

NKSJ Holdings Broadens International Footprint with Acquisition of Lloyd's Insurer, Canopus Group

Transaction increases NKSJ's specialty insurance offering and broadens its international footprint whilst bringing Canopus into one of the top three Japanese insurers.

Tokyo / London, December 18 2013 — NKSJ Holdings ("NKSJ") (Tokyo Stock Exchange: 8630), a top three Japanese insurer, announced today that it had signed an agreement, through its insurance subsidiary Sompo Japan Insurance Inc. ("Sompo Japan"), to purchase 100 per cent of the shares of Canopus Group Limited ("Canopus"), a leading specialist (re)insurer predominantly operating in the Lloyd's market.

The agreement was signed with funds managed by private equity firm Bregal Capital LLC ("Bregal"), Canopus's majority shareholder and with minority shareholders, comprising Canopus's senior management team. Under this agreement, Sompo Japan will pay £594m, which represents a 1.5x multiple based on Canopus's unaudited tangible net asset value ("TNAV") at 30 June 2013. This price will be adjusted to reflect Canopus's audited TNAV at 31 December 2013. The acquisition will be sourced from existing funds. Subject to regulatory approval, the transaction is expected to close in the second quarter of 2014.

Canopus will form the foundation of NKSJ Group's specialty insurance business and will increase the profile of NKSJ Group's international business. On completion, Canopus will be managed as a separate specialty insurer as part of NKSJ's core group insurer, Sompo Japan. Canopus will retain its established and globally respected brand, and the incumbent management team will remain in place, fully supported by NKSJ Group, to continue its growth strategy. Canopus brings a significant presence in the specialty insurance market to the NKSJ Group, and with little overlap in business areas and geographies between the two companies, the relationship will be mutually complementary.

Kengo Sakurada, President and Representative Director of NKSJ Holdings, Inc., said: "We are delighted to be welcoming Canopus into the NKSJ family of companies. As one of the top 10 insurers in the Lloyd's insurance market, Canopus's significant underwriting capabilities and track record in executing strategic mergers has helped achieve rapid growth in the last five years. This acquisition, one of the largest we have undertaken, forms part of our long term strategy to grow our overseas insurance business. Under the leadership of Chairman and CEO, Michael Watson, Canopus brings a highly experienced and talented management team to the NKSJ Group, and we look forward to working with them."

Michael Watson, Chairman and CEO of Canopus, said: "We have a long-standing business relationship with the NKSJ Group and are very proud to become the specialty insurance platform of the one of the largest insurance groups in Japan. Canopus will continue to pursue its existing strategy of profitable growth. We will benefit from access to the Group's financial strength and will

seek to expand our presence in mature specialty markets including the US and extending our reach in emerging markets, especially Asia and South America. Our businesses are highly complementary and we look forward to working with our new colleagues.”

Macquarie Capital is acting as financial advisor to NKSJ Holdings and Freshfields Bruckhaus Deringer LLP is acting as legal counsel. GC Securities is acting as financial advisor to Bregal Capital Partners, LLC, and Clyde & Co LLP is its legal counsel.

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About NKSJ Holdings

NKSJ Holdings, listed on the Tokyo Stock Exchange, No. 8630, is one of the three mega property and casualty insurers in Japan with a net premium written market share in Japan of 28%. NKSJ Holdings consists of property and casualty insurance companies, Sompo Japan, Nipponkoa, Saison Automobile & Fire, life insurance companies NKSJ Himawari Life and Sompo Japan DIY Life, and other businesses including asset management company, Sompo Japan Nipponkoa Asset Management.

The company was formed in April 2010 when Sompo Japan and Nipponkoa Insurance created a joint holding company to integrate their two businesses. The integration is scheduled to be completed in 2014. As of March 31, 2013, NKSJ Group had total assets of \$90.0 billion, ordinary income of \$27.9 billion, profit after tax of \$428 million and a solvency margin ratio of 688.3%, and as of December 13, 2013, the Group had a market capitalization of \$11.3 billion. For further information, please see: <http://www.nksj-hd.com/en>.

About Bregal Capital

UK-based Bregal Capital is a private equity firm with fund commitments since inception of more than €3 billion. Bregal Capital is currently investing from The Bregal Fund III L.P., a €1 billion fund, targeting middle market investments in buy out and development capital. Bregal Capital focuses on equity investments between €30 million and €150 million in companies which typically have an enterprise value in excess of €75 million. Bregal Capital is part of Bregal Investments. For further information, please see: <http://www.bregalcapital.com/>

About Canopus

Incorporated in Guernsey, Canopus Group Limited is an international (re)insurance group with operations in the UK, Ireland, Switzerland, Bermuda, US, Singapore and Australia. It is currently majority owned by funds managed by Bregal Capital LLP. Canopus management owns a 5% share. The Canopus Group comprises three strategic business units writing the following (re)insurance lines of business:

- Global Property
- Global Specialty
- UK Retail

For further information, please see: <http://www.canopus.com/>

About Lloyd's

Located in London, Lloyd's is unique among markets dealing in underwriting of insurance in that it boasts 325 years of history. It gathers capital from individuals and corporations that are known as members and these form syndicates to engage in underwriting insurance risks. The management and control of these syndicates is conducted by companies known as managing agents. At present, there are 87 syndicates that underwrite specialist insurance and reinsurance risks through a network of specially authorized Lloyd's brokers. Lloyd's is rated A+ by rating agency S&P, A by AM Best, and A+ by Fitch Ratings. The Lloyd's Insurance market handles premiums of about £25.5 billion from approximately 200 countries across the world.

The strategy for the development of the Lloyd's market – Vision 2025 – positions Lloyd's to take advantage of the opportunities presented by the world's developing economies, ensuring that Lloyd's remains the global centre for specialist insurance and reinsurance. For further information, please see: www.lloyds.com

NOTE: Currency exchange rates used in this press release are: 1GBP = 167 JPY, and 1USD = 102JPY.