2009)			Nine months ended December 31, 2010 (April 1 to December 31, 2010)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	72,065	15.0 %	2.1 %	66,796	14.2 %	(7.3) %
Marine insurance	9,975	2.1	(24.6)	10,469	2.2	5.0
Personal accident insurance	39,490	8.2	(4.7)	38,953	8.3	(1.4)
Voluntary automobile insurance	240,997	50.1	(1.8)	237,248	50.2	(1.6)
Compulsory automobile liability insurance	55,530	11.6	(12.0)	56,388	12.0	1.5
Others	62,569	13.0	(2.5)	61,886	13.1	(1.1)
Total	480,629	100.0	(3.5)	471,742	100.0	(1.8)

Net claims paid

(Millions of yen)

Business line	Nine months ended December 31, 2009 (April 1 to December 31, 2009)			Nine months ended December 31, 2010 (April 1 to December 31, 2010)		
	Amount	Rate of change	Net loss ratio	Amount	Rate of change	Net loss ratio
Fire and allied insurance	32,511	9.5 %	48.9 %	28,445	(12.5) %	46.3 %
Marine insurance	6,172	26.3	64.2	4,281	(30.6)	42.8
Personal accident insurance	23,184	(5.2)	64.2	22,744	(1.9)	63.6
Voluntary automobile insurance	151,652	1.8	69.0	156,192	3.0	72.2
Compulsory automobile liability insurance	53,956	(3.6)	102.7	54,302	0.6	101.8
Others	32,947	(7.4)	58.4	30,269	(8.1)	54.2
Total	300,424	0.3	68.0	296,235	(1.4)	68.3

NIPPONKOA Insurance Co., Ltd. (Non-consolidated)

Solvency Margin Ratio

(Millions of yen)

	As of December 31, 2010	As of March 31, 2010
(A) Total Solvency Margin	817,729	840,210
Capital and funds, etc.	257,686	249,698
Reserve for price fluctuation	7,931	5,643
Contingency reserve	12	12
Catastrophic loss reserve	287,027	285,675
General allowance for possible loan losses	151	40
Unrealized gains on securities (before tax effect deductions)	204,188	242,132
Net unrealized gains and losses on real estate	23,153	24,275
Excess amount of reserve for maturity refunds	—	—
Subordinated debt, etc.	—	—
Deductions	13,269	13,269
Others	50,848	46,002
(B) Total Risks	230,656	226,293
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$		
Underwriting risk (R_1)	39,278	39,271
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_2)	1	1
Guaranteed interest rate risk (R_3)	3,039	3,088
Investment risk (R_4)	80,213	85,444
Business management risk (R_5)	5,120	7,492
Major catastrophe risk (R_6)	133,481	121,948
(C) Solvency Margin Ratio	709.0 %	742.5 %
$[(A) / \{(B) \times 1/2\}] \times 100$		

Note) The above figures are calculated based on Articles 86 and 87 of the Ordinance for Enforcement of the Insurance Business Law and the provisions of Notification No. 50 of the Ministry of Finance (1996). The figures as of December 31, 2010 are partly calculated on the simplified method, for example, some bases for the major catastrophe risk calculation are deemed same as the figures as of September 30, 2010.

NIPPONKOA Insurance Co., Ltd. (Non-consolidated)

Investments in the securitized paper and subprime loans (As of December 31, 2010)

Investments by NIPPONKOA in the securitized paper, as of December 31, 2010, are as follows.

1. SPEs (Special Purpose Entities)
None.

2. CDOs (Collateralized Debt Obligations)

(Billions of yen)

	As of December 31, 2010			(Reference) As of March 31, 2010		
	Fair value	Unrealized gains or losses	Impairment losses	Fair value	Unrealized gains or losses	Impairment losses
CDOs	7.6	0.1	-	7.8	0.1	-
Rated	7.2	-	-	7.2	-	-
Non-rated	0.4	0.1	-	0.6	0.1	-

(Notes)

- (1) NIPPONKOA 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 30% rule is applied to the securities in the table below.
- (2) Out of the rated CDOs, 14% is rated AAA, 73% is rated A and 13% is rated BB.
- (3) All of the underlying collateral pools for CDOs are assets supported by the corporate credits.
- (4) 95% of the CDOs is domestic and 5% is overseas.
- (5) The ratios for categorizations of the rated CDOs and categorizations of the CDOs by region are calculated using the fair value.
- (6) Other than the figures in the table above, related to CDOs, NIPPONKOA recorded 0.9 billion yen of gains on derivative financial instruments.

3. Other subprime/Alt-A exposure
None.

4. CMBS (Commercial Mortgage-Backed Security)

(Billions of yen)

	As of December 31, 2010			(Reference) As of March 31, 2010		
	Fair value	Unrealized gains or losses	Impairment losses	Fair value	Unrealized gains or losses	Impairment losses
CMBS	5.2	(0.2)	-	8.8	(0.3)	(0.1)
Domestic	5.2	(0.2)	-	8.8	(0.3)	(0.1)
Overseas	-	-	-	-	-	-

(Note) Amount in impairment losses includes the loss on evaluation of securities and other investment expenses.

5. Leveraged finance
None.

6. CDS (Credit Default Swap)

NIPPONKOA does not hold CDS that reference the securitized paper including CDOs.

NIPPONKOA holds CDS that reference 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 gain).

[Definitions of securitized assets]

- SPEs: Special Purpose Entities. A general term of special purpose entities including SIV (Structured Investment Vehicle) that are specialized in investment of securitized papers.
- CDOs: Collateralized Debt Obligations. A securitized note, which was supported by asset pool of number of underlying debt securities and loans.
- Alt-A: A type of the U.S. mortgage loan. Alt-A (Mezzanine) is placed in the middle of prime loan, a loan for borrowers with higher credit score, and subprime loan, a loan for borrowers with lower credit score.
- CMBS: Commercial Mortgage-Backed Security. An instrument that securitized the mortgage loans for commercial real estate.
- CDS: Credit Default Swap. A swap contract involving trading of credits, which reference the creditworthiness of a corporate or securitized paper, called a reference credit (entity).

SONPO 24 Insurance Co., Ltd. (Non-consolidated)

Quarterly Balance Sheets

(Millions of yen)

	As of December 31, 2010	As of March 31, 2010	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits	1,872	1,851	20
Securities	15,987	15,618	369
Tangible fixed assets	153	182	(28)
Other assets	683	810	(127)
Total assets	18,696	18,463	233
Liabilities:			
Underwriting funds:			
Reserve for outstanding losses and claims	9,001	8,538	463
Underwriting reserves	2,493	2,333	159
Other liabilities	6,508	6,204	303
Reserve for retirement benefits	1,233	1,443	(210)
Reserve for bonus payments	97	79	18
Reserves under the special laws:	20	92	(72)
Reserve for price fluctuation	22	20	2
Deferred tax liabilities	22	20	2
Total liabilities	—	18	(18)
Total liabilities	10,376	10,193	182
Net assets:			
Shareholders' equity:			
Common stock	19,000	19,000	—
Capital surplus	19,000	19,000	—
Retained earnings	(29,634)	(29,763)	129
Total shareholders' equity	8,365	8,236	129
Valuation and translation adjustments:			
Unrealized gains (losses) on securities available for sale, net of tax	(45)	32	(78)
Total valuation and translation adjustments	(45)	32	(78)
Total net assets	8,320	8,269	50
Total liabilities and net assets	18,696	18,463	233

SONPO 24 Insurance Co., Ltd. (Non-consolidated)

Quarterly Statements of Income

(Millions of yen)

	Nine months ended December 31, 2009 (April 1 to December 31, 2009)	Nine months ended December 31, 2010 (April 1 to December 31, 2010)	Increase (Decrease)	Rate of change
	Amount	Amount		
Ordinary income:	7,506	8,370	864	11.5 %
Underwriting income:	7,436	8,040	603	8.1
Net premiums written	7,428	8,033	605	8.1
Interest and dividend income on deposits of premiums, etc.	8	6	(1)	(16.5)
Investment income:	69	330	260	373.9
Interest and dividend income	77	63	(14)	(18.7)
Gains on sales of securities	—	273	273	—
Transfer of interest and dividend income on deposits of premiums, etc.	(8)	(6)	1	—
Other ordinary income	0	0	(0)	(2.0)
Ordinary expenses:	7,612	8,235	622	8.2
Underwriting expenses:	5,518	6,313	794	14.4
Net claims paid	4,019	4,854	834	20.8
Loss adjustment expenses	461	477	15	3.4
Net commissions and brokerage fees	483	518	35	7.3
Provision for reserve for outstanding losses and claims	32	159	127	393.9
Provision for underwriting reserves	521	303	(218)	(41.8)
Operating, general and administrative expenses	2,094	1,921	(172)	(8.2)
Other ordinary expenses	0	0	(0)	(73.3)
Ordinary profit (loss)	(106)	135	241	—
Extraordinary losses:	5	3	(2)	(37.8)
Losses on disposal of fixed assets	0	1	0	102.7
Provision for reserves under the special laws:	2	2	0	2.9
Provision for reserve for price fluctuation	2	2	0	2.9
Other extraordinary losses	2	—	(2)	(100.0)
Income (loss) before income taxes	(111)	132	243	—
Income taxes and deferred income taxes	2	2	—	—
Net income (loss)	(114)	129	243	—
Underwriting result:				
Net premiums written (+)	7,428	8,033	605	8.1
Net claims paid (—)	4,019	4,854	834	20.8
Loss adjustment expenses (—)	461	477	15	3.4
Operating expenses: (—)	2,577	2,438	(139)	(5.4)
Net commissions and brokerage fees	483	518	35	7.3
Operating, general and administrative expenses related to underwriting	2,094	1,919	(174)	(8.3)
Underwriting result	370	264	(106)	(28.6)
Underwriting profit	(175)	(192)	(16)	—
Ratios:				
Net loss ratio (%)	60.3	66.4	6.1	
Net expense ratio (%)	34.7	30.3	(4.4)	
Underwriting result ratio (%)	5.0	3.3	(1.7)	

SONPO 24 Insurance Co., Ltd. (Non-consolidated)

Premiums Written and Claims Paid by Lines of Business

Direct premiums written (excluding deposits of premiums by policyholders)

(Millions of yen)

Business line	Nine months ended December 31, 2009 (April 1 to December 31, 2009)			Nine months ended December 31, 2010 (April 1 to December 31, 2010)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	—	— %	— %	—	— %	— %
Marine insurance	—	—	—	—	—	—
Personal accident insurance	—	—	—	—	—	—
Voluntary automobile insurance	7,367	100.0	15.0	7,973	100.0	8.2
Compulsory automobile liability insurance	—	—	—	—	—	—
Others	—	—	—	—	—	—
Total	7,367	100.0	15.0	7,973	100.0	8.2
Deposits of premiums by policyholders	—	—	—	—	—	—

Net premiums written

(Millions of yen)

Business line	Nine months ended December 31, 2009 (April 1 to December 31, 2009)			Nine months ended December 31, 2010 (April 1 to December 31, 2010)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	—	— %	— %	—	— %	— %
Marine insurance	—	—	—	—	—	—
Personal accident insurance	—	—	—	—	—	—
Voluntary automobile insurance	7,305	98.3	15.1	7,907	98.4	8.2
Compulsory automobile liability insurance	123	1.7	(1.5)	126	1.6	2.7
Others	—	—	—	—	—	—
Total	7,428	100.0	14.8	8,033	100.0	8.1

Net claims paid

(Millions of yen)

Business line	Nine months ended December 31, 2009 (April 1 to December 31, 2009)			Nine months ended December 31, 2010 (April 1 to December 31, 2010)		
	Amount	Rate of change	Net loss ratio	Amount	Rate of change	Net loss ratio
Fire and allied insurance	—	— %	— %	—	— %	— %
Marine insurance	—	—	—	—	—	—
Personal accident insurance	—	—	—	—	—	—
Voluntary automobile insurance	3,882	7.4	59.5	4,699	21.0	65.5
Compulsory automobile liability insurance	137	7.4	111.2	155	13.1	122.5
Others	—	—	—	—	—	—
Total	4,019	7.4	60.3	4,854	20.8	66.4

SONPO 24 Insurance Co., Ltd. (Non-consolidated)

Solvency Margin Ratio

(Millions of yen)

	As of December 31, 2010	As of March 31, 2010
(A) Total Solvency Margin	8,596	8,616
Capital and funds, etc.	8,365	8,236
Reserve for price fluctuation	22	20
Contingency reserve	—	—
Catastrophic loss reserve	253	312
General allowance for possible loan losses	—	—
Unrealized gains (losses) on securities (before tax effect deductions)	(45)	46
Net unrealized gains and losses on real estate	—	—
Excess amount of reserve for maturity refunds	—	—
Subordinated debt, etc.	—	—
Deductions	—	—
Others	—	—
(B) Total Risks	945	895
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$		
Underwriting risk (R_1)	792	734
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_2)	—	—
Guaranteed interest rate risk (R_3)	—	—
Investment risk (R_4)	156	193
Business management risk (R_5)	31	30
Major catastrophe risk (R_6)	105	104
(C) Solvency Margin Ratio		
$[(A) / \{(B) \times 1/2\}] \times 100$	1,818.3 %	1,924.8 %

Note) The above figures are calculated based on Articles 86 and 87 of the Ordinance for Enforcement of the Insurance Business Law and the provisions of Notification No. 50 of the Ministry of Finance (1996). The figures as of December 31, 2010 are partly calculated on the simplified method, for example, some bases for the investment risk calculation are deemed same as the figures as of September 30, 2010.

Saison Automobile and Fire Insurance Company, Limited (Non-consolidated)

Quarterly Balance Sheets

(Millions of yen)

	As of December 31, 2010	As of March 31, 2010	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits	4,505	10,796	(6,290)
Money trusts	1,311	1,316	(4)
Securities	23,673	19,223	4,450
Loans	15	20	(4)
Tangible fixed assets	446	171	274
Intangible fixed assets	1,739	897	842
Other assets	2,058	1,917	141
Allowance for possible loan losses	(0)	(0)	—
Total assets	33,751	34,342	(591)
Liabilities:			
Underwriting funds:	20,076	19,359	716
Reserve for outstanding losses and claims	4,870	4,946	(76)
Underwriting reserves	15,206	14,413	793
Other liabilities	1,648	1,431	216
Reserve for retirement benefits	247	364	(116)
Reserve for retirement benefits to directors	40	34	5
Reserve for bonus payments	108	206	(97)
Reserves under the special laws:	6	14	(8)
Reserve for price fluctuation	6	14	(8)
Deferred tax liabilities	113	100	13
Total liabilities	22,241	21,510	730
Net assets:			
Shareholders' equity:			
Common stock	8,610	8,610	—
Capital surplus	6,848	6,848	—
Retained earnings	(4,247)	(2,925)	(1,322)
Total shareholders' equity	11,210	12,532	(1,322)
Valuation and translation adjustments:			
Unrealized gains on securities available for sale, net of tax	299	299	0
Total valuation and translation adjustments	299	299	0
Total net assets	11,509	12,831	(1,322)
Total liabilities and net assets	33,751	34,342	(591)

Saison Automobile and Fire Insurance Company, Limited (Non-consolidated)

Quarterly Statements of Income

(Millions of yen)

	Nine months ended December 31, 2009 (April 1 to December 31, 2009)	Nine months ended December 31, 2010 (April 1 to December 31, 2010)	Increase (Decrease)	Rate of change
	Amount	Amount		
Ordinary income:	12,083	12,076	(6)	(0.1) %
Underwriting income:	11,631	11,620	(10)	(0.1)
Net premiums written	10,402	11,026	624	6.0
Deposits of premiums by policyholders	571	478	(93)	(16.3)
Interest and dividend income on deposits of premiums, etc.	46	40	(6)	(14.2)
Reversal of reserve for outstanding losses and claims	611	76	(534)	(87.5)
Investment income:	292	299	6	2.2
Interest and dividend income	236	230	(6)	(2.7)
Investment gains on money trusts	46	—	(46)	(100.0)
Investment gains on trading securities	2	1	(1)	(38.8)
Gains on sales of securities	53	106	52	98.1
Transfer of interest and dividend income on deposits of premiums, etc.	(46)	(40)	6	—
Other ordinary income	159	156	(2)	(1.5)
Ordinary expenses:	12,146	13,389	1,242	10.2
Underwriting expenses:	8,713	9,396	682	7.8
Net claims paid	5,683	5,681	(2)	(0.0)
Loss adjustment expenses	639	734	94	14.8
Net commissions and brokerage fees	1,326	1,335	9	0.7
Maturity refunds to policyholders	744	846	102	13.7
Provision for underwriting reserves	314	793	478	152.3
Investment expenses:	105	151	46	44.4
Investment losses on money trusts	—	4	4	—
Losses on sales of securities	76	54	(22)	(29.5)
Operating, general and administrative expenses	3,259	3,832	573	17.6
Other ordinary expenses:	68	8	(59)	(87.3)
Interest paid	3	6	2	76.6
Ordinary loss	(63)	(1,312)	(1,249)	—
Extraordinary gains:	—	8	8	—
Reversal of reserves under the special laws:	—	8	8	—
Reversal of reserve for price fluctuation	—	8	8	—
Extraordinary losses:	0	2	1	180.6
Losses on disposal of fixed assets	0	2	1	691.4
Impairment losses	0	—	(0)	(100.0)
Provision for reserves under the special laws:	0	—	(0)	(100.0)
Provision for reserve for price fluctuation	0	—	(0)	(100.0)
Loss before income taxes	(64)	(1,306)	(1,242)	—
Income taxes and deferred income taxes	16	16	—	—
Net loss	(80)	(1,322)	(1,242)	—
Underwriting result:				
Net premiums written (+)	10,402	11,026	624	6.0
Net claims paid (—)	5,683	5,681	(2)	(0.0)
Loss adjustment expenses (—)	639	734	94	14.8
Operating expenses: (—)	4,366	4,956	589	13.5
Net commissions and brokerage fees	1,326	1,335	9	0.7
Operating, general and administrative expenses related to underwriting	3,040	3,620	580	19.1
Underwriting result	(287)	(345)	(57)	—
Underwriting profit	(77)	(1,355)	(1,278)	—
Ratios:				
Net loss ratio (%)	60.8	58.2	(2.6)	
Net expense ratio (%)	42.0	44.9	2.9	
Underwriting result ratio (%)	(2.8)	(3.1)	(0.3)	

Saison Automobile and Fire Insurance Company, Limited (Non-consolidated)

Premiums Written and Claims Paid by Lines of Business

Direct premiums written (excluding deposits of premiums by policyholders)

(Millions of yen)

Business line	Nine months ended December 31, 2009 (April 1 to December 31, 2009)			Nine months ended December 31, 2010 (April 1 to December 31, 2010)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	1,754	14.8 %	81.6 %	2,598	20.3 %	48.2 %
Marine insurance	1	0.0	14.0	0	0.0	(48.3)
Personal accident insurance	2,882	24.3	24.8	3,275	25.5	13.6
Voluntary automobile insurance	6,372	53.7	(4.7)	6,100	47.6	(4.3)
Compulsory automobile liability insurance	235	2.0	(14.2)	211	1.7	(10.0)
Others	609	5.1	(5.7)	637	5.0	4.6
Total	11,855	100.0	8.9	12,825	100.0	8.2
Deposits of premiums by policyholders	571	—	(2.7)	478	—	(16.3)

Net premiums written

(Millions of yen)

Business line	Nine months ended December 31, 2009 (April 1 to December 31, 2009)			Nine months ended December 31, 2010 (April 1 to December 31, 2010)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	1,252	12.0 %	86.2 %	1,931	17.5 %	54.2 %
Marine insurance	22	0.2	(39.2)	16	0.2	(25.3)
Personal accident insurance	1,906	18.3	10.8	2,064	18.7	8.2
Voluntary automobile insurance	6,324	60.8	(4.7)	6,054	54.9	(4.3)
Compulsory automobile liability insurance	311	3.0	(7.7)	349	3.2	12.1
Others	583	5.6	(6.3)	610	5.5	4.6
Total	10,402	100.0	3.7	11,026	100.0	6.0

Net claims paid

(Millions of yen)

Business line	Nine months ended December 31, 2009 (April 1 to December 31, 2009)			Nine months ended December 31, 2010 (April 1 to December 31, 2010)		
	Amount	Rate of change	Net loss ratio	Amount	Rate of change	Net loss ratio
Fire and allied insurance	133	(33.5) %	11.9 %	190	42.3 %	11.0 %
Marine insurance	14	(29.9)	65.7	13	(7.8)	80.0
Personal accident insurance	1,059	8.9	61.5	1,204	13.8	65.8
Voluntary automobile insurance	4,064	5.0	71.7	3,859	(5.1)	72.3
Compulsory automobile liability insurance	297	(3.6)	102.9	313	5.3	95.7
Others	114	(17.9)	22.3	100	(12.3)	20.2
Total	5,683	3.1	60.8	5,681	(0.0)	58.2

Saison Automobile and Fire Insurance Company, Limited (Non-consolidated)

Solvency Margin Ratio

(Millions of yen)

	As of December 31, 2010	As of March 31, 2010
(A) Total Solvency Margin	13,034	15,333
Capital and funds, etc.	9,493	11,658
Reserve for price fluctuation	6	14
Contingency reserve	8	8
Catastrophic loss reserve	3,152	3,291
General allowance for possible loan losses	0	0
Unrealized gains on securities (before tax effect deductions)	371	359
Net unrealized gains and losses on real estate	—	—
Excess amount of reserve for maturity refunds	—	—
Subordinated debt, etc.	—	—
Deductions	—	—
Others	2	2
(B) Total Risks	1,657	1,653
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$		
Underwriting risk (R_1)	839	838
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_2)	—	—
Guaranteed interest rate risk (R_3)	6	6
Investment risk (R_4)	510	530
Business management risk (R_5)	59	59
Major catastrophe risk (R_6)	612	598
(C) Solvency Margin Ratio		
$[(A) / \{(B) \times 1/2\}] \times 100$	1,572.6 %	1,854.7 %

Note) The above figures are calculated based on Articles 86 and 87 of the Ordinance for Enforcement of the Insurance Business Law and the provisions of Notification No. 50 of the Ministry of Finance (1996). The figures as of December 31, 2010 are partly calculated on the simplified method, for example, some bases for the major catastrophe risk calculation are deemed same as the figures as of September 30, 2010.

Sompo Japan Himawari Life Insurance Co., Ltd. (Non-consolidated)

Quarterly Balance Sheets

(Millions of yen)

	As of December 31, 2010	As of March 31, 2010	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits	21,129	32,988	(11,858)
Securities:	1,083,772	1,030,306	53,466
Government bonds	638,741	560,887	77,853
Municipal bonds	69,338	70,489	(1,150)
Corporate bonds	311,611	310,212	1,398
Domestic stocks	5,070	5,140	(70)
Foreign securities	59,011	83,576	(24,564)
Loans:	17,482	17,162	319
Policy loans	17,482	17,162	319
Tangible fixed assets	1,165	1,197	(32)
Intangible fixed assets	4,367	4,625	(258)
Agency accounts receivable	147	174	(26)
Reinsurance accounts receivable	736	1,206	(470)
Other assets	23,657	21,401	2,255
Deferred tax assets	13,117	13,164	(47)
Allowance for possible loan losses	(36)	(94)	58
Total assets	1,165,539	1,122,133	43,405
Liabilities:			
Policy reserves:	1,102,184	1,054,852	47,331
Reserve for outstanding claims	20,316	20,155	160
Policy reserves	1,079,744	1,032,371	47,373
Reserve for dividends to policyholders	2,123	2,325	(202)
Agency accounts payable	1,391	1,591	(199)
Reinsurance accounts payable	995	1,205	(210)
Other liabilities	4,237	7,564	(3,326)
Reserve for retirement benefits	876	663	213
Reserve for retirement benefits to directors	76	45	31
Reserves under the special laws:	919	794	125
Reserve for price fluctuation	919	794	125
Total liabilities	1,110,682	1,066,716	43,965
Net assets:			
Shareholders' equity:			
Common stock	17,250	17,250	—
Capital surplus	10,000	10,000	—
Retained earnings	25,500	27,283	(1,783)
Total shareholders' equity	52,750	54,533	(1,783)
Valuation and translation adjustments:			
Unrealized gains on securities available for sale, net of tax	2,106	882	1,223
Total valuation and translation adjustments	2,106	882	1,223
Total net assets	54,856	55,416	(559)
Total liabilities and net assets	1,165,539	1,122,133	43,405

Sampo Japan Himawari Life Insurance Co., Ltd. (Non-consolidated)

Quarterly Statements of Income

(Millions of yen)

	Nine months ended December 31, 2009 (April 1 to December 31, 2009)	Nine months ended December 31, 2010 (April 1 to December 31, 2010)	Increase (Decrease)	Rate of change
	Amount	Amount		
Ordinary income:	185,354	196,123	10,768	5.8 %
Insurance premiums and other:	169,081	181,278	12,197	7.2
Insurance premiums	167,055	179,259	12,203	7.3
Investment income:	16,194	14,709	(1,484)	(9.2)
Interest and dividend income	13,540	14,235	695	5.1
Gains on sales of securities	1,080	474	(606)	(56.1)
Investment gains on special account	1,573	—	(1,573)	(100.0)
Other ordinary income	79	135	55	70.4
Ordinary expenses:	183,789	196,816	13,026	7.1
Insurance claims and other:	112,763	102,917	(9,845)	(8.7)
Insurance claims	16,363	16,083	(280)	(1.7)
Annuity payments	609	742	132	21.7
Insurance benefits	16,499	18,007	1,508	9.1
Surrender benefits	74,900	64,051	(10,849)	(14.5)
Other refunds	886	709	(177)	(20.0)
Provision for policy reserves and other:	27,294	47,534	20,240	74.2
Provision for reserve for outstanding claims	1,856	160	(1,695)	(91.3)
Provision for policy reserves	25,438	47,373	21,935	86.2
Provision for interest portion of reserve for dividends to policyholders	0	0	0	72.7
Investment expenses:	1,118	773	(345)	(30.9)
Interest paid	26	43	17	65.0
Losses on sales of securities	—	175	175	—
Impairment losses on securities	718	—	(718)	(100.0)
Losses on derivatives	318	24	(293)	(92.2)
Investment losses on special account	—	493	493	—
Operating, general and administrative expenses	41,441	43,649	2,208	5.3
Other ordinary expenses	1,171	1,940	769	65.7
Ordinary profit (loss)	1,565	(692)	(2,257)	(144.3)
Extraordinary gains:	0	4	4	3,869.5
Other extraordinary gains	0	4	4	3,869.5
Extraordinary losses:	94	480	386	409.8
Losses on disposal of fixed assets	7	15	7	111.6
Provision for reserves under the special laws:	87	125	38	44.0
Provision for reserve for price fluctuation	87	125	38	44.0
Other extraordinary losses	—	339	339	—
Provision for reserve for dividends to policyholders	1,107	1,194	86	7.8
Income (loss) before income taxes	363	(2,362)	(2,725)	(750.5)
Income taxes and deferred income taxes	325	(579)	(904)	(278.2)
Net income (loss)	38	(1,783)	(1,821)	(4,784.8)

Sampo Japan Himawari Life Insurance Co., Ltd. (Non-consolidated)

Major Business Results

Total amount of policies in force

(Number in thousands, Yen in hundred millions, %)

	As of December 31, 2010				As of March 31, 2010			
	Number		Amount		Number		Amount	
		Rate of change		Rate of change		Rate of change		Rate of change
Individual insurance	1,871	108.1	112,761	108.4	1,732	109.9	104,049	110.1
Individual annuities	15	99.5	798	99.5	15	98.2	801	98.5
Group insurance	—	—	18,671	101.6	—	—	18,379	92.0
Group annuities	—	—	—	—	—	—	—	—

Note) Amount of "Individual annuities" represents the sum of annuity fund at the beginning of annuity payment of contracts before the beginning of annuity payment and policy reserves for the contracts after the beginning of annuity payment.

Total amount of new policies

(Number in thousands, Yen in hundred millions, %)

	Nine months ended December 31, 2009 (April 1 to December 31, 2009)				Nine months ended December 31, 2010 (April 1 to December 31, 2010)			
	Number		Amount		Number		Amount	
		Rate of change		Rate of change		Rate of change		Rate of change
Individual insurance	228	133.5	15,636	132.8	247	108.5	16,869	107.9
Individual annuities	0	105.6	15	96.7	0	114.9	16	105.9
Group insurance	—	—	425	651.7	—	—	171	40.2
Group annuities	—	—	—	—	—	—	—	—

Note) Amount of "Individual annuities" represents the amount of annuity fund at the beginning of annuity payment.

Annualized premiums

Policies in force

(Millions of yen, %)

	As of December 31, 2010		As of March 31, 2010	
		Rate of change		Rate of change
Individual insurance	195,707	101.5	192,742	98.1
Individual annuities	3,534	102.8	3,439	98.9
Total	199,241	101.6	196,181	98.2
Medical and survival benefits	77,121	105.8	72,864	106.1

New policies

(Millions of yen, %)

	Nine months ended December 31, 2009 (April 1 to December 31, 2009)		Nine months ended December 31, 2010 (April 1 to December 31, 2010)	
		Rate of change		Rate of change
Individual insurance	17,662	111.8	19,411	109.9
Individual annuities	61	90.1	65	107.3
Total	17,723	111.7	19,477	109.9
Medical and survival benefits	8,637	125.1	9,057	104.9

Notes)

1. Annualized premiums are calculated by using multipliers for various premium payment terms to the premium per payment. In single premium contracts, the amount is calculated by dividing the premium by the duration of the policy.
2. Annualized premiums for medical and survival benefits include (a) premium related to medical benefits such as hospitalization and surgery benefits, (b) premium related to survival benefits such as specific illness and nursing benefits, and (c) premium related to premium waiver benefits, in which disability cause is excluded but causes such as specific illness and nursing care are included.

Sompo Japan Himawari Life Insurance Co., Ltd. (Non-consolidated)

Solvency Margin Ratio

(Millions of yen)		
	As of December 31, 2010	As of March 31, 2010
(A) Total Solvency Margin	161,571	157,431
Capital, etc.	52,754	54,533
Reserve for price fluctuation	919	794
Contingency reserve	16,261	15,355
General allowance for possible loan losses	14	18
Unrealized gains on securities (90% of gain or 100% of loss)	2,971	1,245
Net unrealized gains and losses on real estate (85% of gain or 100% of loss)	—	—
Policy reserves in excess of surrender values	73,347	69,171
Brought in capital, etc.	—	—
Subordinated debt, etc.	—	—
Deductions	—	—
Others	15,302	16,312
(B) Total Risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	13,563	12,915
Underwriting risk (R_1)	6,927	6,382
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_8)	3,842	3,516
Guaranteed interest rate risk (R_2)	3,212	3,188
Investment risk (R_3)	4,076	4,223
Business management risk (R_4)	367	352
Guaranteed minimum benefit risk (R_7)	336	322
(C) Solvency Margin Ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	2,382.3 %	2,437.9 %

Notes)

1. The above figures are calculated based on Articles 86, 87, 161, 162 and 190 of the Ordinance for Enforcement of the Insurance Business Law and the provisions of Notification No. 50 of the Ministry of Finance (1996). "Policy reserves in excess of surrender values" is calculated based on the provisions of Article 1 Paragraph 3-1 of Notification No. 50 of the Ministry of Finance.
2. Guaranteed minimum benefit risk is calculated by the standard method.

NIPPONKOA Life Insurance Co., Ltd. (Non-consolidated)

Quarterly Balance Sheets

(Millions of yen)

	As of December 31, 2010	As of March 31, 2010	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits	10,309	14,371	(4,062)
Call loans	725	478	247
Receivables under securities borrowing transactions	25,502	25,382	120
Money trusts	20,213	19,916	297
Securities:	415,813	378,612	37,200
Government bonds	276,650	243,074	33,576
Municipal bonds	55,028	52,132	2,895
Corporate bonds	76,674	75,571	1,102
Domestic stocks	6,483	6,892	(408)
Foreign securities	976	941	35
Loans:	14,836	13,763	1,073
Policy loans	14,836	13,763	1,073
Tangible fixed assets	198	178	20
Intangible fixed assets	1,303	240	1,062
Agency accounts receivable	17	24	(7)
Reinsurance accounts receivable	178	183	(4)
Other assets	11,451	8,911	2,539
Deferred tax assets	6,725	6,931	(206)
Allowance for possible loan losses	(7)	(7)	0
Total assets	507,268	468,988	38,280
Liabilities:			
Policy reserves:	450,504	411,682	38,821
Reserve for outstanding claims	2,441	2,998	(557)
Policy reserves	446,591	407,193	39,398
Reserve for dividends to policyholders	1,471	1,491	(19)
Agency accounts payable	749	804	(54)
Reinsurance accounts payable	163	113	50
Other liabilities	27,955	30,000	(2,045)
Reserve for retirement benefits	360	300	59
Reserve for bonus payments to directors	—	15	(15)
Reserves under the special laws:	608	542	66
Reserve for price fluctuation	608	542	66
Total liabilities	480,341	443,459	36,881
Net assets:			
Shareholders' equity:			
Common stock	20,000	20,000	—
Retained earnings	1,608	1,564	44
Total shareholders' equity	21,608	21,564	44
Valuation and translation adjustments:			
Unrealized gains on securities available for sale, net of tax	5,318	3,964	1,353
Total valuation and translation adjustments	5,318	3,964	1,353
Total net assets	26,926	25,528	1,398
Total liabilities and net assets	507,268	468,988	38,280

NIPPONKOA Life Insurance Co., Ltd. (Non-consolidated)

Quarterly Statements of Income

(Millions of yen)

	Nine months ended December 31, 2009 (April 1 to December 31, 2009)	Nine months ended December 31, 2010 (April 1 to December 31, 2010)	Increase (Decrease)	Rate of change
	Amount	Amount		
Ordinary income:	74,587	84,353	9,765	13.1 %
Insurance premiums and other:	67,058	76,360	9,301	13.9
Insurance premiums	66,925	75,764	8,838	13.2
Investment income:	6,555	6,970	415	6.3
Interest and dividend income	5,993	6,681	687	11.5
Investment gains on money trusts	484	289	(194)	(40.2)
Gains on sales of securities	73	—	(73)	(100.0)
Other ordinary income:	973	1,022	49	5.0
Reversal of reserve for outstanding claims	205	557	351	170.9
Ordinary expenses:	72,830	83,152	10,322	14.2
Insurance claims and other:	27,987	29,257	1,269	4.5
Insurance claims	6,400	7,869	1,469	23.0
Annuity payments	390	439	48	12.4
Insurance benefits	2,293	2,700	406	17.7
Surrender benefits	18,317	17,631	(685)	(3.7)
Other refunds	158	139	(19)	(12.0)
Provision for policy reserves and other:	31,202	39,399	8,196	26.3
Provision for policy reserves	31,202	39,398	8,196	26.3
Provision for interest portion of reserve for dividends to policyholders	0	1	0	24.9
Investment expenses:	53	29	(24)	(45.2)
Interest paid	49	26	(23)	(47.6)
Operating, general and administrative expenses	12,847	13,776	929	7.2
Other ordinary expenses	738	689	(48)	(6.6)
Ordinary profit	1,757	1,200	(556)	(31.7)
Extraordinary gains:	—	0	0	—
Reversal of allowance for possible loan losses	—	0	0	—
Extraordinary losses:	68	181	112	164.9
Losses on disposal of fixed assets	8	0	(7)	(88.8)
Provision for reserves under the special laws:	60	66	5	9.5
Provision for reserve for price fluctuation	60	66	5	9.5
Other extraordinary losses	—	114	114	—
Provision for reserve for dividends to policyholders	832	899	67	8.1
Income before income taxes	855	119	(736)	(86.0)
Income taxes and deferred income taxes	322	75	(246)	(76.6)
Net income	533	44	(489)	(91.7)

NIPPONKOA Life Insurance Co., Ltd. (Non-consolidated)

Major Business Results

Total amount of policies in force

(Number in thousands, Yen in hundred millions, %)

	As of December 31, 2010				As of March 31, 2010			
	Number		Amount		Number		Amount	
		Rate of change		Rate of change		Rate of change		Rate of change
Individual insurance	604	108.9	42,412	105.9	555	111.1	40,044	105.1
Individual annuities	54	100.3	1,987	100.8	53	96.3	1,971	96.3
Group insurance	—	—	11,280	102.1	—	—	11,052	109.9
Group annuities	—	—	—	—	—	—	—	—

Note) Amount of "Individual annuities" represents the sum of annuity fund at the beginning of annuity payment of contracts before the beginning of annuity payment and policy reserves for the contracts after the beginning of annuity payment.

Total amount of new policies

(Number in thousands, Yen in hundred millions, %)

	Nine months ended December 31, 2009 (April 1 to December 31, 2009)				Nine months ended December 31, 2010 (April 1 to December 31, 2010)			
	Number		Amount		Number		Amount	
		Rate of change		Rate of change		Rate of change		Rate of change
Individual insurance	70	115.7	4,740	107.8	80	114.9	5,965	125.8
Individual annuities	0	84.6	38	76.8	2	246.4	92	242.1
Group insurance	—	—	284	146.5	—	—	83	29.5
Group annuities	—	—	—	—	—	—	—	—

Note) Amount of "Individual annuities" represents the amount of annuity fund at the beginning of annuity payment.

Annualized premiums

Policies in force

(Millions of yen, %)

	As of December 31, 2010		As of March 31, 2010	
		Rate of change		Rate of change
Individual insurance	61,359	106.2	57,758	105.3
Individual annuities	12,071	100.9	11,966	96.5
Total	73,430	105.3	69,725	103.6
Medical and survival benefits	14,526	106.7	13,610	111.6

New policies

(Millions of yen, %)

	Nine months ended December 31, 2009 (April 1 to December 31, 2009)		Nine months ended December 31, 2010 (April 1 to December 31, 2010)	
		Rate of change		Rate of change
Individual insurance	6,580	104.3	7,871	119.6
Individual annuities	227	82.8	526	231.9
Total	6,807	103.4	8,398	123.4
Medical and survival benefits	1,836	101.7	1,766	96.2

Notes)

1. Annualized premiums are calculated by using multipliers for various premium payment terms to the premium per payment. In single premium contracts, the amount is calculated by dividing the premium by the duration of the policy.
2. Annualized premiums for medical and survival benefits include (a) premium related to medical benefits such as hospitalization and surgery benefits and (b) premium related to survival benefits such as specific illness.

NIPPONKOA Life Insurance Co., Ltd. (Non-consolidated)

Solvency Margin Ratio

(Millions of yen)

	As of December 31, 2010	As of March 31, 2010
(A) Total Solvency Margin	62,847	60,078
Capital, etc.	20,766	21,564
Reserve for price fluctuation	608	542
Contingency reserve	5,202	4,859
General allowance for possible loan losses	—	—
Unrealized gains on securities (90% of gain or 100% of loss)	7,501	5,592
Net unrealized gains and losses on real estate (85% of gain or 100% of loss)	—	—
Policy reserves in excess of surrender values	27,228	25,993
Brought in capital, etc.	—	—
Subordinated debt, etc.	—	—
Deductions	—	—
Others	1,541	1,527
(B) Total Risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	4,659	4,368
Underwriting risk (R_1)	3,074	2,930
Underwriting risk for third-sector insurance products including accident and sickness insurance (R_8)	1,077	970
Guaranteed interest rate risk (R_2)	171	164
Investment risk (R_3)	1,663	1,538
Business management risk (R_4)	119	112
Guaranteed minimum benefit risk (R_7)	—	—
(C) Solvency Margin Ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	2,697.9 %	2,750.4 %

Note) The above figures are calculated based on Articles 86, 87, 161, 162 and 190 of the Ordinance for Enforcement of the Insurance Business Law and the provisions of Notification No. 50 of the Ministry of Finance (1996). "Policy reserves in excess of surrender values" is calculated based on the provisions of Article 1 Paragraph 3-1 of Notification No. 50 of the Ministry of Finance.

Sompo Japan DIY Life Insurance Co., Ltd. (Non-consolidated)

Quarterly Balance Sheets

	As of December 31, 2010	As of March 31, 2010	(Millions of yen) Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits	154	182	(28)
Securities:	4,722	5,407	(685)
Government bonds	2,388	2,690	(301)
Domestic stocks	852	950	(98)
Tangible fixed assets	59	80	(20)
Intangible fixed assets	—	0	(0)
Agency accounts receivable	0	0	0
Reinsurance accounts receivable	2	21	(18)
Other assets	1,154	456	698
Allowance for possible loan losses	—	(0)	0
Total assets	6,093	6,149	(55)
Liabilities:			
Policy reserves:	1,089	1,041	48
Reserve for outstanding claims	199	141	58
Policy reserves	889	899	(10)
Agency accounts payable	3	3	0
Reinsurance accounts payable	28	32	(3)
Other liabilities	253	342	(88)
Reserve for retirement benefits	23	20	3
Reserves under the special laws:	16	15	0
Reserve for price fluctuation	16	15	0
Deferred tax liabilities	189	225	(35)
Total liabilities	1,604	1,680	(75)
Net assets:			
Shareholders' equity:			
Common stock	10,100	10,100	—
Capital surplus	2,100	2,100	—
Retained earnings	(8,044)	(8,128)	83
Total shareholders' equity	4,155	4,071	83
Valuation and translation adjustments:			
Unrealized gains on securities available for sale, net of tax	334	397	(63)
Total valuation and translation adjustments	334	397	(63)
Total net assets	4,489	4,468	20
Total liabilities and net assets	6,093	6,149	(55)

Sompo Japan DIY Life Insurance Co., Ltd. (Non-consolidated)

Quarterly Statements of Income

(Millions of yen)

	Nine months ended December 31, 2009 (April 1 to December 31, 2009)	Nine months ended December 31, 2010 (April 1 to December 31, 2010)	Increase (Decrease)	Rate of change
	Amount	Amount		
Ordinary income:	2,761	2,866	104	3.8 %
Insurance premiums and other:	2,721	2,824	103	3.8
Insurance premiums	2,665	2,733	68	2.6
Investment income:	40	31	(9)	(22.8)
Interest and dividend income	40	31	(9)	(22.8)
Other ordinary income:	0	10	10	7,003.9
Reversal of policy reserves	—	10	10	—
Ordinary expenses:	3,222	2,779	(443)	(13.8)
Insurance claims and other:	1,009	784	(224)	(22.3)
Insurance claims	746	512	(234)	(31.4)
Insurance benefits	150	164	14	9.7
Other refunds	0	3	2	238.7
Provision for policy reserves and other:	67	58	(9)	(14.0)
Provision for reserve for outstanding claims	61	58	(3)	(5.1)
Provision for policy reserves	6	—	(6)	(100.0)
Investment expenses:	0	0	(0)	(29.2)
Interest paid	0	0	(0)	(29.2)
Operating, general and administrative expenses	2,094	1,889	(204)	(9.8)
Other ordinary expenses	50	46	(4)	(8.8)
Ordinary profit (loss)	(461)	87	548	—
Extraordinary losses:	9	0	(8)	(89.5)
Provision for reserves under the special laws:	1	0	(0)	(11.6)
Provision for reserve for price fluctuation	1	0	(0)	(11.6)
Other extraordinary losses	8	—	(8)	(100.0)
Income (loss) before income taxes	(470)	86	556	—
Income taxes and deferred income taxes	2	2	—	—
Net income (loss)	(473)	83	556	—

Sampo Japan DIY Life Insurance Co., Ltd. (Non-consolidated)

Major Business Results

Total amount of policies in force

(Number in thousands, Yen in hundred millions, %)

	As of December 31, 2010				As of March 31, 2010			
	Number		Amount		Number		Amount	
		Rate of change		Rate of change		Rate of change		Rate of change
Individual insurance	46	99.3	7,906	98.3	46	101.1	8,039	99.7
Individual annuities	—	—	—	—	—	—	—	—
Group insurance	—	—	—	—	—	—	—	—
Group annuities	—	—	—	—	—	—	—	—

Total amount of new policies

(Number in thousands, Yen in hundred millions, %)

	Nine months ended December 31, 2009 (April 1 to December 31, 2009)				Nine months ended December 31, 2010 (April 1 to December 31, 2010)			
	Number		Amount		Number		Amount	
		Rate of change		Rate of change		Rate of change		Rate of change
Individual insurance	3	96.5	592	91.4	2	78.2	451	76.1
Individual annuities	—	—	—	—	—	—	—	—
Group insurance	—	—	—	—	—	—	—	—
Group annuities	—	—	—	—	—	—	—	—

Annualized premiums

Policies in force

(Millions of yen, %)

	As of December 31, 2010		As of March 31, 2010	
		Rate of change		Rate of change
Individual insurance	3,700	101.4	3,650	103.2
Individual annuities	—	—	—	—
Total	3,700	101.4	3,650	103.2
Medical and survival benefits	877	101.6	863	104.6

New policies

(Millions of yen, %)

	Nine months ended December 31, 2009 (April 1 to December 31, 2009)		Nine months ended December 31, 2010 (April 1 to December 31, 2010)	
		Rate of change		Rate of change
Individual insurance	244	94.9	193	79.3
Individual annuities	—	—	—	—
Total	244	94.9	193	79.3
Medical and survival benefits	74	98.7	55	74.8

Notes)

1. Annualized premiums are calculated by using multipliers for various premium payment terms to the premium per payment. In single premium contracts, the amount is calculated by dividing the premium by the duration of the policy.
2. Annualized premiums for medical and survival benefits include (a) premium related to medical benefits such as hospitalization and surgery benefits, (b) premium related to survival benefits such as specific illness and nursing benefits, and (c) premium related to premium waiver benefits, in which disability cause is excluded but causes such as specific illness and nursing care are included.

Sampo Japan DIY Life Insurance Co., Ltd. (Non-consolidated)

Solvency Margin Ratio

(Millions of yen)		
	As of December 31, 2010	As of March 31, 2010
(A) Total Solvency Margin	5,187	5,199
Capital, etc.	4,155	4,071
Reserve for price fluctuation	16	15
Contingency reserve	544	551
General allowance for possible loan losses	—	—
Unrealized gains on securities (90% of gain or 100% of loss)	471	560
Net unrealized gains and losses on real estate (85% of gain or 100% of loss)	—	—
Policy reserves in excess of surrender values	—	—
Brought in capital, etc.	—	—
Subordinated debt, etc.	—	—
Deductions	—	—
Others	—	—
(B) Total Risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	571	582
Underwriting risk (R_1)	447	454
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_8)	95	95
Guaranteed interest rate risk (R_2)	0	0
Investment risk (R_3)	103	118
Business management risk (R_4)	19	20
Guaranteed minimum benefit risk (R_7)	—	—
(C) Solvency Margin Ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	1,814.6 %	1,785.9 %

Note) The above figures are calculated based on Articles 86, 87, 161, 162 and 190 of the Ordinance for Enforcement of the Insurance Business Law and the provisions of Notification No. 50 of the Ministry of Finance (1996). "Policy reserves in excess of surrender values" is calculated based on the provisions of Article 1 Paragraph 3-1 of Notification No. 50 of the Ministry of Finance.

Supplementary Explanation

< Calculation of ratios >

- Underwriting profit = Underwriting income - Underwriting expenses - Operating, general and administrative expenses related to underwriting + Other income and expenses*

*Other income and expenses include, but not limited to, income tax expenses for compulsory automobile liability insurance.

- Net loss ratio = (Net claims paid + Loss adjustment expenses) / Net premiums written × 100
- Net expense ratio = (Net commissions and brokerage fees + Operating, general and administrative expenses related to underwriting) / Net premiums written × 100
- Underwriting result ratio = (Net premiums written - Net claims paid - Loss adjustment expenses - Operating expenses) / Net premiums written × 100

< Solvency margin ratio >

- In addition to reserves to cover payments for claims, benefits and maturity refunds, etc., it is necessary for insurance companies to maintain sufficient solvency in order to cover against risks which may exceed their normal estimates, i.e. the occurrence of major catastrophes, the fluctuation in mortality rate due to significant changes in key environmental factors and a big decline in value of assets held by insurance companies, etc.
- Solvency margin ratio: (C), which is calculated in accordance with the Insurance Business Law, is the ratio of "solvency margin of insurance companies by means of their capital, reserves, etc." (total solvency margin: (A)) to "risks which will exceed their normal estimates" (total risks: (B)).
- "Risks which will exceed their normal estimates" are composed of risks described below.
 - <1> Underwriting risk, underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance:
Risks of occurrence of insurance claims in excess of normal estimates (excluding risks relating to major catastrophes)
 - <2> Guaranteed interest rate risk:
Risks of invested assets failing to yield assumed interest rates due to the aggravation of investment conditions than expected
 - <3> Investment risk:
Risks of retained securities and other assets fluctuating in prices in excess of normal estimates
 - <4> Business management risk:
Risks beyond normal estimates arising from business management (That does not fall under other categories.)
 - <5> Major catastrophe risk:
Risks of the occurrence of major catastrophic losses in excess of normal estimates (risks such as the Great Kanto Earthquake or Isewan typhoon)
 - <6> Guaranteed minimum benefit risk:
Risks of special account assets fluctuating in prices in excess of normal estimates
- "Solvency margin of insurance companies by means of their capital, reserves, etc." (total solvency margin) is the sum of total net assets (excluding planned outflows), certain reserves (reserve for price fluctuation, contingency reserve and catastrophic loss reserve, etc.) and parts of net unrealized gains and losses on real estate, etc.
- Solvency margin ratio is one of the indicators for the regulatory authorities to monitor financial soundness of insurance companies. Solvency margin ratio exceeding 200% would indicate adequate capability to meet payments of possible insurance claims.

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. The risks, uncertainties and other factors are also referred to in our domestic Quarterly Securities Reports.

- (1) Effects of deterioration of economic and business conditions in Japan
- (2) Risk of intensification of competition in the property and casualty insurance business
- (3) Changes to laws, regulations, and systems
- (4) Natural catastrophe risks related to insurance products
- (5) Occurrence of losses exceeding projection
- (6) Reinsurance risk
- (7) Effects of declining stock price
- (8) Effects of fluctuation in interest rate
- (9) Credit risk
- (10) Effects of fluctuation in foreign exchange rate
- (11) Liquidity risk
- (12) Life insurance business risks
- (13) Overseas business risk
- (14) Non-insurance business risk
- (15) Credit rating downgrade
- (16) Business interruption risk in case of natural disasters, etc.
- (17) Information security risk
- (18) Reputational risk
- (19) System integration risk
- (20) Risk of failure to adequately realize business integration synergies
- (21) Risks related to merger of life insurance subsidiaries
- (22) Other risks