

UNOFFICIAL TRANSLATION

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Summary of
Consolidated Financial Results
for the nine months ended December 31, 2013
Supplementary Information

February 14, 2014

NKSJ Holdings, Inc.

(Securities code : 8630)

Summary of Consolidated Financial Results for the nine months ended December 31, 2013

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Overview of Business Results of Principal Consolidated Subsidiaries

Sompo Japan Insurance Inc. (Non-consolidated)

Quarterly Balance Sheet

	As of March 31, 2013	As of December 31, 2013	(Millions of yen) Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits	238,184	86,900	(151,283)
Call loans	56,700	83,800	27,100
Receivables under resale agreements	80,483	110,981	30,497
Monetary receivables bought	21,542	17,144	(4,398)
Money trusts	28,995	67,922	38,926
Securities	3,184,642	3,439,951	255,309
Loans	411,282	419,162	7,880
Tangible fixed assets	208,482	205,946	(2,536)
Intangible fixed assets	86	85	(0)
Other assets	411,065	420,074	9,009
Deferred tax assets	79,760	21,166	(58,594)
Customers' liabilities for acceptances and guarantees	35,200	16,000	(19,200)
Allowance for possible credit losses	(2,468)	(2,405)	62
Allowance for possible investment losses	(8,880)	(8,793)	86
Total assets	4,745,077	4,877,936	132,859
Liabilities:			
Underwriting funds:	3,376,310	3,399,195	22,884
Reserve for outstanding losses and claims	614,979	624,194	9,215
Underwriting reserves	2,761,331	2,775,000	13,669
Corporate bonds	261,560	261,560	—
Other liabilities	257,692	219,370	(38,322)
Reserve for retirement benefits	76,187	80,053	3,866
Reserve for bonus payments	13,753	4,822	(8,931)
Reserve for bonus payments to directors	140	—	(140)
Reserves under the special laws:	19,388	23,430	4,041
Reserve for price fluctuation	19,388	23,430	4,041
Acceptances and guarantees	35,200	16,000	(19,200)
Total liabilities	4,040,233	4,004,432	(35,801)
Net assets:			
Shareholders' equity:			
Common stock	70,000	70,000	—
Capital surplus	24,229	24,229	—
Retained earnings	169,069	193,234	24,164
Total shareholders' equity	263,299	287,464	24,164
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	441,544	585,957	144,413
Deferred gains and losses on hedges	—	82	82
Total valuation and translation adjustments	441,544	586,040	144,496
Total net assets	704,843	873,504	168,660
Total liabilities and net assets	4,745,077	4,877,936	132,859

Sompo Japan Insurance Inc. (Non-consolidated)

Quarterly Statement of Income

(Millions of yen)

	Nine months ended December 31, 2012 (April 1 to December 31, 2012)	Nine months ended December 31, 2013 (April 1 to December 31, 2013)	Increase (Decrease)	Rate of change
	Amount	Amount		%
Ordinary income:	1,251,624	1,250,313	(1,310)	(0.1)
Underwriting income:	1,179,084	1,162,824	(16,259)	(1.4)
Net premiums written	994,341	1,051,786	57,445	5.8
Deposits of premiums by policyholders	81,263	81,799	536	0.7
Interest and dividend income on deposits of premiums, etc.	25,744	24,179	(1,564)	(6.1)
Reversal of reserve for outstanding losses and claims	4,264	—	(4,264)	(100.0)
Reversal of underwriting reserves	70,702	—	(70,702)	(100.0)
Investment income:	68,469	83,555	15,085	22.0
Interest and dividend income	55,956	56,281	325	0.6
Investment gains on money trusts	110	2,279	2,168	1,960.0
Investment gains on trading securities	13	—	(13)	(100.0)
Gains on sales of securities	37,968	41,410	3,442	9.1
Transfer of interest and dividend income on deposits of premiums, etc.	(25,744)	(24,179)	1,564	—
Other ordinary income	4,070	3,933	(136)	(3.4)
Ordinary expenses:	1,234,041	1,199,489	(34,552)	(2.8)
Underwriting expenses:	1,027,801	1,011,883	(15,917)	(1.5)
Net claims paid	634,235	607,139	(27,095)	(4.3)
Loss adjustment expenses	66,112	68,444	2,331	3.5
Net commissions and brokerage fees	170,386	180,769	10,383	6.1
Maturity refunds to policyholders	154,978	130,625	(24,353)	(15.7)
Provision for reserve for outstanding losses and claims	—	9,215	9,215	—
Provision for underwriting reserves	—	13,669	13,669	—
Investment expenses:	37,522	22,595	(14,926)	(39.8)
Investment losses on money trusts	—	3	3	—
Losses on sales of securities	679	1,394	714	105.1
Impairment losses on securities	28,133	10,748	(17,385)	(61.8)
Operating, general and administrative expenses	162,770	156,136	(6,633)	(4.1)
Other ordinary expenses:	5,948	8,873	2,924	49.2
Interest paid	5,515	8,678	3,163	57.4
Ordinary profit	17,582	50,824	33,242	189.1
Extraordinary gains:	74	185	111	149.8
Gains on disposal of fixed assets	74	185	111	149.8
Extraordinary losses:	9,129	12,937	3,807	41.7
Losses on disposal of fixed assets	169	418	248	146.9
Impairment losses	302	215	(86)	(28.7)
Provision for reserves under the special laws:	1,230	4,041	2,811	228.4
Provision for reserve for price fluctuation	1,230	4,041	2,811	228.4
Other extraordinary losses	7,427	8,262	834	11.2
Net income before income taxes	8,526	38,072	29,546	346.5
Income taxes and deferred income taxes	2,790	13,907	11,117	398.3
Net income	5,735	24,164	18,429	321.3
Underwriting result:				
Net premiums written (+)	994,341	1,051,786	57,445	5.8
Net claims paid (—)	634,235	607,139	(27,095)	(4.3)
Loss adjustment expenses (—)	66,112	68,444	2,331	3.5
Net operating expenses: (—)	326,013	330,741	4,728	1.5
Net commissions and brokerage fees	170,386	180,769	10,383	6.1
Operating, general and administrative expenses related to underwriting	155,627	149,971	(5,655)	(3.6)
Underwriting result	(32,020)	45,460	77,480	—
Underwriting profit (loss)	(5,568)	1,129	6,697	—
Ratios:				
Net loss ratio (%)	70.4	64.2	(6.2)	
Net operating expenses ratio (%)	32.8	31.4	(1.3)	
Underwriting result ratio (%)	(3.2)	4.3	7.5	

Sampo Japan Insurance Inc. (Non-consolidated)

Premiums Written and Claims Paid by Business Lines

Direct premiums written (excluding deposits of premiums by policyholders)

(Millions of yen)

Business line	Nine months ended December 31, 2012 (April 1 to December 31, 2012)			Nine months ended December 31, 2013 (April 1 to December 31, 2013)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	144,783	13.7%	5.4%	151,557	13.5%	4.7%
Marine insurance	23,886	2.3	1.5	26,885	2.4	12.6
Personal accident insurance	101,850	9.6	1.0	102,736	9.2	0.9
Voluntary automobile insurance	491,992	46.5	2.1	511,690	45.6	4.0
Compulsory automobile liability insurance	149,815	14.2	2.4	168,881	15.0	12.7
Others	145,868	13.8	4.6	160,523	14.3	10.0
Total	1,058,197	100.0	2.8	1,122,275	100.0	6.1
Deposits of premiums by policyholders	81,263	—	(12.2)	81,799	—	0.7

Net premiums written

(Millions of yen)

Business line	Nine months ended December 31, 2012 (April 1 to December 31, 2012)			Nine months ended December 31, 2013 (April 1 to December 31, 2013)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	118,077	11.9%	7.7%	129,554	12.3%	9.7%
Marine insurance	19,203	1.9	3.4	22,642	2.2	17.9
Personal accident insurance	100,758	10.1	1.1	102,288	9.7	1.5
Voluntary automobile insurance	493,537	49.6	2.2	513,496	48.8	4.0
Compulsory automobile liability insurance	141,902	14.3	7.9	152,891	14.5	7.7
Others	120,861	12.2	(0.3)	130,913	12.4	8.3
Total	994,341	100.0	3.2	1,051,786	100.0	5.8

Net claims paid

(Millions of yen)

Business line	Nine months ended December 31, 2012 (April 1 to December 31, 2012)			Nine months ended December 31, 2013 (April 1 to December 31, 2013)		
	Amount	Rate of change	Net loss ratio	Amount	Rate of change	Net loss ratio
Fire and allied insurance	87,690	(43.9)%	76.7%	71,169	(18.8)%	56.7%
Marine insurance	11,452	(11.4)	63.5	15,897	38.8	73.4
Personal accident insurance	54,200	1.7	58.9	55,564	2.5	59.7
Voluntary automobile insurance	302,977	1.5	70.0	287,991	(4.9)	64.6
Compulsory automobile liability insurance	119,686	0.1	91.5	118,807	(0.7)	85.1
Others	58,228	(2.4)	52.2	57,710	(0.9)	47.9
Total	634,235	(9.4)	70.4	607,139	(4.3)	64.2

Sampo Japan Insurance Inc. (Non-consolidated)

Solvency Margin Ratio (Non-consolidated)

(Millions of yen)		
	As of March 31, 2013	As of December 31, 2013
(A) Total Solvency Margin (Non-consolidated)	1,493,106	1,730,735
Capital and funds, etc.	263,299	287,464
Reserve for price fluctuation	19,388	23,430
Contingency reserve	611	611
Catastrophic loss reserve	385,026	406,714
General allowance for possible credit losses	215	222
Unrealized gains and losses on securities (before tax effect deductions)	571,425	742,429
Unrealized gains and losses on land	22,103	21,386
Excess amount of reserve for maturity refunds	—	—
Subordinated debt, etc.	261,560	261,560
Excess amount of reserve for maturity refunds and subordinated debt, etc. which are excluded from total solvency margin	—	—
Deductions	92,366	85,456
Others	61,841	72,374
(B) Total Risks (Non-consolidated)	462,503	468,405
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$		
Underwriting risk (R_1)	110,429	111,052
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_2)	—	—
Guaranteed interest rate risk (R_3)	16,828	16,641
Investment risk (R_4)	279,657	309,227
Business management risk (R_5)	10,843	11,001
Major catastrophe risk (R_6)	135,276	113,133
(C) Solvency Margin Ratio (Non-consolidated)	645.6 %	738.9 %
$[(A) / \{(B) \times 1/2\}] \times 100$		

Note) The above figures are calculated based on provisions of Articles 86 and 87 of the Ordinance for Enforcement of the Insurance Business Act and Public Notice No. 50 of the Ministry of Finance (1996). The figures as of December 31, 2013 are partly calculated by using the simplified method, for example, some bases for the major catastrophe risk calculation are deemed same as the figures as of September 30, 2013.

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

Quarterly Balance Sheet

	As of March 31, 2013	As of December 31, 2013	(Millions of yen) Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits	135,943	121,417	(14,526)
Call loans	10,000	38,000	28,000
Monetary receivables bought	426	384	(41)
Money trusts	38,783	29,253	(9,530)
Securities	1,629,386	1,648,350	18,963
Loans	188,452	173,997	(14,454)
Tangible fixed assets	121,832	115,200	(6,632)
Intangible fixed assets	514	514	(0)
Other assets	144,076	148,263	4,187
Deferred tax assets	25,441	11,284	(14,157)
Allowance for possible credit losses	(1,687)	(1,587)	99
Total assets	2,293,170	2,285,078	(8,091)
Liabilities:			
Underwriting funds:	1,713,373	1,673,107	(40,266)
Reserve for outstanding losses and claims	281,518	282,096	578
Underwriting reserves	1,431,855	1,391,010	(40,844)
Other liabilities	94,998	79,480	(15,517)
Reserve for retirement benefits	24,020	24,946	926
Reserve for bonus payments	6,786	1,592	(5,193)
Reserve for bonus payments to directors	41	—	(41)
Reserves under the special laws:	13,849	15,752	1,903
Reserve for price fluctuation	13,849	15,752	1,903
Total liabilities	1,853,069	1,794,879	(58,189)
Net assets:			
Shareholders' equity:			
Common stock	91,249	91,249	—
Capital surplus	21,702	21,702	—
Retained earnings	80,045	96,317	16,272
Total shareholders' equity	192,996	209,268	16,272
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	239,450	274,867	35,417
Deferred gains and losses on hedges	7,653	6,061	(1,591)
Total valuation and translation adjustments	247,104	280,929	33,825
Total net assets	440,100	490,198	50,098
Total liabilities and net assets	2,293,170	2,285,078	(8,091)

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

Quarterly Statement of Income

(Millions of yen)

	Nine months ended December 31, 2012 (April 1 to December 31, 2012)	Nine months ended December 31, 2013 (April 1 to December 31, 2013)	Increase (Decrease)	Rate of change
	Amount	Amount		%
Ordinary income:	667,307	639,692	(27,614)	(4.1)
Underwriting income:	617,607	581,247	(36,359)	(5.9)
Net premiums written	480,334	500,512	20,177	4.2
Deposits of premiums by policyholders	33,283	25,668	(7,614)	(22.9)
Interest and dividend income on deposits of premiums, etc.	13,063	12,391	(672)	(5.1)
Reversal of reserve for outstanding losses and claims	8,525	—	(8,525)	(100.0)
Reversal of underwriting reserves	82,214	40,844	(41,370)	(50.3)
Investment income:	48,769	57,324	8,554	17.5
Interest and dividend income	31,580	31,984	403	1.3
Investment gains on money trusts	304	1,502	1,198	393.8
Gains on sales of securities	25,537	33,369	7,831	30.7
Transfer of interest and dividend income on deposits of premiums, etc.	(13,063)	(12,391)	672	—
Other ordinary income	931	1,121	190	20.4
Ordinary expenses:	622,117	603,267	(18,849)	(3.0)
Underwriting expenses:	530,465	507,951	(22,513)	(4.2)
Net claims paid	326,897	306,787	(20,109)	(6.2)
Loss adjustment expenses	29,894	29,911	16	0.1
Net commissions and brokerage fees	84,060	89,352	5,292	6.3
Maturity refunds to policyholders	89,374	81,053	(8,320)	(9.3)
Provision for reserve for outstanding losses and claims	—	578	578	—
Investment expenses:	5,542	11,902	6,359	114.7
Investment losses on money trusts	106	381	274	257.1
Losses on sales of securities	2,243	5,416	3,172	141.4
Impairment losses on securities	2,121	142	(1,978)	(93.3)
Operating, general and administrative expenses	85,814	83,180	(2,634)	(3.1)
Other ordinary expenses:	294	233	(61)	(20.9)
Interest paid	35	12	(22)	(63.2)
Ordinary profit	45,189	36,425	(8,764)	(19.4)
Extraordinary gains:	173	1,466	1,293	745.7
Gains on disposal of fixed assets	173	1,466	1,293	745.7
Extraordinary losses:	11,515	15,722	4,206	36.5
Losses on disposal of fixed assets	91	1,221	1,129	1,228.9
Impairment losses	1,170	3,667	2,496	213.3
Provision for reserves under the special laws:	1,925	1,903	(22)	(1.2)
Provision for reserve for price fluctuation	1,925	1,903	(22)	(1.2)
Other extraordinary losses	8,327	8,930	603	7.2
Net income before income taxes	33,847	22,169	(11,678)	(34.5)
Income taxes and deferred income taxes	11,271	5,897	(5,374)	(47.7)
Net income	22,576	16,272	(6,304)	(27.9)
Underwriting result:				
Net premiums written (+)	480,334	500,512	20,177	4.2
Net claims paid (—)	326,897	306,787	(20,109)	(6.2)
Loss adjustment expenses (—)	29,894	29,911	16	0.1
Net operating expenses: (—)	166,303	169,582	3,279	2.0
Net commissions and brokerage fees	84,060	89,352	5,292	6.3
Operating, general and administrative expenses related to underwriting	82,242	80,229	(2,012)	(2.4)
Underwriting result	(42,761)	(5,770)	36,990	—
Underwriting profit (loss)	3,892	(8,115)	(12,008)	(308.5)
Ratios:				
Net loss ratio (%)	74.3	67.3	(7.0)	
Net operating expenses ratio (%)	34.6	33.9	(0.7)	
Underwriting result ratio (%)	(8.9)	(1.2)	7.7	

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

Premiums Written and Claims Paid by Business Lines

Direct premiums written (excluding deposits of premiums by policyholders)

(Millions of yen)

Business line	Nine months ended December 31, 2012 (April 1 to December 31, 2012)			Nine months ended December 31, 2013 (April 1 to December 31, 2013)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	94,807	18.2%	3.3%	98,860	18.4%	4.3%
Marine insurance	10,523	2.0	(4.4)	11,554	2.1	9.8
Personal accident insurance	38,016	7.3	(0.2)	37,315	6.9	(1.8)
Voluntary automobile insurance	242,687	46.7	1.3	244,408	45.4	0.7
Compulsory automobile liability insurance	66,351	12.7	3.3	73,362	13.6	10.6
Others	68,432	13.1	3.2	72,550	13.5	6.0
Total	520,818	100.0	1.9	538,052	100.0	3.3
Deposits of premiums by policyholders	33,283	—	1.9	25,668	—	(22.9)

Net premiums written

(Millions of yen)

Business line	Nine months ended December 31, 2012 (April 1 to December 31, 2012)			Nine months ended December 31, 2013 (April 1 to December 31, 2013)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	62,748	13.1%	(7.3)%	70,146	14.0%	11.8%
Marine insurance	9,907	2.1	(2.7)	11,684	2.3	17.9
Personal accident insurance	39,599	8.2	1.7	39,767	7.9	0.4
Voluntary automobile insurance	242,297	50.4	1.1	244,205	48.8	0.8
Compulsory automobile liability insurance	63,954	13.3	8.7	68,768	13.7	7.5
Others	61,827	12.9	(0.1)	65,939	13.2	6.6
Total	480,334	100.0	0.7	500,512	100.0	4.2

Net claims paid

(Millions of yen)

Business line	Nine months ended December 31, 2012 (April 1 to December 31, 2012)			Nine months ended December 31, 2013 (April 1 to December 31, 2013)		
	Amount	Rate of change	Net loss ratio	Amount	Rate of change	Net loss ratio
Fire and allied insurance	64,596	(42.8)%	107.0%	50,077	(22.5)%	74.9%
Marine insurance	4,031	(13.2)	42.4	6,059	50.3	53.3
Personal accident insurance	20,190	(7.3)	55.4	20,654	2.3	56.2
Voluntary automobile insurance	150,779	(1.7)	69.7	142,502	(5.5)	65.7
Compulsory automobile liability insurance	54,706	(0.5)	92.4	54,146	(1.0)	85.5
Others	32,594	0.1	57.6	33,347	2.3	54.9
Total	326,897	(14.0)	74.3	306,787	(6.2)	67.3

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

Solvency Margin Ratio (Non-consolidated)

(Millions of yen)		
	As of March 31, 2013	As of December 31, 2013
(A) Total Solvency Margin (Non-consolidated)	710,509	779,266
Capital and funds, etc.	192,996	209,268
Reserve for price fluctuation	13,849	15,752
Contingency reserve	8	8
Catastrophic loss reserve	178,714	175,143
General allowance for possible credit losses	50	39
Unrealized gains and losses on securities (before tax effect deductions)	303,023	348,327
Unrealized gains and losses on land	13,706	15,570
Excess amount of reserve for maturity refunds	—	—
Subordinated debt, etc.	—	—
Excess amount of reserve for maturity refunds and subordinated debt, etc. which are excluded from total solvency margin	—	—
Deductions	11,769	11,769
Others	19,928	26,925
(B) Total Risks (Non-consolidated)	266,095	230,261
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$		
Underwriting risk (R_1)	57,467	57,709
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_2)	0	0
Guaranteed interest rate risk (R_3)	9,261	9,089
Investment risk (R_4)	148,113	142,546
Business management risk (R_5)	6,145	5,438
Major catastrophe risk (R_6)	92,411	62,576
(C) Solvency Margin Ratio (Non-consolidated)	534.0 %	676.8 %
$[(A) / \{(B) \times 1/2\}] \times 100$		

Note) The above figures are calculated based on provisions of Articles 86 and 87 of the Ordinance for Enforcement of the Insurance Business Act and Public Notice No. 50 of the Ministry of Finance (1996). The figures as of December 31, 2013 are partly calculated by using the simplified method, for example, some bases for the major catastrophe risk calculation are deemed same as the figures as of September 30, 2013.

Sonpo 24 Insurance Company Limited (Non-consolidated)

Quarterly Balance Sheet

	As of March 31, 2013	As of December 31, 2013	(Millions of yen) Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits	2,169	2,387	217
Securities	17,196	17,337	140
Tangible fixed assets	161	223	62
Other assets	957	779	(178)
Total assets	20,484	20,727	242
Liabilities:			
Underwriting funds:	11,892	12,671	779
Reserve for outstanding losses and claims	4,026	4,572	545
Underwriting reserves	7,866	8,099	233
Other liabilities	1,912	1,367	(545)
Reserve for retirement benefits	158	181	22
Reserve for bonus payments	90	24	(66)
Reserves under the special laws:	30	32	2
Reserve for price fluctuation	30	32	2
Deferred tax liabilities	12	8	(3)
Total liabilities	14,096	14,285	189
Net assets:			
Shareholders' equity:			
Common stock	19,000	19,000	—
Capital surplus	19,000	19,000	—
Retained earnings	(31,639)	(31,577)	61
Total shareholders' equity	6,360	6,422	61
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	27	19	(8)
Total valuation and translation adjustments	27	19	(8)
Total net assets	6,388	6,441	53
Total liabilities and net assets	20,484	20,727	242

Sonpo 24 Insurance Company Limited (Non-consolidated)

Quarterly Statement of Income

(Millions of yen)

	Nine months ended December 31, 2012 (April 1 to December 31, 2012)	Nine months ended December 31, 2013 (April 1 to December 31, 2013)	Increase (Decrease)	Rate of change
	Amount	Amount		%
Ordinary income:	9,804	10,320	515	5.3
Underwriting income:	9,725	10,303	578	5.9
Net premiums written	9,719	10,297	577	5.9
Interest and dividend income on deposits of premiums, etc.	5	6	0	6.2
Investment income:	78	15	(62)	(79.8)
Interest and dividend income	84	22	(62)	(73.9)
Transfer of interest and dividend income on deposits of premiums, etc.	(5)	(6)	(0)	—
Other ordinary income	0	0	(0)	(25.6)
Ordinary expenses:	9,860	10,252	391	4.0
Underwriting expenses:	7,652	7,984	332	4.3
Net claims paid	5,801	5,813	12	0.2
Loss adjustment expenses	685	704	18	2.7
Net commissions and brokerage fees	656	687	31	4.8
Provision for reserve for outstanding losses and claims	140	545	405	288.1
Provision for underwriting reserves	368	233	(135)	(36.8)
Operating, general and administrative expenses	2,205	2,267	61	2.8
Other ordinary expenses	2	0	(1)	(92.4)
Ordinary profit (loss)	(55)	67	123	—
Extraordinary losses:	2	3	0	13.6
Losses on disposal of fixed assets	0	0	0	75.2
Provision for reserves under the special laws:	2	2	0	2.8
Provision for reserve for price fluctuation	2	2	0	2.8
Net income (loss) before income taxes	(58)	64	123	—
Income taxes and deferred income taxes	2	2	—	—
Net income (loss)	(61)	61	123	—
Underwriting result:				
Net premiums written (+)	9,719	10,297	577	5.9
Net claims paid (—)	5,801	5,813	12	0.2
Loss adjustment expenses (—)	685	704	18	2.7
Net operating expenses: (—)	2,859	2,952	93	3.3
Net commissions and brokerage fees	656	687	31	4.8
Operating, general and administrative expenses related to underwriting	2,203	2,265	61	2.8
Underwriting result	373	826	453	121.6
Underwriting profit (loss)	(130)	53	184	—
Ratios:				
Net loss ratio (%)	66.7	63.3	(3.4)	
Net operating expenses ratio (%)	29.4	28.7	(0.7)	
Underwriting result ratio (%)	3.8	8.0	4.2	

Sonpo 24 Insurance Company Limited (Non-consolidated)

Premiums Written and Claims Paid by Business Lines

Direct premiums written (excluding deposits of premiums by policyholders)

(Millions of yen)

Business line	Nine months ended December 31, 2012 (April 1 to December 31, 2012)			Nine months ended December 31, 2013 (April 1 to December 31, 2013)		
	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	9,634	100.0	10.1	10,198	100.0	5.9
Compulsory automobile liability insurance	—	—	—	—	—	—
Others	—	—	—	—	—	—
Total	9,634	100.0	10.1	10,198	100.0	5.9
Deposits of premiums by policyholders	—	—	—	—	—	—

Net premiums written

(Millions of yen)

Business line	Nine months ended December 31, 2012 (April 1 to December 31, 2012)			Nine months ended December 31, 2013 (April 1 to December 31, 2013)		
	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	9,551	98.3	10.1	10,109	98.2	5.8
Compulsory automobile liability insurance	168	1.7	20.4	187	1.8	11.4
Others	—	—	—	—	—	—
Total	9,719	100.0	10.3	10,297	100.0	5.9

Net claims paid

(Millions of yen)

Business line	Nine months ended December 31, 2012 (April 1 to December 31, 2012)			Nine months ended December 31, 2013 (April 1 to December 31, 2013)		
	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	5,622	9.4	66.0	5,627	0.1	62.6
Compulsory automobile liability insurance	178	3.8	106.2	186	4.3	99.3
Others	—	—	—	—	—	—
Total	5,801	9.2	66.7	5,813	0.2	63.3

Sonpo 24 Insurance Company Limited (Non-consolidated)

Solvency Margin Ratio (Non-consolidated)

(Millions of yen)		
	As of March 31, 2013	As of December 31, 2013
(A) Total Solvency Margin (Non-consolidated)	6,837	6,805
Capital and funds, etc.	6,360	6,422
Reserve for price fluctuation	30	32
Contingency reserve	—	—
Catastrophic loss reserve	410	324
General allowance for possible credit losses	—	—
Unrealized gains and losses on securities (before tax effect deductions)	36	25
Unrealized gains and losses on land	—	—
Excess amount of reserve for maturity refunds	—	—
Subordinated debt, etc.	—	—
Excess amount of reserve for maturity refunds and subordinated debt, etc. which are excluded from total solvency margin	—	—
Deductions	—	—
Others	—	—
(B) Total Risks (Non-consolidated)	1,930	1,924
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$		
Underwriting risk (R_1)	1,678	1,684
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)	476	373
Business management risk (R_5)	68	65
Major catastrophe risk (R_6)	118	133
(C) Solvency Margin Ratio (Non-consolidated)	708.1 %	707.2 %
$[(A) / \{(B) \times 1/2\}] \times 100$		

Note) The above figures are calculated based on provisions of Articles 86 and 87 of the Ordinance for Enforcement of the Insurance Business Act and Public Notice No. 50 of the Ministry of Finance (1996). The figures as of December 31, 2013 are partly calculated by using the simplified method, for example, some bases for the investment risk calculation are deemed same as the figures as of September 30, 2013.

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

Quarterly Balance Sheet

	As of March 31, 2013	As of December 31, 2013	(Millions of yen) Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits	1,834	11,056	9,222
Money trusts	1,369	—	(1,369)
Securities	29,041	25,116	(3,925)
Loans	10	7	(3)
Tangible fixed assets	256	259	3
Intangible fixed assets	3,224	3,437	213
Other assets	2,634	3,368	733
Allowance for possible credit losses	(0)	(0)	0
Total assets	38,371	43,246	4,874
Liabilities:			
Underwriting funds:	24,543	25,602	1,059
Reserve for outstanding losses and claims	5,234	5,406	172
Underwriting reserves	19,309	20,196	887
Other liabilities	2,472	1,855	(617)
Reserve for retirement benefits to directors	34	40	6
Reserve for bonus payments	228	107	(120)
Reserves under the special laws:	13	17	4
Reserve for price fluctuation	13	17	4
Deferred tax liabilities	255	155	(100)
Total liabilities	27,546	27,778	232
Net assets:			
Shareholders' equity:			
Common stock	15,110	20,110	5,000
Capital surplus	13,348	18,347	4,999
Retained earnings	(18,378)	(23,429)	(5,050)
Total shareholders' equity	10,079	15,028	4,949
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	745	439	(306)
Total valuation and translation adjustments	745	439	(306)
Total net assets	10,824	15,467	4,642
Total liabilities and net assets	38,371	43,246	4,874

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

Quarterly Statement of Income

(Millions of yen)

	Nine months ended December 31, 2012 (April 1 to December 31, 2012)	Nine months ended December 31, 2013 (April 1 to December 31, 2013)	Increase (Decrease)	Rate of change
	Amount	Amount		%
Ordinary income:	13,669	15,049	1,380	10.1
Underwriting income:	13,249	14,568	1,319	10.0
Net premiums written	12,791	14,288	1,497	11.7
Deposits of premiums by policyholders	309	248	(60)	(19.6)
Interest and dividend income on deposits of premiums, etc.	33	30	(2)	(8.1)
Reversal of reserve for outstanding losses and claims	114	—	(114)	(100.0)
Investment income:	139	474	335	241.0
Interest and dividend income	144	123	(21)	(14.6)
Investment gains on money trusts	0	30	29	4,969.9
Investment gains on trading securities	2	0	(2)	(98.0)
Gains on sales of securities	24	323	298	1,224.9
Transfer of interest and dividend income on deposits of premiums, etc.	(33)	(30)	2	—
Other ordinary income	280	6	(274)	(97.7)
Ordinary expenses:	17,479	19,915	2,435	13.9
Underwriting expenses:	10,999	12,109	1,109	10.1
Net claims paid	6,512	8,135	1,623	24.9
Loss adjustment expenses	894	1,124	230	25.7
Net commissions and brokerage fees	1,117	1,130	13	1.2
Maturity refunds to policyholders	501	654	153	30.6
Provision for reserve for outstanding losses and claims	—	172	172	—
Provision for underwriting reserves	1,969	887	(1,082)	(55.0)
Investment expenses:	118	5	(113)	(95.5)
Losses on sales of securities	113	1	(112)	(98.6)
Operating, general and administrative expenses	6,304	7,735	1,430	22.7
Other ordinary expenses:	56	65	8	15.3
Interest paid	9	6	(2)	(32.2)
Ordinary loss	(3,810)	(4,865)	(1,055)	—
Extraordinary gains:	1	—	(1)	(100.0)
Reversal of reserves under the special laws:	1	—	(1)	(100.0)
Reversal of reserve for price fluctuation	1	—	(1)	(100.0)
Extraordinary losses:	3	177	173	4,574.2
Losses on disposal of fixed assets	1	1	0	0.4
Impairment losses	2	1	(0)	(30.0)
Provision for reserves under the special laws:	—	4	4	—
Provision for reserve for price fluctuation	—	4	4	—
Other extraordinary losses	—	170	170	—
Net loss before income taxes	(3,812)	(5,043)	(1,231)	—
Income taxes and deferred income taxes	15	7	(8)	(53.7)
Net loss	(3,827)	(5,050)	(1,222)	—
Underwriting result:				
Net premiums written (+)	12,791	14,288	1,497	11.7
Net claims paid (—)	6,512	8,135	1,623	24.9
Loss adjustment expenses (—)	894	1,124	230	25.7
Net operating expenses: (—)	7,068	8,844	1,775	25.1
Net commissions and brokerage fees	1,117	1,130	13	1.2
Operating, general and administrative expenses related to underwriting	5,951	7,713	1,762	29.6
Underwriting result	(1,684)	(3,815)	(2,131)	—
Underwriting profit (loss)	(3,639)	(5,215)	(1,575)	—
Ratios:				
Net loss ratio (%)	57.9	64.8	6.9	
Net operating expenses ratio (%)	55.3	61.9	6.6	
Underwriting result ratio (%)	(13.2)	(26.7)	(13.5)	

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

Premiums Written and Claims Paid by Business Lines

Direct premiums written (excluding deposits of premiums by policyholders)

(Millions of yen)

Business line	Nine months ended December 31, 2012 (April 1 to December 31, 2012)			Nine months ended December 31, 2013 (April 1 to December 31, 2013)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	2,539	17.3%	1.5%	1,813	11.5%	(28.6)
Marine insurance	—	—	(100.0)	—	—	—
Personal accident insurance	3,329	22.7	(3.1)	3,090	19.6	(7.2)
Voluntary automobile insurance	8,074	55.0	33.6	10,148	64.3	25.7
Compulsory automobile liability insurance	61	0.4	(43.5)	(1)	(0.0)	(102.0)
Others	665	4.5	6.9	722	4.6	8.6
Total	14,669	100.0	15.4	15,773	100.0	7.5
Deposits of premiums by policyholders	309	—	(23.7)	248	—	(19.6)

Net premiums written

(Millions of yen)

Business line	Nine months ended December 31, 2012 (April 1 to December 31, 2012)			Nine months ended December 31, 2013 (April 1 to December 31, 2013)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	1,764	13.8%	(0.1)%	1,232	8.6%	(30.1)
Marine insurance	19	0.2	(10.5)	21	0.2	7.4
Personal accident insurance	2,046	16.0	(2.1)	1,971	13.8	(3.7)
Voluntary automobile insurance	8,011	62.6	33.6	10,047	70.3	25.4
Compulsory automobile liability insurance	284	2.2	(15.2)	288	2.0	1.4
Others	665	5.2	11.1	727	5.1	9.3
Total	12,791	100.0	18.3	14,288	100.0	11.7

Net claims paid

(Millions of yen)

Business line	Nine months ended December 31, 2012 (April 1 to December 31, 2012)			Nine months ended December 31, 2013 (April 1 to December 31, 2013)		
	Amount	Rate of change	Net loss ratio	Amount	Rate of change	Net loss ratio
Fire and allied insurance	342	(46.8)%	21.6%	284	(17.1)%	26.8%
Marine insurance	13	(25.1)	65.5	44	240.8	207.6
Personal accident insurance	1,354	4.1	76.7	1,514	11.8	89.7
Voluntary automobile insurance	4,362	15.9	61.7	5,806	33.1	65.4
Compulsory automobile liability insurance	380	9.0	138.9	366	(3.5)	130.5
Others	59	(59.1)	15.3	119	101.2	23.6
Total	6,512	4.6	57.9	8,135	24.9	64.8

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

Solvency Margin Ratio (Non-consolidated)

(Millions of yen)		
	As of March 31, 2013	As of December 31, 2013
(A) Total Solvency Margin (Non-consolidated)	13,821	18,233
Capital and funds, etc.	10,079	15,028
Reserve for price fluctuation	13	17
Contingency reserve	11	12
Catastrophic loss reserve	2,812	2,635
General allowance for possible credit losses	—	—
Unrealized gains and losses on securities (before tax effect deductions)	900	534
Unrealized gains and losses on land	—	—
Excess amount of reserve for maturity refunds	—	—
Subordinated debt, etc.	—	—
Excess amount of reserve for maturity refunds and subordinated debt, etc. which are excluded from total solvency margin	—	—
Deductions	—	—
Others	4	4
(B) Total Risks (Non-consolidated)	2,315	2,512
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$		
Underwriting risk (R_1)	1,442	1,703
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_2)	—	—
Guaranteed interest rate risk (R_3)	28	28
Investment risk (R_4)	825	708
Business management risk (R_5)	85	90
Major catastrophe risk (R_6)	554	566
(C) Solvency Margin Ratio (Non-consolidated)	1,193.6 %	1,451.5 %
$[(A) / \{(B) \times 1/2\}] \times 100$		

Note) The above figures are calculated based on provisions of Articles 86 and 87 of the Ordinance for Enforcement of the Insurance Business Act and Public Notice No. 50 of the Ministry of Finance (1996). The figures as of December 31, 2013 are partly calculated by using the simplified method, for example, some bases for the major catastrophe risk calculation are deemed same as the figures as of September 30, 2013.

NKSJ Himawari Life Insurance, Inc. (Non-consolidated)

Quarterly Balance Sheet

	As of March 31, 2013	As of December 31, 2013	(Millions of yen) Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits	46,850	23,106	(23,744)
Call loans	—	9,000	9,000
Securities:	1,836,684	1,946,458	109,774
Government bonds	1,304,484	1,429,762	125,278
Municipal bonds	100,045	78,225	(21,819)
Corporate bonds	372,069	344,521	(27,548)
Domestic stocks	10,366	11,218	851
Foreign securities	49,718	82,731	33,012
Loans:	35,012	35,566	553
Policy loans	35,012	35,566	553
Tangible fixed assets	1,411	1,237	(173)
Intangible fixed assets	2,088	1,328	(759)
Agency accounts receivable	179	85	(93)
Reinsurance accounts receivable	1,761	1,869	107
Other assets	35,259	38,429	3,170
Deferred tax assets	13,433	14,571	1,138
Allowance for possible credit losses	(49)	(45)	4
Total assets	1,972,630	2,071,608	98,977
Liabilities:			
Policy reserves:	1,856,426	1,956,734	100,307
Reserve for outstanding claims	28,345	31,560	3,215
Policy reserves	1,823,979	1,920,861	96,881
Reserve for dividends to policyholders	4,100	4,312	211
Agency accounts payable	3,711	2,331	(1,379)
Reinsurance accounts payable	1,254	849	(404)
Other liabilities	11,886	9,619	(2,267)
Reserve for bonus payments to directors	52	—	(52)
Reserve for retirement benefits	2,146	2,498	352
Reserves under the special laws:	2,218	2,546	327
Reserve for price fluctuation	2,218	2,546	327
Total liabilities	1,877,696	1,974,579	96,883
Net assets:			
Shareholders' equity:			
Common stock	17,250	17,250	—
Capital surplus	30,000	30,000	—
Retained earnings	20,380	26,251	5,871
Total shareholders' equity	67,630	73,501	5,871
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	27,304	23,526	(3,777)
Total valuation and translation adjustments	27,304	23,526	(3,777)
Total net assets	94,934	97,028	2,093
Total liabilities and net assets	1,972,630	2,071,608	98,977

NKSJ Himawari Life Insurance, Inc. (Non-consolidated)

Quarterly Statement of Income

(Millions of yen)

	Nine months ended December 31, 2012 (April 1 to December 31, 2012)	Nine months ended December 31, 2013 (April 1 to December 31, 2013)	Increase (Decrease)	Rate of change
	Amount	Amount		
Ordinary income:	296,048	304,328	8,280	2.8
Insurance premiums and other:	268,352	272,763	4,410	1.6
Insurance premiums	264,968	269,784	4,815	1.8
Investment income:	26,453	30,739	4,286	16.2
Interest and dividend income	24,386	26,496	2,109	8.7
Gains on sales of securities	1,630	1,494	(135)	(8.3)
Investment gains on special account	418	2,699	2,280	544.3
Other ordinary income	1,242	825	(416)	(33.5)
Ordinary expenses:	287,040	291,923	4,882	1.7
Insurance claims and other:	127,115	128,911	1,795	1.4
Insurance claims	23,791	24,555	763	3.2
Annuity payments	2,710	5,220	2,510	92.6
Insurance benefits	22,595	25,017	2,422	10.7
Surrender benefits	73,111	69,586	(3,525)	(4.8)
Other refunds	1,070	1,241	170	15.9
Provision for policy reserves and other:	95,697	100,096	4,399	4.6
Provision for reserve for outstanding claims	2,554	3,215	661	25.9
Provision for policy reserves	93,141	96,881	3,739	4.0
Provision for interest portion of reserve for dividends to policyholders	1	0	(1)	(90.3)
Investment expenses:	1,042	296	(746)	(71.6)
Interest paid	70	51	(18)	(26.4)
Losses on sales of securities	135	187	51	38.4
Impairment losses on securities	793	—	(793)	(100.0)
Losses on derivatives	24	37	13	54.5
Operating expenses	60,168	59,419	(748)	(1.2)
Other ordinary expenses	3,015	3,199	183	6.1
Ordinary profit	9,007	12,404	3,397	37.7
Extraordinary gains:	0	—	(0)	(100.0)
Gains on disposal of fixed assets and other	0	—	(0)	(100.0)
Extraordinary losses:	246	386	139	56.7
Losses on disposal of fixed assets and other	10	58	48	480.6
Provision for reserves under the special laws:	236	327	91	38.5
Provision for reserve for price fluctuation	236	327	91	38.5
Provision for reserve for dividends to policyholders	2,784	2,831	46	1.7
Net income before income taxes	5,976	9,186	3,209	53.7
Income taxes and deferred income taxes	2,584	3,315	730	28.3
Net income	3,391	5,871	2,479	73.1

NKSJ Himawari Life Insurance, Inc. (Non-consolidated)

Major Business Results

Total amount of policies in force

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

	As of March 31, 2013				As of December 31, 2013			
	Number		Amount		Number		Amount	
		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year
Individual insurance	3,051	108.2	188,796	108.7	3,170	103.9	196,469	104.1
Individual annuities	70	99.8	2,850	100.2	70	99.3	2,823	99.0
Group insurance	—	—	31,171	100.5	—	—	31,000	99.5
Group annuities	—	—	—	—	—	—	—	—

Note) Amounts of "Individual annuities" represent the sums 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, 2012 (April 1 to December 31, 2012)				Nine months ended December 31, 2013 (April 1 to December 31, 2013)			
	Number		Amount		Number		Amount	
		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year
Individual insurance	289	84.9	21,188	94.7	252	87.2	19,396	91.5
Individual annuities	1	58.5	75	63.5	1	69.6	56	73.8
Group insurance	—	—	271	72.0	—	—	352	130.0
Group annuities	—	—	—	—	—	—	—	—

Notes)

1. Amounts of "Individual annuities" represent amounts of annuity fund at the beginning of annuity payment.
2. Percentages of previous fiscal year for the nine months ended December 31, 2012 include the results of NIPPONKOA Life Insurance Company, Limited before the merger.

Annualized premiums

Policies in force

(Millions of yen, %)

	As of March 31, 2013		As of December 31, 2013	
		% of previous fiscal year		% of previous fiscal year
Individual insurance	283,952	105.1	288,731	101.7
Individual annuities	16,551	103.7	17,300	104.5
Total	300,504	105.0	306,032	101.8
Medical and survival benefits	108,455	106.2	112,483	103.7

New policies

(Millions of yen, %)

	Nine months ended December 31, 2012 (April 1 to December 31, 2012)		Nine months ended December 31, 2013 (April 1 to December 31, 2013)	
		% of previous fiscal year		% of previous fiscal year
Individual insurance	25,930	96.7	22,078	85.1
Individual annuities	330	50.2	220	66.7
Total	26,260	95.6	22,299	84.9
Medical and survival benefits	10,102	88.7	9,128	90.4

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.
3. Percentages of previous fiscal year for the nine months ended December 31, 2012 include the results of NIPPONKOA Life Insurance Company, Limited before the merger.

NKSJ Himawari Life Insurance, Inc. (Non-consolidated)

Solvency Margin Ratio (Non-consolidated)

(Millions of yen)		
	As of March 31, 2013	As of December 31, 2013
(A) Total Solvency Margin (Non-consolidated)	233,561	245,725
Capital, etc.	67,630	73,780
Reserve for price fluctuation	2,218	2,546
Contingency reserve	24,398	25,151
General allowance for possible credit losses	19	13
Unrealized gains and losses on securities (90% of gain or 100% of loss)	35,357	30,453
Unrealized gains and losses on land (85% of gain or 100% of loss)	—	—
Excess amount of continued Zillmerized reserve	121,943	128,140
Subordinated debt, etc.	—	—
Excess amount of continued Zillmerized reserve and subordinated debt, etc. which are excluded from total solvency margin	(27,386)	(26,353)
Brought in capital, etc.	—	—
Deductions	—	—
Others	9,379	11,992
(B) Total Risks (Non-consolidated) $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	30,032	31,706
Underwriting risk (R_1)	12,088	12,533
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_8)	6,041	6,219
Guaranteed interest rate risk (R_2)	8,167	8,193
Investment risk (R_3)	14,389	15,937
Guaranteed minimum benefit risk (R_7)	347	354
Business management risk (R_4)	820	864
(C) Solvency Margin Ratio (Non-consolidated) [(A) / { (B) × 1/2 }] × 100	1,555.3 %	1,549.9 %

Notes)

1. The above figures are calculated based on provisions of Articles 86 and 87 of the Ordinance for Enforcement of the Insurance Business Act and Public Notice No. 50 of the Ministry of Finance (1996).
2. Guaranteed minimum benefit risk is calculated by using the standard method.

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

Quarterly Balance Sheet

	As of March 31, 2013	As of December 31, 2013	(Millions of yen) Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits	2,348	1,598	(750)
Securities:	2,394	2,893	498
Government bonds	1,473	1,972	498
Domestic stocks	5	5	—
Tangible fixed assets	27	32	4
Intangible fixed assets	90	75	(15)
Agency accounts receivable	0	0	(0)
Reinsurance accounts receivable	12	43	30
Other assets	242	254	11
Allowance for possible credit losses	(3)	(1)	1
Total assets	5,113	4,894	(218)
Liabilities:			
Policy reserves:	1,060	1,011	(48)
Reserve for outstanding claims	217	176	(41)
Policy reserves	842	835	(7)
Agency accounts payable	4	4	(0)
Reinsurance accounts payable	30	30	0
Other liabilities	270	76	(193)
Reserve for retirement benefits	30	37	7
Reserves under the special laws:	18	18	0
Reserve for price fluctuation	18	18	0
Deferred tax liabilities	1	0	(0)
Total liabilities	1,415	1,180	(234)
Net assets:			
Shareholders' equity:			
Common stock	10,100	10,100	—
Capital surplus	2,100	2,100	—
Retained earnings	(8,504)	(8,486)	17
Total shareholders' equity	3,695	3,713	17
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	2	1	(0)
Total valuation and translation adjustments	2	1	(0)
Total net assets	3,698	3,714	16
Total liabilities and net assets	5,113	4,894	(218)

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

Quarterly Statement of Income

(Millions of yen)

	Nine months ended December 31, 2012 (April 1 to December 31, 2012)	Nine months ended December 31, 2013 (April 1 to December 31, 2013)	Increase (Decrease)	Rate of change
	Amount	Amount		
Ordinary income:	3,112	2,992	(120)	(3.9)
Insurance premiums and other:	2,848	2,939	90	3.2
Insurance premiums	2,790	2,819	29	1.0
Investment income:	163	3	(159)	(97.7)
Interest and dividend income	17	2	(14)	(85.4)
Gains on sales of securities	146	—	(146)	(100.0)
Other ordinary income:	100	49	(51)	(51.3)
Reversal of reserve for outstanding claims	82	41	(40)	(49.6)
Reversal of policy reserves	18	7	(11)	(60.2)
Ordinary expenses:	2,503	2,971	468	18.7
Insurance claims and other:	890	1,273	383	43.1
Insurance claims	631	1,003	372	59.0
Insurance benefits	152	163	10	6.8
Other refunds	2	4	1	45.7
Investment expenses:	47	0	(47)	(99.8)
Interest paid	0	0	0	29.4
Losses on sales of securities	37	—	(37)	(100.0)
Impairment losses on securities	7	—	(7)	(100.0)
Operating expenses	1,532	1,655	123	8.0
Other ordinary expenses	33	42	9	27.7
Ordinary profit	609	20	(588)	(96.6)
Extraordinary gains:	—	0	0	—
Gains on disposal of fixed assets and other	—	0	0	—
Extraordinary losses:	0	0	0	2.2
Provision for reserves under the special laws:	0	0	0	2.2
Provision for reserve for price fluctuation	0	0	0	2.2
Net income before income taxes	608	20	(588)	(96.7)
Income taxes and deferred income taxes	44	3	(41)	(93.1)
Net income	564	17	(547)	(97.0)

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 March 31, 2013				As of December 31, 2013			
	Number		Amount		Number		Amount	
		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year
Individual insurance	44	98.9	7,252	96.5	44	98.7	7,050	97.2
Individual annuities	—	—	—	—	—	—	—	—
Group insurance	—	—	—	—	—	—	—	—
Group annuities	—	—	—	—	—	—	—	—

Total amount of new policies

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

	Nine months ended December 31, 2012 (April 1 to December 31, 2012)				Nine months ended December 31, 2013 (April 1 to December 31, 2013)			
	Number		Amount		Number		Amount	
		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year
Individual insurance	2	118.2	300	113.2	1	95.9	275	91.6
Individual annuities	—	—	—	—	—	—	—	—
Group insurance	—	—	—	—	—	—	—	—
Group annuities	—	—	—	—	—	—	—	—

Annualized premiums

Policies in force

(Millions of yen, %)

	As of March 31, 2013		As of December 31, 2013	
		% of previous fiscal year		% of previous fiscal year
Individual insurance	3,759	101.1	3,783	100.6
Individual annuities	—	—	—	—
Total	3,759	101.1	3,783	100.6
Medical and survival benefits	906	102.2	911	100.6

New policies

(Millions of yen, %)

	Nine months ended December 31, 2012 (April 1 to December 31, 2012)		Nine months ended December 31, 2013 (April 1 to December 31, 2013)	
		% of previous fiscal year		% of previous fiscal year
Individual insurance	139	120.3	130	93.1
Individual annuities	—	—	—	—
Total	139	120.3	130	93.1
Medical and survival benefits	42	121.7	39	92.3

Notes)

1. Annualized premiums are calculated by using multipliers for various premium payment terms to the premium per payment.
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 (c) premium related to premium waiver benefits.

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

Solvency Margin Ratio (Non-consolidated)

(Millions of yen)		
	As of March 31, 2013	As of December 31, 2013
(A) Total Solvency Margin (Non-consolidated)	4,224	4,228
Capital, etc.	3,695	3,713
Reserve for price fluctuation	18	18
Contingency reserve	507	494
General allowance for possible credit losses	—	—
Unrealized gains and losses on securities (90% of gain or 100% of loss)	2	2
Unrealized gains and losses on land (85% of gain or 100% of loss)	—	—
Excess amount of continued Zillmerized reserve	—	—
Subordinated debt, etc.	—	—
Excess amount of continued Zillmerized reserve and subordinated debt, etc. which are excluded from total solvency margin	—	—
Brought in capital, etc.	—	—
Deductions	—	—
Others	—	—
(B) Total Risks (Non-consolidated) $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	529	516
Underwriting risk (R_1)	411	400
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_8)	93	91
Guaranteed interest rate risk (R_2)	0	0
Investment risk (R_3)	81	84
Guaranteed minimum benefit risk (R_7)	—	—
Business management risk (R_4)	17	17
(C) Solvency Margin Ratio (Non-consolidated) [(A) / {(B) × 1/2}] × 100	1,596.1 %	1,636.3 %

Note) The above figures are calculated based on provisions of Articles 86 and 87 of the Ordinance for Enforcement of the Insurance Business Act and Public Notice No. 50 of the Ministry of Finance (1996).

Supplementary Explanation

< Calculation of ratios, etc. >

- 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 operating expenses 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 - Net operating expenses) / Net premiums written × 100

< Solvency margin ratio (Non-consolidated) >

- 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 exceed their normal estimates, i.e. occurrence of major catastrophes, fluctuation in mortality rate due to significant changes in key environmental factors and big decline in value of assets held by insurance companies.
- (C) Solvency Margin Ratio (Non-consolidated), which is calculated in accordance with the Insurance Business Act, etc. is the ratio of "solvency margin of insurance companies by means of their capital, reserves, etc." ((A) Total Solvency Margin (Non-consolidated)) to "risks which exceed their normal estimates" ((B) Total Risks (Non-consolidated)).
- "Risks which 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 rate of occurrence of insurance claims, etc. 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
 - <3> Investment risk:
Risks of securities and other assets held fluctuating in prices in excess of normal estimates
 - <4> Business management risk:
Risks beyond normal estimates arising from business management that do 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 (non-consolidated)) 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 unrealized gains and losses on land, 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 and others.