

Selected Unofficial Translation of Summary of Consolidated Financial Results for the three months ended June 30, 2014

Note) This document is an unofficial English translation of the Japanese original. Additional translation will be posted around August 15, 2014.

August 8, 2014

NKSJ Holdings, Inc.

**Summary of Consolidated Financial Results for the three months ended June 30, 2014
[Under Japanese GAAP]**

Company Name: NKSJ Holdings, Inc.
Listed on: Tokyo Stock Exchange
Securities code: 8630
URL: <http://www.nksj-hd.com/>
Representative: Kengo Sakurada, President
Scheduled date to file Quarterly Securities Report: August 13, 2014
Scheduled date to start payment of dividends: _____
Supplementary information for quarterly financial statements: Yes
Schedule for quarterly investor meeting: None

Note) Amounts less than one million yen are rounded down.

1. Consolidated Financial Results for the three months ended June 30, 2014 (April 1 to June 30, 2014)

(1) Consolidated Results of Operations (accumulated)

Note) Percentages are changes from corresponding period of previous fiscal year.

	Ordinary income		Ordinary profit		Net income	
	millions of yen	%	millions of yen	%	millions of yen	%
Three months ended June 30, 2014	802,485	13.7	53,759	361.5	(4,038)	—
Three months ended June 30, 2013	705,661	2.0	11,649	—	3,100	—

Note) Comprehensive income: Three months ended June 30, 2014 51,737 million yen 21.6 %
Three months ended June 30, 2013 42,544 million yen — %

	Net income per share	Diluted net income per share
	yen	yen
Three months ended June 30, 2014	(9.84)	—
Three months ended June 30, 2013	7.47	7.45

(2) Consolidated Financial Conditions

	Total assets	Net assets	Equity ratio
	millions of yen	millions of yen	%
As of June 30, 2014	9,590,992	1,423,918	14.8
As of March 31, 2014	9,499,799	1,390,153	14.5

Reference) Equity capital: As of June 30, 2014 1,416,420 million yen
As of March 31, 2014 1,382,205 million yen

2. Dividends

	Dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Annual
	yen	yen	yen	yen	yen
Fiscal year ended March 31, 2014	—	30.00	—	30.00	60.00
Fiscal year ending March 31, 2015	—				
Fiscal year ending March 31, 2015 (Forecast)		30.00	—	30.00	60.00

Note) Revisions to the latest announced dividends forecasts: None

3. Forecasts of Consolidated Financial Results for the fiscal year ending March 31, 2015 (April 1, 2014 to March 31, 2015)

Note) Percentages are changes from previous fiscal year.

	Ordinary profit		Net income		Net income per share
	millions of yen	%	millions of yen	%	yen
Full year	152,000	35.2	33,000	(25.3)	80.23

Note) Revisions to the latest announced forecasts of financial results: None

(Notes)

(1) Changes in significant subsidiaries during the three months ended June 30, 2014 (changes in specified subsidiaries resulting in changes in the scope of consolidation): Yes

Increase: 1 (Company Name: Canopus Group Limited)

Decrease: — (Company Name: —)

(2) Application of accounting methods used specifically for the preparation of the quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimations, and retrospective restatements

①Changes in accounting policies due to revisions to accounting standards: Yes

②Changes in accounting policies due to reasons other than the above: None

③Changes in accounting estimations: None

④Retrospective restatements: None

(4) Number of shares outstanding (Common stock) :

①Total shares outstanding including treasury stock:

As of June 30, 2014 415,352,294 shares

As of March 31, 2014 415,352,294 shares

②Treasury stock:

As of June 30, 2014 7,352,202 shares

As of March 31, 2014 4,068,086 shares

③Average number of shares outstanding:

For the three months ended June 30, 2014 410,174,315 shares

For the three months ended June 30, 2013 414,923,689 shares

(Expression of implementation status of quarterly review procedures)

This summary is outside the scope of the quarterly review procedures which are required by the Financial Instruments and Exchange Act, and the review procedures of the quarterly consolidated financial statements have not been completed as of the date of the disclosure of this summary.

(Notes for using forecasts of financial results, etc.)

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

Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheet

	(Millions of yen)	
	As of March 31, 2014	As of June 30, 2014
Assets:		
Cash and deposits	471,481	391,044
Call loans	75,000	143,000
Receivables under resale agreements	126,984	52,992
Monetary receivables bought	16,951	15,855
Money trusts	97,850	76,740
Securities	6,896,907	7,089,018
Loans	606,541	600,336
Tangible fixed assets	349,968	346,700
Intangible fixed assets	66,904	98,173
Other assets	720,934	736,455
Net defined benefit asset	240	242
Deferred tax assets	63,095	37,078
Customers' liabilities for acceptances and guarantees	12,299	9,360
Allowance for possible credit losses	(5,360)	(6,007)
Total assets	9,499,799	9,590,992
Liabilities:		
Underwriting funds:		
Reserve for outstanding losses and claims	7,301,760	7,511,971
Underwriting reserves	1,100,613	1,220,515
Corporate bonds	6,201,146	6,291,456
Other liabilities	261,560	141,424
Net defined benefit liability	371,054	359,366
Reserve for retirement benefits to directors	95,814	90,018
Reserve for bonus payments	58	57
Reserve for bonus payments to directors	22,195	6,576
Reserves under the special laws:	185	—
Reserve for price fluctuation	43,790	45,923
Deferred tax liabilities	43,790	45,923
Acceptances and guarantees	926	2,374
Total liabilities	12,299	9,360
Net assets:	8,109,646	8,167,074
Shareholders' equity:		
Common stock	100,045	100,045
Capital surplus	438,536	438,338
Retained earnings	188,087	176,505
Treasury stock	(9,825)	(19,159)
Total shareholders' equity	716,845	695,729
Accumulated other comprehensive income:		
Unrealized gains and losses on securities available for sale	659,375	718,575
Deferred gains and losses on hedges	7,205	7,100
Foreign currency translation adjustments	(4,341)	(8,124)
Remeasurements of defined benefit plans	3,120	3,139
Total accumulated other comprehensive income	665,360	720,690
Stock acquisition rights	1,851	1,236
Non-controlling interests	6,096	6,260
Total net assets	1,390,153	1,423,918
Total liabilities and net assets	9,499,799	9,590,992

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income
Quarterly Consolidated Statement of Income
Three months ended June 30, 2014

	(Millions of yen)	
	Three months ended June 30, 2013 (April 1 to June 30, 2013)	Three months ended June 30, 2014 (April 1 to June 30, 2014)
Ordinary income:	705,661	802,485
Underwriting income:	653,028	746,340
Net premiums written	542,694	614,846
Deposits of premiums by policyholders	33,244	31,173
Interest and dividend income on deposits of premiums, etc.	12,568	11,829
Life insurance premiums written	62,401	64,004
Reversal of reserve for outstanding losses and claims	—	23,868
Investment income:	49,518	50,231
Interest and dividend income	43,525	46,327
Investment gains on money trusts	1,345	1,720
Investment gains on trading securities	18	—
Gains on sales of securities	12,408	11,319
Transfer of interest and dividend income on deposits of premiums, etc.	(12,568)	(11,829)
Other ordinary income	3,114	5,914
Ordinary expenses:	694,011	748,726
Underwriting expenses:	580,367	632,956
Net claims paid	309,050	367,826
Loss adjustment expenses	33,643	33,648
Net commissions and brokerage fees	99,659	114,765
Maturity refunds to policyholders	52,509	50,603
Life insurance claims paid and other payments	16,514	17,965
Provision for reserve for outstanding losses and claims	9,967	—
Provision for underwriting reserves	57,765	47,096
Investment expenses:	4,167	1,245
Investment losses on money trusts	628	84
Investment losses on trading securities	—	80
Losses on sales of securities	284	714
Impairment losses on securities	2,444	134
Operating, general and administrative expenses	105,642	111,466
Other ordinary expenses:	3,834	3,057
Interest paid	2,960	2,266
Ordinary profit	11,649	53,759

	(Millions of yen)	
	Three months ended June 30, 2013 (April 1 to June 30, 2013)	Three months ended June 30, 2014 (April 1 to June 30, 2014)
Extraordinary gains:	380	218
Gains on disposal of fixed assets	37	77
Other extraordinary gains	342	140
Extraordinary losses:	7,476	60,089
Losses on disposal of fixed assets	111	255
Impairment losses	2,369	—
Provision for reserves under the special laws:	2,071	2,132
Provision for reserve for price fluctuation	2,071	2,132
Other extraordinary losses	2,924	57,701
Net income (loss) before income taxes and non-controlling interests	4,553	(6,111)
Income taxes and deferred income taxes	1,375	(2,204)
Net income (loss) before non-controlling interests	3,178	(3,907)
Income attributable to non-controlling interests	77	131
Net income (loss)	3,100	(4,038)

Quarterly Consolidated Statement of Comprehensive Income
Three months ended June 30, 2014

	(Millions of yen)	
	Three months ended June 30, 2013 (April 1 to June 30, 2013)	Three months ended June 30, 2014 (April 1 to June 30, 2014)
Net income (loss) before non-controlling interests	3,178	(3,907)
Other comprehensive income:		
Unrealized gains and losses on securities available for sale	27,787	59,156
Deferred gains and losses on hedges	(2,096)	(104)
Foreign currency translation adjustments	12,946	(3,413)
Remeasurements of defined benefit plans	—	18
Share of other comprehensive income of affiliates accounted for under the equity method	729	(12)
Total other comprehensive income	39,366	55,645
Comprehensive income	42,544	51,737
(Comprehensive income attributable to)		
Comprehensive income attributable to shareholders of the parent	42,196	51,727
Comprehensive income attributable to non-controlling interests	347	10

Supplementary Information

(1) Summary of Results of Operations (Consolidated)

(Millions of yen)

	Three months ended June 30, 2013 (April 1, 2012 to June 30, 2013)	Three months ended June 30, 2014 (April 1, 2013 to June 30, 2014)	Increase (Decrease)	Rate of change
Ordinary income and expenses:				%
Underwriting income:	653,028	746,340	93,312	14.3
Net premiums written	542,694	614,846	72,152	13.3
Deposits of premiums by policyholders	33,244	31,173	(2,071)	(6.2)
Life insurance premiums written	62,401	64,004	1,602	2.6
Underwriting expenses:	580,367	632,956	52,589	9.1
Net claims paid	309,050	367,826	58,775	19.0
Loss adjustment expenses	33,643	33,648	5	0.0
Net commissions and brokerage fees	99,659	114,765	15,106	15.2
Maturity refunds to policyholders	52,509	50,603	(1,905)	(3.6)
Life insurance claims paid and other payments	16,514	17,965	1,451	8.8
Investment income:	49,518	50,231	712	1.4
Interest and dividend income	43,525	46,327	2,801	6.4
Gains on sales of securities	12,408	11,319	(1,089)	(8.8)
Investment expenses:	4,167	1,245	(2,921)	(70.1)
Losses on sales of securities	284	714	430	151.5
Impairment losses on securities	2,444	134	(2,309)	(94.5)
Operating, general and administrative expenses	105,642	111,466	5,823	5.5
Other ordinary income and expenses	(720)	2,856	3,576	—
Ordinary profit	11,649	53,759	42,109	361.5
Extraordinary gains and losses:				
Extraordinary gains	380	218	(162)	(42.7)
Extraordinary losses	7,476	60,089	52,612	703.7
Extraordinary gains and losses	(7,095)	(59,871)	(52,775)	—
Net income (loss) before income taxes and non-controlling interests	4,553	(6,111)	(10,665)	(234.2)
Income taxes and deferred income taxes	1,375	(2,204)	(3,580)	(260.2)
Net income (loss) before non-controlling interests	3,178	(3,907)	(7,085)	(222.9)
Income attributable to non-controlling interests	77	131	54	69.8
Net income (loss)	3,100	(4,038)	(7,139)	(230.3)

(2) Premiums Written and Claims Paid by Business Lines (Consolidated)

Direct premiums written (including deposits of premiums by policyholders)

(Millions of yen)

Business line	Three months ended June 30, 2013 (April 1 to June 30, 2013)			Three months ended June 30, 2014 (April 1 to June 30, 2014)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	97,792	15.2	2.0	112,547	16.1	15.1
Marine insurance	18,498	2.9	14.1	19,309	2.8	4.4
Personal accident insurance	77,324	12.0	(3.1)	77,056	11.0	(0.3)
Voluntary automobile insurance	272,931	42.3	3.8	291,939	41.8	7.0
Compulsory automobile liability insurance	79,741	12.4	5.2	81,182	11.6	1.8
Others	98,339	15.3	9.0	115,741	16.6	17.7
Total	644,628	100.0	3.8	697,777	100.0	8.2
Deposits of premiums by policyholders	33,244	5.2	(9.5)	31,173	4.5	(6.2)

Note) The above figures represent amounts after offsetting internal transactions among segments.

Net premiums written

(Millions of yen)

Business line	Three months ended June 30, 2013 (April 1 to June 30, 2013)			Three months ended June 30, 2014 (April 1 to June 30, 2014)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	59,377	10.9	2.8	83,833	13.6	41.2
Marine insurance	14,198	2.6	19.6	16,069	2.6	13.2
Personal accident insurance	53,906	9.9	1.5	54,720	8.9	1.5
Voluntary automobile insurance	272,506	50.2	3.7	292,298	47.5	7.3
Compulsory automobile liability insurance	61,626	11.4	(2.8)	70,756	11.5	14.8
Others	81,078	14.9	5.3	97,167	15.8	19.8
Total	542,694	100.0	3.2	614,846	100.0	13.3

Note) The above figures represent amounts after offsetting internal transactions among segments.

Net claims paid

(Millions of yen)

Business line	Three months ended June 30, 2013 (April 1 to June 30, 2013)			Three months ended June 30, 2014 (April 1 to June 30, 2014)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	40,696	13.2	(31.0)	78,190	21.3	92.1
Marine insurance	5,750	1.9	3.3	6,947	1.9	20.8
Personal accident insurance	25,853	8.4	5.0	25,371	6.9	(1.9)
Voluntary automobile insurance	151,596	49.1	(4.6)	159,977	43.5	5.5
Compulsory automobile liability insurance	54,396	17.6	(5.9)	55,826	15.2	2.6
Others	30,756	10.0	3.7	41,512	11.3	35.0
Total	309,050	100.0	(7.9)	367,826	100.0	19.0

Note) The above figures represent amounts after offsetting internal transactions among segments.

(3) Securities (Consolidated)

1. Bonds held to maturity

(Millions of yen)

	As of March 31, 2014			As of June 30, 2014		
	Carrying amount	Fair value	Unrealized gains and losses	Carrying amount	Fair value	Unrealized gains and losses
Domestic bonds	1,251,045	1,368,704	117,658	1,231,470	1,362,657	131,186
Foreign securities	11,961	12,064	103	12,097	12,234	137
Total	1,263,007	1,380,769	117,762	1,243,567	1,374,891	131,323

2. Policy reserve matching bonds

(Millions of yen)

	As of March 31, 2014			As of June 30, 2014		
	Carrying amount	Fair value	Unrealized gains and losses	Carrying amount	Fair value	Unrealized gains and losses
Domestic bonds	—	—	—	12,437	12,513	76
Total	—	—	—	12,437	12,513	76

3. Securities available for sale

(Millions of yen)

	As of March 31, 2014			As of June 30, 2014		
	Cost	Carrying amount	Unrealized gains and losses	Cost	Carrying amount	Unrealized gains and losses
Domestic bonds	2,323,068	2,432,796	109,727	2,262,630	2,384,387	121,757
Domestic stocks	752,066	1,460,328	708,262	740,069	1,510,473	770,403
Foreign securities	1,425,124	1,535,686	110,562	1,444,620	1,564,425	119,805
Others	67,620	73,341	5,721	63,297	68,797	5,499
Total	4,567,879	5,502,153	934,273	4,510,618	5,528,084	1,017,465

Notes)

As of March 31, 2014	As of June 30, 2014
1. Securities available for sale which are considered extremely difficult to figure out their fair value are not included in the above table.	1. Same as on the left
2. Certificate of deposit classified as cash and deposits and beneficial interests in the loan trusts classified as monetary receivables bought in the consolidated balance sheet are included in "Others" above.	2. Certificate of deposit classified as cash and deposits and beneficial interests in the loan trusts classified as monetary receivables bought in the quarterly consolidated balance sheet are included in "Others" above.
3. Impairment losses on securities available for sale (excluding securities available for sale which are considered extremely difficult to figure out their fair value) amount to 1,080 million yen (domestic stocks: 199 million yen, foreign securities: 880 million yen). Basically, NKSJ Holdings, Inc. and its domestic consolidated subsidiaries recognize impairment losses on securities if fair value at the end of the fiscal year declines by 30% or more from their cost.	3. Impairment losses on securities available for sale (excluding securities available for sale which are considered extremely difficult to figure out their fair value) amount to 133 million yen (domestic stocks: 33 million yen, foreign securities: 99 million yen). Basically, NKSJ Holdings, Inc. and its domestic consolidated subsidiaries recognize impairment losses on securities if fair value at the end of the first quarter declines by 30% or more from their cost.