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Securities code: 8630

May 29, 2015

Notice to Stockholders

Sompo Japan Nipponkoa Holdings, Inc.
1-26-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo
Kengo Sakurada, President

Notice of Convocation of the 5th General Meeting of Stockholders

Thank you all for your continued patronage.
The 5th General Meeting of Stockholders of Sompo Japan Nipponkoa Holdings, Inc. (the "Company" or "we") will be held as shown below and your attendance is cordially requested.
If you are unable to attend on this date, you may exercise your voting rights either in writing (the Voting Rights Exercise Form) or via the Internet. In this case, please review the "Reference Documents for General Meeting of Stockholders" (on pages 6 through 23), and exercise your voting rights in accordance with the "Instructions concerning the Exercising of Voting Rights" (on pages 4 and 5).

Details of the Meeting

1. Date and Time: June 22, 2015 (Monday) at 10 a.m.

2. Location: 1-26-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo
Sompo Japan Nipponkoa Insurance Inc., Head Office, 2nd floor conference room

3. Purpose of the Meeting of Stockholders:

Matters to be Reported

1. The business report, the consolidated financial statements and the audit reports by the accounting auditors and the audit & supervisory board for Fiscal Year 2014 (April 1, 2014 to March 31, 2015)

2. The financial statements for Fiscal Year 2014 (April 1, 2014 to March 31, 2015)

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Matters to be Resolved

Proposal No. 1	Disposition of Retained Earnings
Proposal No. 2	Appointment of Twelve Directors

4. Matters related to Exercise of Voting Rights:

(1) In the event that a stockholder exercises his/her/its voting rights using the Voting Rights Exercise Form and does not indicate his/her/its approval or disapproval of each proposal, the absence of such indication shall be treated as a vote for approval.

(2) If duplicate votes are exercised by using both the enclosed Voting Rights Exercise Form and the Internet, the vote cast using the Internet shall be treated as the effective vote.

(3) If any stockholder casts duplicate or multiple votes via the Internet, the last vote cast shall be treated as the effective vote.

(4) In the event that a stockholder exercises his/her/its voting rights through proxy, in accordance with Article 18 of Articles of Incorporation of the Company, proxy eligibility shall be limited to one (1) of the stockholders having voting rights of the Company and the proxy shall submit a documentation proving the power of proxy (such as letter of proxy) to the reception counter at the meeting.
As a further means to prove the power of proxy, one of the following documents shall be submitted in addition to the letter of proxy which is signed and sealed by the proxy grantor:
1) the Voting Rights Exercise Form sent by the Company to the proxy grantor;
2) an original copy of the certificate of registered seal of the proxy grantor (in this case, the proxy grantor is required to affix the same registered seal to the relevant documentation such as letter of proxy); or
3) a copy of the official identification document issued by governmental agencies such as driving license or health insurance card by which the name and address of the proxy grantor can be confirmed.

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Of the documents to be attached to the notice of convocation, the following are posed on our website in accordance with laws and regulations and Article 16 of Articles of Incorporation of the Company and accordingly those are not included in this notice of convocation:

1. Consolidated Statement of Changes in Net Assets;
2. Notes to Consolidated Financial Statements;
3. Non-consolidated Statement of Changes in Net Assets; and
4. Notes to Non-consolidated Financial Statements.

If we need to amend the reference documents for general meeting of stockholders, business reports, consolidated financial statements, or financial statements, the amended contents will be posted on our website.

【Our Website】	**http://www.sompo-hd.com/ (Japanese)** **http://www.sompo-hd.com/en/ (English)**

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Instructions concerning the Exercising of Voting Rights

You may exercise your voting rights by any one of the three methods set out below.

General Meeting of Stockholders	**Attending the General Meeting of Stockholders** Please bring and submit the enclosed Voting Rights Exercise Form to the reception desk of the meeting. You are cordially requested to bring this notice of convocation.
Mail	**Mailing Document (the Voting Rights Exercise Form)** Please mark your approval or disapproval with respect to each proposal on the enclosed Voting Rights Exercise Form, and return it **so that it is received by us by 5 p.m. on June 19, 2015 (Friday).**
Internet	**Via Internet** Please go to the website for exercising voting rights shown below, enter the "Voting Rights Exercise Code" and the "Password", which you will find on the right side sheet of your Voting Rights Exercise Form, and indicate your approval or disapproval with respect to each proposal in accordance with the instructions on the screen **by 5 p.m. on June 19, 2015 (Friday).** 【Website for exercising voting rights】 **http://www.it-soukai.com/ (Japanese only)**

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Points to Note:

(1) In order to prevent unauthorized access by third parties or the falsifying of information in relation to exercising your voting rights, you are requested to change the password on the website for exercising voting rights.

(2) The stockholders will be responsible for the costs (such as internet connection charges, telephone charges, packets communication charges) he/she/it incurs in accessing the website for exercising voting rights.

(3) It might not be possible to exercise voting rights via computer or smartphone depending on the user environment.

(4) It might not be possible to exercise voting rights via mobile phone depending on the type of the mobile phone and the like.

[Contact Information]
For inquiries, please contact the following:

Stock Transfer Agency Department
Mizuho Trust & Banking Co., Ltd.

1. For inquiries with respect to the exercise of voting rights via internet:
   Telephone: **0120-768-524** (Toll Free (from within Japan only))
   Hours of Operation: 9:00 a.m. - 9:00 p.m. (excluding Saturdays, Sundays and national holidays)

2. For inquiries with respect to administration of shares other than item 1 above:
   Telephone: **0120-288-324** (Toll Free (from within Japan only))
   Hours of Operation: 9:00 a.m. - 5:00 p.m. (excluding Saturdays, Sundays and national holidays)

【To Institutional Investors】

Institutional investors may use the “Electronic Voting Platform” operated by ICJ, Inc. as a means to exercise their voting rights.

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Reference Documents for General Meeting of Stockholders

Proposals and Reference Matters Thereof

Proposal 1: Disposition of Retained Earnings

The Company strives to improve capital efficiency including through investments in growing business fields while maintaining financial soundness, and concerning the stockholder returns, the Company has a basic policy of paying stable dividends, with the option of stock buybacks depending on capital conditions. Moreover the Company's medium-term target for a total payout ratio (see Note 1) is at a level of 50% of adjusted consolidated profit (see Note 2) (excluding the domestic life insurance business).
With respect to the year-end dividend of this period, the Company proposes, taking into consideration matters such as financial conditions and the future operating environment, as follows.

Matters concerning year-end dividend:

1. Matters concerning allocation of assets to be distributed to stockholders, and the total amount thereof:

   Amount per share of common stock of the Company: ¥40
   Total amount: ¥16,321,513,920
   As a result of this, the amount of annual dividend of the current period will be 70 yen per share, inclusive of the amount of interim dividend of 30 yen per share.

2. Effective Date of dividend of retained earnings:

   June 23, 2015

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Notes:

1. Total payout ratio = (total dividend + total stock buybacks) / adjusted consolidated profit (excluding domestic life insurance business)
2. The adjusted consolidated profit shall be the total amount of profit on an adjusted base of the Company group. The adjusted consolidated ROE for the current period calculated based on the adjusted consolidated profit is 5.2%.

* The calculation method for adjusted profit is as follows.

Business Segment	Definition of Business in the Calculation of Adjusted Profit	Method of Calculation of Adjusted Profit
Domestic P&C Insurance Business	Total of Sompo Japan Nipponkoa Insurance Inc., Sonpo 24 Insurance Company Limited, and SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED (each on a non-consolidated basis)	Net income for the period ＋Provisions for catastrophic loss reserve (after tax) ＋Provisions for reserve for price fluctuation (after tax) －Gains/losses on sales of securities and impairment losses on securities (after tax) －Extraordinary items
Domestic Life Insurance Business	Sompo Japan Nipponkoa Himawari Life Insurance, Inc.	Amount of increase in Embedded Value (EV) during the period －Capital transactions such as equity issuance －Changes in EV attributable to fluctuation of interest rates, etc.
Overseas Insurance Business	Overseas insurance subsidiaries	Net income for the period
Financial and Other Services Business	Financial services, healthcare, and other services	Net income for the period

* The calculation method for the adjusted consolidated ROE is as follows.

Adjusted consolidated profit ÷ [consolidated net assets (excluding life insurance subsidiaries' net assets) + catastrophic loss reserve (after tax) + reserve for price fluctuation (after tax) + life insurance subsidiaries' Embedded Value (EV)]
*All values in the denominator are the average of the fiscal-year opening and closing balances.

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Proposal 2: Appointment of Twelve Directors

Among the twelve directors of the Company appointed at the General Meeting of Stockholders of the Company held on June 23, 2014, Mr. Takaya Isogai and Mr. Atsushi Kumanomido resigned from the position on March 31, 2015, and the term of offices of the other ten directors will expire at the end of this General Meeting of Stockholders. Accordingly, approvals for the appointment of twelve directors are requested.

The Board of Directors of the Company has prescribed the "Policies for Appointments of Officers", provided on page 21, for the formulation of the proposal for appointment of directors. The Board of Directors believes that, when the Board is comprised in accordance with the "Policies for Appointments of Officers" with consideration to ensure balance and diversity in experiences and achievements, important decision-making and supervisory functions for the execution of the Company's business strategies can be reinforced.

The candidates for the positions of directors are listed below:

Candidates for directors (twelve individuals)

Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities and Significant Positions Concurrently Held	Number of Shares of the Company Owned by Candidate
1	Masaya Futamiya (Feb. 25, 1952) Reappointment	Apr. 1974 Joined The Nippon Fire & Marine Insurance Co., Ltd. Jun. 2003 Executive Officer and General Manager, Presidential Staff Office & IR Office of NIPPONKOA Insurance Company, Limited ("NIPPONKOA") Apr. 2004 Executive Officer and General Manager, Presidential Staff Office & CR Planning Department of NIPPONKOA Jun. 2004 Managing Executive Officer of NIPPONKOA Jun. 2005 Director, Managing Executive Officer of NIPPONKOA Jun. 2009 Representative Director, Senior Managing Executive Officer of NIPPONKOA Jun. 2011 Director of the Company Representative Director, President and Chief Executive Officer of NIPPONKOA Apr. 2012 Representative Director, Chairman and Executive Officer of the Company Sep. 2014 Director of the Company Representative Director, President and Chief Executive Officer of Sompo Japan Nipponkoa Insurance Inc. ("Sompo Japan Nipponkoa") (current position) Apr. 2015 Representative Director, Chairman of the Company (current position) <Responsibilities in the Company> Overall Management <Significant positions concurrently held> Representative Director, President and Chief Executive Officer of Sompo Japan Nipponkoa	15,725 Shares

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Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities and Significant Positions Concurrently Held	Number of Shares of the Company Owned by Candidate
		<Reasons for selection as a candidate for director> With his experience in business integration, corporate planning, sales and overseas assignment in the P&C insurance business, Mr. Masaya Futamiya took office as Representative Director and President of NIPPONKOA in 2011, as Representative Director and Chairman of the Company in 2012, and as Representative Director and President of Sompo Japan Nipponkoa in September 2014. Mr. Futamiya has knowledge of overall management of insurance holding companies and the P&C insurance business. With his abundant experiences and achievements, he is expected to reinforce supervisory and decision-making functions of the Board of Directors. Accordingly, he was re-selected as a candidate for director.	

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Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities and Significant Positions Concurrently Held	Number of Shares of the Company Owned by Candidate
2	Kengo Sakurada (Feb. 11, 1956) Reappointment	Apr. 1978 Joined The Yasuda Fire & Marine Insurance Co., Ltd. Jul. 2005 Executive Officer, General Manager, Financial Institutions Department of Sompo Japan Insurance Inc. (“Sompo Japan”) Apr. 2007 Managing Executive Officer of Sompo Japan Jun. 2007 Director, Managing Executive Officer of Sompo Japan Apr. 2010 Director, Managing Executive Officer of the Company Jul. 2010 Director, Executive Officer of the Company Representative Director, President and Chief Executive Officer of Sompo Japan Jun. 2011 Director of the Company Apr. 2012 Representative Director, President and Executive Officer of the Company (current position) Sep. 2014 Representative Director, Chairman and Executive Officer of Sompo Japan Nipponkoa Insurance Inc. (“Sompo Japan Nipponkoa”) Apr. 2015 Representative Director, Chairman of Sompo Japan Nipponkoa (current position) <Responsibilities in the Company> Overall management, Group CEO (Chief Executive Officer) <Significant positions concurrently held> Representative Director, Chairman of Sompo Japan Nipponkoa <Reasons for selection as a candidate for director> In addition to his experience in business integration, business alliance, corporate planning, sales and systems in the P&C insurance business, Mr. Kengo Sakurada has global experience at international financial institutions. He took office as Representative Director and President of Sompo Japan in 2010, and as Representative Director and President of the Company in 2012. Mr. Sakurada has knowledge of overall management of insurance holding companies and global business management. With his abundant experiences and achievements, he is expected to reinforce supervisory and decision-making functions of the Board of Directors and the Company believes that his knowledge would be necessary for the future global development and advancement to new business fields. Accordingly, he was re-selected as a candidate for director.	15,541 Shares

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Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities and Significant Positions Concurrently Held	Number of Shares of the Company Owned by Candidate
3	Shinji Tsuji (Dec. 10, 1956) Reappointment	Apr. 1979 Joined The Yasuda Fire & Marine Insurance Co., Ltd. Apr. 2008 Executive Officer and General Manager, Customer Service Department of Sompo Japan Insurance Inc. (“Sompo Japan”) Apr. 2009 Managing Executive Officer of Sompo Japan Jun. 2011 Director, Managing Executive Officer of the Company Apr. 2012 Director, Senior Managing Executive Officer of the Company Apr. 2014 Representative Director, Deputy President and Senior Managing Executive Officer of the Company (current position) <Responsibilities in the Company> Public Relations Department, Corporate Social Responsibility Department, Corporate Management Department, Investment Management Department, Accounting Department, Internal Audit Department (joint management) <Reasons for selection as a candidate for director> In addition to his experience in accounting, public relations, CSR and sales in the P&C insurance business, Mr. Shinji Tsuji is responsible for corporate management of domestic group companies at the Company, and took office as Representative Director of the Company in 2014. Mr. Tsuji has knowledge of corporate management and overall finance of insurance holding companies and the P&C insurance companies. With his abundant experiences and achievements, he is expected to reinforce supervisory and decision-making functions of the Board of Directors. Accordingly, he was re-selected as a candidate for director.	16,950 Shares

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Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities and Significant Positions Concurrently Held	Number of Shares of the Company Owned by Candidate
4	Keiji Nishizawa (Feb. 11, 1958) Reappointment	Apr. 1980 Joined The Yasuda Fire & Marine Insurance Co., Ltd. Apr. 2008 Executive Officer, General Manager, Personal Lines Planning & Development Department of Sompo Japan Insurance Inc. (“Sompo Japan”) Apr. 2010 Managing Executive Officer of Sompo Japan Jun. 2010 Director, Managing Executive Officer of Sompo Japan Oct. 2011 Director, Managing Executive Officer, General Manager, Automobile Underwriting Department of Sompo Japan Nov. 2011 Director, Managing Executive Officer of Sompo Japan Jun. 2012 Director, Executive Officer of the Company Apr. 2013 Director, Senior Managing Executive Officer of Sompo Japan Senior Managing Executive Officer of NIPPONKOA Insurance Company, Limited (“NIPPONKOA”) Apr. 2014 Representative Director, Senior Managing Executive Officer of Sompo Japan Sep. 2014 Representative Director, Senior Managing Executive Officer of Sompo Japan Nipponkoa Insurance Inc. (“Sompo Japan Nipponkoa”) Apr. 2015 Director, Deputy President and Senior Managing Executive Officer of the Company (current position) Representative Director, Deputy President and Senior Managing Executive Officer of Sompo Japan Nipponkoa (current position) <Responsibilities in the Company> IT Strategy Planning Department, New Business Development Department, Internal Audit Department (assistant), Group CIO (Chief Information Officer) <Significant positions concurrently held> Representative Director, Deputy President and Senior Managing Executive Officer of Sompo Japan Nipponkoa <Reasons for selection as a candidate for director> With his experience in corporate planning, human resources, product development, sales, claims service and IT systems in the P&C insurance business, Mr. Keiji Nishizawa is responsible for new business development at the Company. He took office as Director of the Company in 2012 and as Representative Director of Sompo Japan Insurance Inc. in 2014. Mr. Nishizawa has knowledge of overall business management and new business development in the P&C insurance business. With his abundant experiences and achievements, he is expected to reinforce supervisory and decision-making functions of the Board of Directors. Accordingly, he was re-selected as a candidate for director.	5,300 Shares

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Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities and Significant Positions Concurrently Held	Number of Shares of the Company Owned by Candidate
5	Shoichiro Takemoto (Jan. 20, 1955) Reappointment	Apr. 1978 Joined The Yasuda Fire & Marine Insurance Co., Ltd. Oct. 2011 Executive Officer, General Manager, Risk Management Department of Sompo Japan Insurance Inc. (“Sompo Japan”) Jun. 2012 Director, Executive Officer, General Manager, Risk Management Department of Sompo Japan Apr. 2013 Executive Officer of the Company Director, Executive Officer of Sompo Japan Executive Officer of NIPPONKOA Insurance Company, Limited (“NIPPONKOA”) Jun. 2013 Director, Executive Officer of the Company Director, Managing Executive Officer of Sompo Japan Managing Executive Officer of NIPPONKOA Apr. 2014 Director, Managing Executive Officer of the Company (current position) Sep. 2014 Director, Managing Executive Officer of Sompo Japan Nipponkoa Insurance Inc. (“Sompo Japan Nipponkoa”) (current position) <Responsibilities in the Company> Global Business Management Department, Corporate Legal Department, Internal Control Department, Risk Management Department, Internal Audit Department (joint management), Group CRO (Chief Risk Officer) <Significant positions concurrently held> Director, Managing Executive Officer of Sompo Japan Nipponkoa <Reasons for selection as a candidate for director> In addition to his experience in asset management, risk management and overseas assignment in the P&C insurance business, Mr. Shoichiro Takemoto has experience at investment advisory companies. He is responsible for ERM on a group basis as Group CRO at the Company, and took office as Director of Sompo Japan in 2012 and as Director of the Company in 2013. Mr. Takemoto has knowledge of high level of risk management regarding the insurance business. With his abundant experiences and achievements, he is expected to reinforce supervisory and decision-making functions of the Board of Directors. Accordingly, he was re-selected as a candidate for director.	7,200 Shares

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Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities and Significant Positions Concurrently Held	Number of Shares of the Company Owned by Candidate
6	Shigeru Ehara (Dec. 18, 1958) Reappointment	Apr. 1981 Joined The Yasuda Fire & Marine Insurance Co., Ltd. Apr. 2011 Executive Officer, General Manager, Commercial Risk Solutions Department of Sompo Japan Insurance Inc. (“Sompo Japan”) Apr. 2013 Executive Officer of the Company Director, Managing Executive Officer of Sompo Japan Managing Executive Officer of NIPPONKOA Insurance Company, Limited (“NIPPONKOA”) Jun. 2013 Director, Executive Officer of the Company Apr. 2014 Director, Managing Executive Officer, General Manager, China & East Asia Regional Headquarters of Sompo Japan Managing Executive Officer, General Manager, China & East Asia Regional Headquarters of NIPPONKOA Sep. 2014 Director, Managing Executive Officer, General Manager, China & East Asia Regional Headquarters of the Company Director, Managing Executive Officer, General Manager, China & East Asia Regional Headquarters of Sompo Japan Nipponkoa Insurance Inc. (“Sompo Japan Nipponkoa”) Dec. 2014 Director, Managing Executive Officer of the Company (current position) Director, Managing Executive Officer of Sompo Japan Nipponkoa (current position) <Responsibilities in the Company> Global Business Planning Department, Europe Regional Headquarters <Significant positions concurrently held> Director, Managing Executive Officer of Sompo Japan Nipponkoa <Reasons for selection as a candidate for director> With his experience in overseas business, product development, reinsurance, and sales in the P&C insurance business, Mr. Shigeru Ehara is responsible for M&As and growth strategy in the overseas business at the Company. He took office as Director of the Company and of Sompo Japan in 2013. Mr. Ehara has knowledge on overseas business and corporate product fields including reinsurance in the insurance business. With his abundant experiences and achievements, he is expected to reinforce supervisory and decision-making functions of the Board of Directors. Accordingly, he was re-selected as a candidate for director.	4,450 Shares

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Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities and Significant Positions Concurrently Held	Number of Shares of the Company Owned by Candidate
7	Shoji Ito (Jan. 20, 1960) New appointment	Apr. 1984 Joined The Nippon Fire & Marine Insurance Co., Ltd. Apr. 2013 Executive Officer, Branch General Manager, Chiba Branch of NIPPONKOA Insurance Company, Limited (“NIPPONKOA”) Executive Officer, General Manager, Chiba Branch of Sompo Japan Insurance Inc. (“Sompo Japan”) Oct. 2013 Executive Officer, Branch General Manager, Chiba Branch of Sompo Japan Sep. 2014 Executive Officer, Branch General Manager, Chiba Branch of Sompo Japan Nipponkoa Insurance Inc. (“Sompo Japan Nipponkoa”) Apr. 2015 Managing Executive Officer of the Company (current position) Director, Managing Executive Officer of Sompo Japan Nipponkoa (current position) <Significant positions concurrently held> Director, Managing Executive Officer of Sompo Japan Nipponkoa <Reasons for selection as a candidate for director> With his experience in business integration, corporate planning and claims service in the P&C insurance business, Mr. Shoji Ito took office as Director of Sompo Japan Nipponkoa in 2015. With his abundant experiences and achievement regarding overall management in the P&C insurance business, he is expected to reinforce supervisory and decision-making functions of the Board of Directors. Accordingly, he was newly selected as a candidate for director.	1,475 Shares

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Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities and Significant Positions Concurrently Held	Number of Shares of the Company Owned by Candidate
8	Kaoru Takahashi (May 13, 1956) New appointment	Apr. 1979 Joined The Yasuda Fire & Marine Insurance Co., Ltd. Apr. 2008 Executive Officer, General Manager, Human Resources Department of Sompo Japan Insurance Inc. (“Sompo Japan”) Apr. 2010 Managing Executive Officer of Sompo Japan Jun. 2010 Director, Managing Executive Officer of Sompo Japan Director of Sompo Japan Himawari Life Insurance Co., Ltd. (“Sompo Japan Himawari Life”) Apr. 2012 Representative Director, Deputy President and Senior Managing Executive Officer of Sompo Japan Apr. 2013 Deputy President and Senior Managing Executive Officer of NIPPONKOA Insurance Company, Limited (“NIPPONKOA”) Sep. 2014 Representative Director, Deputy President and Senior Managing Executive Officer of Sompo Japan Nipponkoa Insurance Inc. (“Sompo Japan Nipponkoa”) Apr. 2015 Representative Director, President and Chief Executive Officer of Sompo Japan Nipponkoa Himawari Life Insurance, Inc. (Sompo Japan Nipponkoa Himawari Life”) (current position) <Significant positions concurrently held> Representative Director, President and Chief Executive Officer of Sompo Japan Nipponkoa Himawari Life <Reasons for selection as a candidate for director> With his experience on corporate planning, human resources and sales in the P&C insurance business, Mr. Kaoru Takahashi took office as Representative Director of Sompo Japan in 2012 and as Representative Director and President of Sompo Japan Nipponkoa Himawari Life in 2015. With his abundant experiences and achievement regarding overall management in the P&C insurance business and life insurance business, he is expected to reinforce supervisory and decision-making functions of the Board of Directors. Accordingly, he was newly selected as a candidate for director.	6,300 Shares

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Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities and Significant Positions Concurrently Held	Number of Shares of the Company Owned by Candidate
9	Sawako Nohara (Jan. 16, 1958) Reappointment Outside Director Candidate Independent Outside Director	Dec. 1988 Joined LIFE SCIENCE LABORATORIES, LTD. Jul. 1995 Joined InfoCom Research, Inc. Apr. 1996 Senior Researcher of InfoCom Research, Inc. Jul. 1998 Head of the E-Commerce Business Development Group of InfoCom Research, Inc. Dec. 2000 Director of IPSe Marketing, Inc. Dec. 2001 Representative Director, President of IPSe Marketing, Inc. (current position) Jun. 2006 Member of the Board of NEC Corporation Nov. 2009 Project Professor, Keio University Graduate School of Media and Governance (current position) Jun. 2012 Audit & Supervisory Board Member of Sompo Japan Insurance Inc. Jun. 2013 Director (outside) of the Company (current position) Jun. 2014 Outside Board Member of Nissha Printing Co., Ltd. (current position) Outside Director of Japan Post Bank Co., Ltd. (current position) <Significant positions concurrently held> Representative Director, President of IPSe Marketing, Inc. Project Professor, Keio University Graduate School of Media and Governance Outside Board Member of Nissha Printing Co., Ltd. Outside Director of Japan Post Bank Co., Ltd. <Reasons for selection as a candidate for outside director> With her abundant experience as a company manager and broad knowledge related to the IT industry, Ms. Sawako Nohara has provided appropriate advice on the management of the Company from diversified and professional perspectives. At the same time, she has provided valuable advice on the initiative on women's empowerment in the workplace, which is also one of the important strategies of the Company. Accordingly, she was re-selected as a candidate for outside director.	0 Shares

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Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities and Significant Positions Concurrently Held	Number of Shares of the Company Owned by Candidate
10	Isao Endo (May 8, 1956) Reappointment Outside Director Candidate Independent Outside Director	Apr. 1979 Jointed Mitsubishi Electric Corporation Oct. 1988 Jointed The Boston Consulting Group Inc. Oct. 1992 Jointed Andersen Consulting Oct. 1996 Partner of Andersen Consulting Sep. 1997 Partner and Director of Booz Allen Hamilton May 2000 Managing Partner of Roland Berger Ltd. Apr. 2006 Chairman of Roland Berger Ltd. (current position) Professor of the Graduate School of Commerce, Waseda University (current position) May 2011 Director of Ryohin Keikaku Co., Ltd. (current position) Mar. 2013 Audit & Supervisory Board Member of Yamaha Motor Co., Ltd. (current position) Jun. 2014 Director of the Company (current position) Director of Nisshin Steel Co., Ltd. (current position) <Significant positions concurrently held> Chairman of Roland Berger Ltd. Professor of the Graduate School of Commerce, Waseda University Director of Ryohin Keikaku Co., Ltd. (Outside Director) Audit & Supervisory Board Member of Yamaha Motor Co., Ltd. (Outside Auditor) Director of Nisshin Steel Co., Ltd. (Outside Director) <Reasons for selection as a candidate for outside director> With his broad knowledge as an erudite scholar and abundant experience as a company manager as well as at consulting firms, Mr. Isao Endo has provided appropriate advice on the management of the Company, especially through his practical research on “field capabilities” at the university. Accordingly, he was re-selected as a candidate for outside director.	100 Shares

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Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities and Significant Positions Concurrently Held	Number of Shares of the Company Owned by Candidate
11	Tamami Murata (Jan. 18, 1960) Reappointment Outside Director Candidate Independent Outside Director	Apr. 1988 Admitted to the Japanese Bar Aug. 2001 Attorney at law at Murata Law Office (current position) Apr. 2008 Executive Vice President of Daini Tokyo Bar Association Jun. 2014 Director of the Company (current position) <Significant positions concurrently held> Attorney at law <Reasons for selection as a candidate for outside director> Ms. Tamami Murata has abundant knowledge and experience as an attorney at law and provided appropriate advice on the management of the Company with her professional viewpoints based on her knowledge and experience. At the same time, she has provided valuable advice on the initiative on women's empowerment in the workplace, which is also one of the important strategies of the Company. Despite lack of experience in participation in corporate management other than by serving as outside director or audit & supervisory board member, she was re-selected as a candidate for outside director due to the reasons mentioned above.	0 Shares

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Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities and Significant Positions Concurrently Held	Number of Shares of the Company Owned by Candidate
12	Scott Trevor Davis (Dec. 26, 1960) Reappointment Outside Director Candidate Independent Outside Director	Apr. 2001 Professor of the International Business Administration Department, the International School of Economics and Business Administration of Reitaku University May 2004 Director of Ito-Yokado Co., Ltd. Sep. 2005 Director of Seven & I Holdings Co., Ltd. (current position) Mar. 2006 Audit & Supervisory Board Member of Nissen Co., Ltd. (currently Nissen Holdings Co., Ltd.) (current position) Apr. 2006 Professor of the Department of Global Business, College of Business, Rikkyo University (current position) Mar. 2011 Director of Bridgestone Corporation (current position) Jun. 2014 Director of the Company (current position) <Significant positions concurrently held> Director of Seven & I Holdings Co., Ltd. (Outside Director) Audit & Supervisory Board Member of Nissen Holdings Co., Ltd. (Outside Auditor) Professor of the Department of Global Business, College of Business, Rikkyo University Director of Bridgestone Corporation (Outside Director) <Reasons for selection as a candidate for outside director> Mr. Scott Trevor Davis has broad knowledge as an erudite scholar and provided appropriate advice on the management of the Company, especially through his research on strategic management and CSR at the university. Moreover, he has provided diversified advice from global perspectives. Despite lack of experience in participation in corporate management other than by serving as outside director or audit & supervisory board member, he was re-selected as a candidate for outside director due to the reasons mentioned above.	0 Shares

Notes:

1. There are no special interests between each candidate and the Company.
2. Ms. Sawako Nohara, Mr. Isao Endo, Ms. Tamami Murata and Mr. Scott Trevor Davis are candidates for outside directors.
   The Company has prescribed the “Standards regarding Independence of Outside Directors / Audit & Supervisory Board Members” (see pages 22 and 23). None of the above candidates fall within any of the categories for examination listed in the above-referred standards and each candidate is considered to be independent. Each of the above candidates is an “independent director/auditor” which is specified by Tokyo Stock Exchange, Inc. as being unlikely to have a conflict of interest with general stockholders.
3. Ms. Sawako Nohara served as Independent Audit & Supervisory Board Member of Sompo Japan Insurance Inc., our subsidiary, from June 2012 to June 2013.
4. Ms. Sawako Nohara will have completed two years of service as outside director of the Company at the end of this General Meeting of Stockholders. Mr. Isao Endo, Ms. Tamami Murata and Mr. Scott Trevor Davis will have completed one year of service as outside directors of the Company at the end of this General Meeting of Stockholders.
5. The Company has entered into a contract for limitation of liability, in accordance with Article 427, Paragraph 1 of the Companies Act, with Ms. Sawako Nohara, Mr. Isao Endo, Ms.

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Tamami Murata and Mr. Scott Trevor Davis, respectively, that limits his or her liability under Article 423, Paragraph 1 of the Companies Act to the Minimum Liability Amount stipulated in Article 425, Paragraph 1 of the Companies Act. If they are reappointed as outside directors, the Company intends to continue said contract with each of them.

■ Policies for Appointments of Officers

The Company has prescribed the "Policies for Appointments of Officers" by resolution of the Board of Directors based on the advice of the Nomination and Compensation Committee, an advisory organ to the Board of Directors. The content of the Policy is set forth as follows.

<Policies for Appointments of Officers>

With respect to the appointment of directors, executive officers and audit & supervisory board members of the Company, the Board of Directors shall determine candidates in accordance with the following policy. As for directors and executive officers, candidates shall be determined by the Board of Directors subject to the deliberation by the Nomination and Compensation Committee. In addition, when the Board of Directors resolves a proposal for appointment of audit & supervisory board members to be submitted to a general meeting of stockholders, directors shall provide opportunities in advance to consult with the Audit & Supervisory Board on the candidates and ask for the consent of the Audit & Supervisory Board.

1. Appointment of Directors and Audit & Supervisory Board Members

   The Company shall be responsible for supervision and guidance of subsidiaries, formulation of business strategies of the entire Group which include those of subsidiaries engaging in various businesses centering on the P&C insurance business, and steady implementation and realization of these strategies. From this perspective, the Board of Directors shall appoint directors who are familiar with operations of main business companies taking into account to ensure the balance of experiences and achievements without giving too much weight to certain specialized fields. In addition, for the purpose of making an objective judgment to management issues from various and independent viewpoints and perspectives, the Board of Directors shall appoint several outside directors from among company managers, scholars, legal experts, etc. who have broad knowledge and experience in various fields to comprise the whole Board of Directors. For the Audit & Supervisory Board, appointment of audit & supervisory board members shall be made taking into consideration the overall balance by appointing individuals not only with an appropriate knowledge of finance and accounting but with experiences of company management and professional knowledge in the legal field and others.

   Further, the appointment of directors and audit & supervisory board members shall be determined according to the selection standards, etc. based on the Comprehensive Guidelines for Supervision of Insurance Companies. For outside directors and outside audit & supervisory board members, the "Standards regarding Independence of Outside Directors / Audit & Supervisory Board Members" shall be prescribed, and the appointment shall be determined in the light of the Standards.

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It shall be noted that, for the purpose of carrying out substantive discussions, the number of directors shall be limited to 15, and audit & supervisory board members shall be limited to 7, pursuant to the provisions of the Articles of Incorporation.

2. Appointment of Executive Officers

The Company shall prescribe "how a desirable executive officer should be" and the "Policies for Appointments of Executive Officers", which provide basic matters regarding the balance of necessary skills, qualities, experiences, achievements and the like for the appointment of executive officers. In addition, the Nomination and Compensation Committee shall prescribe the selection process of executive officers from diversified perspectives including the human resources assessment of the candidates by third parties, etc., and process the appointment in the light of these factors.

-- End

■ Standards regarding Independence of Outside Directors / Audit & Supervisory Board Members

The Company has prescribed the "Standards regarding Independence of Outside Directors / Audit & Supervisory Board Members" by resolution of the Board of Directors based on the advice of the Nomination and Compensation Committee, an advisory organ to the Board of Directors. The content of the Standards is set forth as follows.

<Standards regarding Independence of
Outside Directors / Audit & Supervisory Board Members>

The Company will determine the independence from the Company of outside directors and outside audit & supervisory board members based on the matters set forth below:

1. Personal Relationships: A kinship between the candidate and any Group officer or employee, status of mutual appointments of officers between the Company and the company which the candidate is originally from.
2. Capital Relationships: The holding of shares in the Company by the candidate or the company which the candidate is originally from, holding of shares by the Group.
3. Business Relationships: Business transactions or donations between the Group and the candidate or the company which the candidate is originally from.
4. Other interests.

In the event that a candidate for outside director falls within any of the categories listed below, the Nomination and Compensation Committee, a committee primarily constituted of outside directors, will examine his/her independence. Following final determination by the Board of Directors, a proposal for appointment will be submitted to a general meeting of stockholders of the Company and the Company will submit notification of such outside director as an independent director as prescribed by each relevant Financial Instruments Exchange.

In the case of a candidate for outside audit & supervisory board member, the Audit & Supervisory Board will take into consideration these standards in determining whether

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to consent to a proposal being submitted to a general meeting of stockholders of the Company for the appointment of audit & supervisory board member.

(1) The candidate is a spouse, or a relative within the third degree of kinship, of an executive director, executive officer, or employee who holds the position of general manager or higher of the Company or any of its subsidiaries.
(2) The candidate is originally from a company (Note 2) with which the Company has a "mutual appointment relationship of outside director/audit & supervisory board member" (Note 1).
(3) The Company and its subsidiaries hold 5% or more of the shares in the company which the candidate is originally from (Note 3).
(4) The candidate or the company which the candidate is originally from (Note 3) holds 5% or more of the shares in the Company.
(5) The company which the candidate is originally from (Note 3) is a major business partner (Note 4) for the Company and its subsidiaries.
(6) The Company and its subsidiaries are major business partners (Note 4) for the candidate or the company which the candidate is originally from (Note 3).
(7) The candidate or an organization to which the candidate belongs is an accounting auditor of the Company or any of its subsidiaries.
(8) The candidate or an organization which the candidate is originally from has received donations from the Company and its subsidiaries totaling 10 million yen or more per year.
(9) Any other important interests that give rise to doubts as to the independence of the candidate.

Notes:

1. "Mutual appointment relationship of outside director/audit & supervisory board member" means appointing a person as an outside director/audit & supervisory board member of the Company from a company in which a person originally from the Company currently serves as an outside director/audit & supervisory board member.
2. "Person from a company" means, with respect to any company, a person who currently serves as an executive director, executive officer, or employee holding the position of general manager or higher of such company, or a person who has experience of holding such position in the past 10 years.
3. "Company which a person is originally from" means a company in which the person currently serves as an executive director, executive officer or employee holding the position of general manager or higher, or in which the person has experience of holding such position in the past 10 years.
4. "Major business partner" means a counterparty in transactions where the amount of such transactions accounts for 2% or more of the consolidated sales (or, in the case of loan transactions, 2% or more of the consolidated assets) of either party to such transactions.
   Provided that i) in the case of transactions between the candidate personally and the Company and its subsidiaries, this means that an amount of payment (such as remuneration) from the Company and its subsidiaries is 10 million yen or more per year, and ii) in the event that the candidate belongs to an organization that provides professional services (such as lawyers and accountants), this means that an amount of payment (such as remuneration) from the Company and its subsidiaries to such an organization is 10 million yen or more per year.

-- End

-- End

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Attachments

Attachment (1)

Fiscal 2014 Business Report
For the Period from April 1, 2014 through March 31, 2015

I. Matters Concerning the Current Status of the Insurance Holding Company

(1) Progress and Results of Business of the Corporate Group

Main Substance of Business of the Corporate Group

At the end of the fiscal year ended March 31, 2015, the Group consisted of Sompo Japan Nipponkoa Holdings, Inc. (the "Company" or "Sompo Japan Nipponkoa Holdings, Inc." or "we"), 84 companies that are consolidated subsidiaries, and 2 companies that are affiliates accounted for under the equity-method and others. The Group engages in the domestic property and casualty ("P&C") insurance business, domestic life insurance business, overseas insurance business and financial and other services business. The Group's main business is the domestic P&C insurance business.

Financial and Economic Environment, and Progress and Results of the Corporate Group for the Fiscal Year under Review

The global economy during the period under review experienced a modest recovery overall, underpinned by factors such as a steady recovery in the U.S. economy, despite sluggishness in some emerging economies. A moderate recovery continued in the Japanese economy, despite weakness in consumer spending due to the consumption tax hike. The P&C insurance industry saw signs of improvement in the business environment due primarily to an economic recovery and revisions in products and premium rates.

(Activities of the Company)

In order to accelerate the growth of the Group by strengthening the Group brand, the Company has changed the Group name to "Sompo Japan Nipponkoa Group" and the Company name from "NKSJ Holdings, Inc." to "Sompo Japan Nipponkoa Holdings, Inc." effective September 1, 2014.

In addition, the Company has reviewed its organizations in order to enhance response capabilities on a global Group basis, and operates as a holding company by optimally allocating management resources and managing and advising each company within the Group. Based on the group management philosophy of "contributing to society by extending the highest quality of service across a wide range of business activities building on its core business of insurance to provide security, health and peace of mind to its customers, always carefully considering the customer's perspective in our business actions", the Group aims to build a globally competitive organization, powered by a stable position

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among customers as the most highly evaluated service company.

Furthermore, the Company is working to further improve corporate governance to achieve the sustainable growth of the Group and enhance corporate value over the medium- and long-term. With respect to the Japan's Corporate Governance Code that will commence application from June 1 of this year, the Company will disclose its initiatives to its stakeholders through inclusion in the Corporate Governance Report in consideration of the purpose of the Code.

(Domestic P&C Insurance Business)

In the domestic P&C insurance business, Sompo Japan Insurance Inc. ("Sompo Japan") and NIPPONKOA Insurance Company, Limited ("NIPPONKOA") merged to establish Sompo Japan Nipponkoa Insurance Inc. ("Sompo Japan Nipponkoa") on September 1, 2014.

Sompo Japan Nipponkoa places greatest emphasis on its business strategy target of being the most highly evaluated service company, and the entire company is working together in order to promptly achieve this goal. In terms of insurance products, the product brand has been standardized as "THE" series, and we have achieved a product lineup that is in line with the needs of customers and is easy to understand. Meanwhile, efforts are being made to further reinforce the payment structure to provide prompt, timely, and appropriate insurance payments.

In addition, SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED and Sonpo 24 Insurance Company Limited are developing a direct marketing business model and have responded to increasingly diverse customer needs.

(Domestic Life Insurance Business)

In the domestic life insurance business, Sompo Japan Nipponkoa Himawari Life Insurance, Inc. (the company name changed from NKSJ Himawari Life Insurance, Inc. on September 1, 2014; hereinafter "Sompo Japan Nipponkoa Himawari Life") launched a new medical insurance product "Shin Kenko no Omamori" in May 2014, which has been well received by customers.

Furthermore, in consideration of the selection and concentration of management resources, the Company transferred the shares of Sompo Japan DIY Life Insurance CO., LTD. held by Sompo Japan to The Dai-ichi Life Insurance Company, Limited in August 2014 and centralized the Group's domestic life insurance business into Sompo Japan Nipponkoa Himawari Life.

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(Overseas Insurance Business)

In the overseas insurance business, as a key part of the Group's growth strategy, the Company is allocating management resources mainly in countries and regions where profits and growth can be expected. The Company made Canopius Group Limited, an insurance company in the UK Lloyd's insurance market, a subsidiary in May 2014. In addition, in March 2015, the Company announced that it had decided to participate in the capital of SCOR SE, a reinsurance company in France and make it one of the Company's affiliates accounted for under the equity-method.

(Financial and Other Services Business)

In the area of financial and other services business, we are developing the assistant business, the risk consulting business, the health care business, and the nursing care services business in addition to the asset management business and the defined contribution pension plan business that provide asset-building services to customers.

The Company announced in February 2015 that it had determined to make FRESHHOUSE Co., Ltd. a subsidiary and newly enter the home remodeling business. Furthermore, in March 2015 the Company entered into a capital and business alliance agreement with a major nursing care company, Message Co., Ltd.

(CSR)

From the perspective of corporate social responsibility (CSR), the Company has formulated the Group CSR Vision and six material issues of the Group, based on which it is conducting various initiatives in an aim to contribute to the achievement of a sustainable society. Initiatives during the period under review included the launch of a disaster prevention project in Japan and a traffic safety program in Indonesia, and the holding of the "Special Exhibition: Van Gogh's 'Sunflowers', for reconstruction support to the area affected by the Great East Japan Earthquake" at the Miyagi Museum of Art.

The promotion of diversity is one of the Company's most important business strategies, and in recognition of its initiatives to empower women in the workplace, the Company received a Corporate Activity Award sponsored by the Tokyo Stock Exchange in January 2015.

Performance over the Period under Review

Consolidated financial results of the Company for the period under review were as follows.

Ordinary income for this period was 3,282.3 billion yen, representing an increase of 274.0 billion yen when compared to the previous period. This was reflected by underwriting income of 3,043.0 billion yen, 213.6 billion yen of investment income, and 25.5 billion yen of other ordinary income. Meanwhile, ordinary expenses for the period were 3,074.0 billion

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yen, representing an increase of 178.0 billion yen when compared to the previous period. This was reflected by underwriting expenses of 2,581.2 billion yen, investment expenses of 17.2 billion yen, operating, general and administrative expenses of 465.0 billion yen and 10.4 billion yen of other ordinary expenses.

Subtracting ordinary expenses from ordinary income resulted in an ordinary profit of 208.3 billion yen, representing an increase of 95.9 billion yen when compared to the previous period. Net profit after extraordinary gain, extraordinary losses, income taxes and net profit attributable to non-controlling interests amounted to 54.2 billion yen, representing an increase of 10.1 billion yen when compared to the previous period.

A loss of 18.1 billion yen was recognized due to reversal of deferred tax assets in relation to the promulgation of laws relating to corporate income tax reduction.

Non-consolidated financial results of the Company for the period were as follows. The Company had dividends from its subsidiaries of 32.9 billion yen and received management and administration fees of 3.6 billion yen, resulting in operating income of 36.5 billion yen. Ordinary profit amounted to 33.0 billion yen, representing an increase of 8.1 billion yen when compared to the previous period. Net profit amounted to 33.0 billion yen, representing an increase of 8.1 billion yen when compared to the previous period.

Sompo Japan Nipponkoa (on a non-consolidated basis) had net premiums written of 2,181.3 billion yen, representing an increase of 99.1 billion yen when compared to the previous period. Ordinary profit amounted to 195.1 billion yen, representing an increase of 77.3 billion yen when compared to the previous period, and net income amounted to 45.0 billion yen, representing a decrease of 4.4 billion yen due mainly to a record of merger-related cost of 87.1 billion yen to extraordinary losses when compared to the previous period.

The financial results of Sompo Japan Nipponkoa (on a non-consolidated basis) include the results of NIPPONKOA before the merger.

Sompo Japan Nipponkoa Himawari Life had a balance of retained policies of 21,043.1 billion yen as a total of both individual insurance and individual annuities, representing an increase of 797.5 billion yen when compared to the previous period. New policies amounted to 2,388.6 billion yen, representing a decrease of 246.3 billion yen when compared to the previous period. Ordinary profit amounted to 22.5 billion yen and net income amounted to 9.7 billion yen.

Overview of Asset Management

Total consolidated assets at the end of the period amounted to 10,253.4 billion yen. The unrealized gains on securities available for sale, net of tax (net assets), which is unrealized gains on securities available for sale less income taxes, etc., were 1,048.7 billion yen.

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With respect to income and expenses from investment for the period, investment income amounted to 213.6 billion yen after adding and subtracting, inter alia, interest and dividend income, gains on sale of securities, as well as transfers of interest and dividend income on deposits of premiums, etc., while investment expenses such as losses on sales of securities and impairment losses on securities amounted to 17.2 billion yen.

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Issues to be Addressed

Going forward, the global economy is expected to continue experiencing a modest recovery, particularly in the United States. The Japanese economy is expected be on a moderate recovery, supported by the effects of various policies amid continued improvements in the employment and income environment. In the P&C insurance industry, we will continue to face the need to improve profitability in the domestic market, secure new sources of revenue in the overseas market, and build a solid business base to address environmental changes and various risks.

In November 2012, the Company formulated the Management Plan of the Group that set FY2015 as the final year, based on the policy of "basing its activities on ensuring higher profits in the domestic P&C business, while aggressively shifting management resources to the Group's growth areas such as the domestic life insurance business and the overseas life insurance business to create sustainable growth cycle". The Group will work together as a whole to achieve the numerical management targets of adjusted consolidated profit of 180.0 to 210.0 billion yen (see Note 1) and adjusted consolidated ROE of 7% or more (see Note 1) for the fiscal year ending March 31, 2016.

The adjusted consolidated profit is 138.3 billion yen and the adjusted consolidated ROE is 5.2% for the fiscal year ended March 31, 2015, and a breakdown of the adjusted consolidated profit is displayed below.

	Fiscal Year ended March 31, 2015 (Actual)	Fiscal Year ending March 31, 2016 (Results Forecast)	Fiscal Year ending March 31, 2016 (Management target)
Domestic P&C insurance business	69.9 billion yen	116.7 billion yen	70.0-80.0 billion yen
Domestic life insurance business	47.4 billion yen	90.0 billion yen	100.0-110.0 billion yen
Overseas insurance business	18.6 billion yen	19.2 billion yen	14.0-20.0 billion yen
Financial and other services business	2.3 billion yen	2.4 billion yen	2.0-3.0 billion yen
Total	138.3 billion yen	228.0 billion yen	180.0-210.0 billion yen
Adjusted consolidated ROE	5.2%	7.6%	7.0% or more

Through the Group's domestic P&C insurance business, domestic life insurance business, overseas insurance business, and financial and other services business, the Company will

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make ongoing efforts to increase corporate value by providing the highest quality services that contribute to peace of mind, security and health of customers.
We very much look forward to the further support of all of our stockholders in the future.

Notes:

1. Please see page 7 for the calculation method for adjusted profit and adjusted consolidated ROE.
2. The monetary amounts, number of shares owned and the like in this Business Report (including the tables set forth below) have been rounded off to the nearest unit displayed. Ratios such as percentages of ownership of shares have been rounded to the nearest unit displayed.

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(2) State of Progress in Assets and Income (Loss) of the Corporate Group and the Insurance Holding Company

A. Trends in Assets and Income (Loss) of the Corporate Group

Category	Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014 (Current Period)
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Consolidated ordinary income	2,790,555	2,843,226	3,008,339	3,282,343
Consolidated ordinary profit (loss)	(51,815)	104,783	112,391	208,309
Consolidated net income (loss)	(92,262)	43,618	44,169	54,276
Consolidated comprehensive income	(48,098)	319,047	149,965	469,485
Consolidated net assets	1,000,577	1,283,488	1,390,153	1,829,852
Consolidated gross assets	8,893,378	9,178,198	9,499,799	10,253,431

B. Trends in Assets and Income (Loss) of the Insurance Holding Company

Category	Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014 (Current Period)
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Operating income	36,462	39,124	27,581	36,568
Dividends received	34,088	36,720	24,675	32,907
Subsidiaries, etc., engaged in the insurance business	34,088	36,720	24,675	31,900
Other subsidiaries, etc.	—	—	—	1,007
Net income (loss) for the period	34,501	36,980	24,951	33,070
Net income (loss) per share for the period	¥83.12	¥89.11	¥60.43	¥80.94
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Gross assets	914,690	917,834	905,183	914,729
Stocks, etc., of subsidiaries, etc., engaged in the insurance business	876,465	875,453	875,453	853,953
Stocks, etc., in other subsidiaries, etc.	2,333	4,322	4,322	4,322

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(3) Status of Major Offices of the Corporate Groups

A. Status of the Insurance Holding Company

(As of March 31, 2015)

Name of Office	Location	Date of Establishment
Head Office	1-26-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo	April 1, 2010

B. Status of Subsidiary Corporations, etc.

(As of March 31, 2015)

Business Segment	Name of Company	Name of Office	Location	Date of Establishment
Domestic P&C insurance business	Sompo Japan Nipponkoa Insurance Inc.	Head Office	1-26-1, Nishi-Shinjuku, Shinjuku-ku, Tokyo	Jul. 21, 1976
	Sonpo 24 Insurance Company Limited	Head Office	3-1-1, Higashi-Ikebukuro, Toshima-ku, Tokyo	Jul. 24, 2000
	SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED	Head Office	3-1-1, Higashi-Ikebukuro, Toshima-ku, Tokyo	Sep. 22, 1982
	Sompo Japan Nipponkoa Insurance Services Inc.	Head Office	2-1-1, Nishi-Shinjuku, Shinjuku-ku, Tokyo	Jul. 1, 2011
Domestic life insurance business	Sompo Japan Nipponkoa Himawari Life Insurance, Inc.	Head Office	6-13-1, Nishi-Shinjuku, Shinjuku-ku, Tokyo	Oct. 1, 2011
Financial and other services business	Sompo Japan Nipponkoa DC Securities Inc.	Head Office	1-25-1, Nishi-Shinjuku, Shinjuku-ku, Tokyo	May 10, 1999
	SOMPO JAPAN NIPPONKOA ASSET MANAGEMENT CO., LTD.	Head Office	2-2-16, Nihonbashi, Chuo-ku, Tokyo	Nov. 24, 2009
	Healthcare Frontier Japan Inc.	Head Office	1-2-3, Kanda Awajicho, Chiyoda-ku, Tokyo	Aug. 23, 2005

(4) Status of Employees in the Corporate Group

A. Status of the Insurance Holding Company

Category	End of Previous Period	End of Current Period	Increase (Decrease) in Current Period	At the End of the Current Period		
				Average Age	Average Years of Service	Average Monthly Salary
Employees	346 persons	440 persons	94 persons	42.1	17.7	624 thousand yen

Notes:

1. The number of employees is the number of those who are employed including those who are concurrently serving with a consolidated subsidiary of the Company. Persons seconded from the Company to another company

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have been excluded, and persons seconded from another company to the Company have been included.
2. Years of service at consolidated subsidiaries of the Company have been included in the average years of service.
3. The average monthly salary is the average monthly salary as of March 2015 (including overtime allowances) and does not include bonuses.

B. Status of the Corporate Group

Business Segment	End of Previous Period	End of Current Period	Increase (Decrease) in Current Period
	No. of employees	No. of employees	No. of employees
Domestic P&C insurance business	28,404	28,210	(194)
Domestic life insurance business	3,135	2,719	(416)
Overseas insurance business	3,694	4,394	700
Financial and other services business	671	763	92
Total	35,904	36,086	182

Notes:
1. The number of employees is the total of those at the Company and the consolidated subsidiaries of the Company (collectively referred to in this paragraph as the "Group"). This also is the number of employees excluding those seconded from the Group to outside of the Group, and including those seconded from outside of the Group into the Group.
2. The number of employees of the Company is included in the financial and other services business.

(5) Status of Major Lenders to the Corporate Group

None.

(6) Status of Funding to the Corporate Group

On May 27, 2014, the Company's consolidated subsidiary, Sompo Japan Insurance Inc. early redeemed all of the subordinated bonds (unsecured bonds with first interest deferral option and early redemption option) issued by Sompo Japan Insurance Inc. in 2009.

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(7) Status of Capital Investment

A. Gross Capital Investment

Business Segment	Amount
	(Millions of yen)
Domestic P&C insurance business	16,267
Domestic life insurance business	223
Overseas insurance business	5,518
Financial and other services business	32
Total	22,042

Note: The amount of the Company's capital investment is included in that of the financial and other services business.

B. New Installation, etc. of Significant Equipment

None.

(8) Status of Significant Parent Company and Subsidiaries, etc.

A. Status of Parent Company

None.

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B. Status of Subsidiaries, etc.

(As of March 31, 2015)

Company Name	Location	Major Lines of Business	Date of Establishment	Common Stock	Percentage of Voting Rights of Subsidiaries, etc. Held By the Company	Others
(Consolidated subsidiaries)						
Sompo Japan Nipponkoa Insurance Inc.	Shinjuku-ku Tokyo	Domestic P&C insurance	Feb. 12, 1944	¥70,000 million	100.0%	Note 2
Sonpo 24 Insurance Company Limited	Toshima-ku Tokyo	Domestic P&C insurance	Dec. 6, 1999	¥19,000 million	100.0% (100.0%)	—
SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED	Toshima-ku Tokyo	Domestic P&C insurance	Sep. 22, 1982	¥23,610 million	99.3% (99.3%)	—
Sompo Japan Nipponkoa Insurance Services Inc.	Shinjuku-ku Tokyo	Domestic P&C insurance	Feb. 28, 1989	¥1,845 million	100.0% (100.0%)	—
Sompo Japan Nipponkoa Himawari Life Insurance, Inc.	Shinjuku-ku Tokyo	Domestic life insurance	Jul. 7, 1981	¥17,250 million	100.0%	Note 3
Sompo Japan Nipponkoa DC Securities Inc.	Shinjuku-ku Tokyo	Defined contribution pension plan business and fund sales business	May 10, 1999	¥3,000 million	100.0% (100.0%)	Note 4
SOMPO JAPAN NIPPONKOA ASSET MANAGEMENT CO., LTD.	Chuo-ku Tokyo	Investment advisory service and fund trust management service	Feb. 25, 1986	¥1,550 million	100.0%	—
Healthcare Frontier Japan Inc.	Chiyoda-ku Tokyo	Consulting service regarding health and care such as prevention of disease	Apr. 12, 1991	¥1,286 million	96.6%	—
Sompo Japan Nipponkoa Holdings (Americas) Inc.	Delaware (USA)	Overseas insurance	Jan. 2, 2013	US$1,140 thousand (¥136 million)	100.0% (100.0%)	—

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Company Name	Location	Major Lines of Business	Date of Establishment	Common Stock	Percentage of Voting Rights of Subsidiaries, etc. Held By the Company	Others
Sompo Japan Insurance Company of America	New York (USA)	Overseas insurance	Aug. 9, 1962	US$13,742 thousand (¥1,651 million)	100.0% (100.0%)	—
Canopius Group Limited	Saint Peter Port (Guernsey, British Crown Dependency)	Overseas insurance	Oct. 24, 2003	£190,457 thousand (¥33,914 million)	100.0% (100.0%)	Note 5
Canopius Holdings UK Limited	London (UK)	Overseas insurance	Jul. 2, 2003	£0 thousand (¥0 million)	100.0% (100.0%)	Note 5
Canopius Managing Agents Limited	London (UK)	Overseas insurance	Aug. 27, 1980	£308 thousand (¥54 million)	100.0% (100.0%)	Note 5
Canopius Reinsurance Limited	Hamilton (Bermuda, overseas territory of the UK)	Overseas insurance	Jan. 26, 2006	£70 thousand (¥12 million)	100.0% (100.0%)	Note 5
Sompo Japan Nipponkoa Insurance Company of Europe Limited	London (UK)	Overseas insurance	Dec. 9 1993	£173,700 thousand (¥30,930 million)	100.0% (100.0%)	—
Sompo Japan Sigorta Anonim Sirketi	Istanbul (Turkey)	Overseas insurance	Mar. 30, 2001	TRL45,498 thousand (¥2,100 million)	90.0% (90.0%)	—
Sompo Japan Nipponkoa (Asia) Holdings Pte. Ltd.	Singapore (Singapore)	Overseas insurance	Aug. 1, 2008	S$768,075 thousand (¥67,091 million)	100.0% (100.0%)	Note 6
Tenet Sompo Insurance Pte. Ltd.	Singapore (Singapore)	Overseas insurance	Dec. 14, 1989	S$418,327 thousand (¥36,540 million)	100.0% (100.0%)	—
Berjaya Sompo Insurance Berhad	Kuala Lumpur (Malaysia)	Overseas insurance	Sep. 22, 1980	MYR118,000 thousand (¥3,819 million)	70.0% (70.0%)	—
Sompo Japan Nipponkoa Insurance (China) Co., Ltd.	Dalian (China)	Overseas insurance	Jun. 1, 2005	500,000 thousand yuan (¥9,680 million)	100.0% (100.0%)	Note 7
Sompo Japan Nipponkoa Insurance (Hong Kong) Company Limited	Hong Kong (China)	Overseas insurance	Mar. 25, 1977	HK$210,001 thousand (¥3,255 million)	97.8% (97.8%)	—

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Company Name	Location	Major Lines of Business	Date of Establishment	Common Stock	Percentage of Voting Rights of Subsidiaries, etc. Held By the Company	Others
Yasuda Marítima Seguros S.A.	Sao Paulo (Brazil)	Overseas insurance	Oct. 8, 1943	950,246 thousand real (¥35,358 million)	99.9% (99.9%)	Note 8
Yasuda Marítima Saude Seguros S.A.	Sao Paulo (Brazil)	Overseas insurance	Jun. 12, 2001	94,607 thousand real (¥3,520 million)	100.0% (100.0%)	Note 9
(Affiliates accounted for under the equity-method)						
Hitachi Capital Insurance Corporation	Chiyoda-ku Tokyo	Domestic P&C insurance	Jun. 21, 1994	¥6,200 million	20.6% (20.6%)	—
Universal Sompo General Insurance Company Limited	Mumbai (India)	Overseas insurance	Jan. 5, 2007	Rs3,500,000 thousand (¥6,790 million)	26.0% (26.0%)	—

Notes:

1. This table shows the details of significant consolidated subsidiaries and affiliates accounted for under the equity-method.
2. Sompo Japan Insurance Inc. and NIPPONKOA Insurance Company, Limited merged as Sompo Japan Nipponkoa Insurance Inc. on September 1, 2014.
3. NKSJ Himawari Life Insurance, Inc. changed its name to Sompo Japan Nipponkoa Himawari Life Insurance, Inc. on September 1, 2014.
4. Sompo Japan DC Securities Inc. changed its name to Sompo Japan Nipponkoa DC Securities Inc. on September 1, 2014.
5. In connection with the acquisition of 100% of the issued shares of Canopius Group Limited by Sompo Japan Insurance Inc., Canopius Group Limited and its subsidiaries, Canopius Holdings UK Limited, Canopius Managing Agents Limited and Canopius Reinsurance Limited became consolidated subsidiaries of the Company on May 1, 2014.
6. Sompo Japan Asia Holdings Pte. Ltd. changed its name to Sompo Japan Nipponkoa Holdings (Asia) Pte. Ltd. on September 1, 2014.
7. Sompo Japan Insurance (China) Co., Ltd. changed its name to Sompo Japan Nipponkoa Insurance (China) Co., Ltd. on April 1, 2014.
8. Yasuda Seguros S.A. and Marítima Seguros S.A. merged as Yasuda Marítima Seguros S.A. on October 21, 2014.
9. Marítima Saude Seguros S.A. changed its name to Yasuda Marítima Saude Seguros S.A. on October 29, 2014.
10. Sompo Japan DIY Life Insurance CO., LTD. ceased to be a consolidated subsidiary of the Company on August 1, 2014.
11. The yen value displayed in parentheses under the “Common Stock” column is the amount translated at the market exchange rate as of the end of the current period.
12. The figures stated in parentheses in the column of “Percentages of Voting Rights of Subsidiaries, etc. Held by the Company” represent the indirect ownership ratio that is included in the total.

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Overview of Important Business Alliances

1. Comprehensive Business Alliance Between Sompo Japan Nipponkoa Insurance Inc. and The Dai-ichi Life Insurance Company, Limited
   Pursuant to a comprehensive business alliance with The Dai-ichi Life Insurance Company, Limited, Sompo Japan Nipponkoa Insurance Inc. has entered into agreements for agency in business and conduct of administrative work. The Dai-ichi Life Insurance Company, Limited handles P&C insurance products of Sompo Japan Nipponkoa Insurance Inc. and the agencies of Sompo Japan Nipponkoa Insurance Inc. handle life insurance products of The Dai-ichi Life Insurance Company, Limited.
2. Business Alliance with Credit Saison Co., Ltd. by Sompo Japan Nipponkoa Insurance Inc. and SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED
   Pursuant to a business alliance with Credit Saison Co., Ltd., Sompo Japan Nipponkoa Insurance Inc. and SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED develop and provide P&C insurance products to Saison cardholders.

(9) Status of Assignment and Acceptance of Assignment of Businesses, etc.

Date of Assignment of Business, etc.	Status of Assignment of Business, etc.
May 1, 2014	The Company acquired, through Sompo Japan Insurance Inc., the Company's consolidated subsidiary, 100.0% of the issued shares of Canopius Group Limited, making Canopius Group Limited a consolidated subsidiary of the Company.
August 1, 2014	The Company transferred all of the shares of Sompo Japan DIY Life Insurance CO., LTD. held through Sompo Japan Insurance Inc., the Company's consolidated subsidiary (ownership ratio of 90.0%), and as a result, Sompo Japan DIY Life Insurance CO., LTD ceased to be a consolidated subsidiary of the Company.

(10) Other Important Matters Relating to the Present Condition of the Corporate Group

None.

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II. Matters Relating to Company Executives

(1) Overview of Company Executives

(As of March 31, 2015)

Name	Position and Responsibilities in the Company	Significant Positions Concurrently Held	Others
Masaya Futamiya	Representative Director, Chairman Responsibilities in the Company: Overall Management	Representative Director, President and Chief Executive Officer of Sompo Japan Nipponkoa Insurance Inc.	—
Kengo Sakurada	Representative Director, President Responsibilities in the Company: Overall Management, Group CEO (Chief Executive Officer)	Representative Director, Chairman and Executive Officer of Sompo Japan Nipponkoa Insurance Inc.	Note 1
Shinji Tsuji	Representative Director Responsibilities in the Company: Public Relations Department, Corporate Social Responsibility Department, Corporate Management Department, Accounting Department, Internal Audit Department (joint management)	—	—
Shoichiro Takemoto	Director Responsibilities in the Company: Corporate Legal Department, Compliance Department, Risk Management Department, Internal Audit Department (joint management), Group CRO (Chief Risk Officer)	Director, Managing Executive Officer of Sompo Japan Nipponkoa Insurance Inc.	—
Shigeru Ehara	Director Responsibilities in the Company: Global Business Planning Department, Global Business Management Department, Europe Regional Headquarters	Director, Managing Executive Officer of Sompo Japan Nipponkoa Insurance Inc.	—
Keiji Nishizawa	Director Responsibilities in the Company: IT Strategy Planning Department, New Business Development Department, Internal Audit Department (assistant), Group CIO (Chief Information Officer)	Representative Director, Senior Managing Executive Officer of Sompo Japan Nipponkoa Insurance Inc.	Note 2
Takaya Isogai	Director Responsibilities in the Company: Human Capital and General Affairs Department	Representative Director, Deputy President and Senior Managing Executive Officer of Sompo Japan Nipponkoa Insurance Inc.	Note 3

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Name	Position and Responsibilities in the Company	Significant Positions Concurrently Held	Others
Atsushi Kumanomido	Director Responsibilities in the Company: Assistant to the President (Domestic Life Insurance Business)	Representative Director, President and Executive Officer of Sompo Japan Nipponkoa Himawari Life Insurance, Inc.	Note 3
Sawako Nohara	Director (outside)	Representative Director, President of IPSe Marketing, Inc. Project Professor, Keio University Graduate School of Media and Governance Outside Board Member of Nissha Printing Co., Ltd. (Outside Director) Outside Director of Japan Post Bank Co., Ltd. (Outside Director)	Note 4
Isao Endo	Director (outside)	Chairman of Roland Berger Ltd. Professor of the Graduate School of Commerce, Waseda University Director of Ryohin Keikaku Co., Ltd. (Outside Director) Audit & Supervisory Board Member of Yamaha Motor Co., Ltd. (Outside Auditor) Director of Nisshin Steel Co., Ltd. (Outside Director)	Note 4
Tamami Murata	Director (outside)	Attorney at law	Note 4
Scott Trevor Davis	Director (outside)	Director of Seven & I Holdings Co., Ltd. (Outside Director) Audit & Supervisory Board Member of Nissen Holdings Co., Ltd. (Outside Auditor) Professor of the Department of Global Business, College of Business, Rikkyo University Director of Bridgestone Corporation (Outside Director)	Note 4
Eiichi Yoshimitsu	Audit & Supervisory Board Member (Full-Time)	Independent Audit & Supervisory Board Member of Sompo Japan Nipponkoa Himawari Life Insurance, Inc. (Outside Auditor)	—
Toshiyuki Takata	Audit & Supervisory Board Member (Full-Time)	—	—

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Name	Position and Responsibilities in the Company	Significant Positions Concurrently Held	Others
Chikami Tsubaki	Independent Audit & Supervisory Board Member	Certified Public Accountant Statutory Auditor of HEIWA REAL ESTATE CO., LTD. (Outside Auditor)	Note 4 Note 5
Haruo Kasama	Independent Audit & Supervisory Board Member	Attorney at law Director of Japan Post Holdings Co., Ltd. (Outside Director) Audit & Supervisory Board Member of SUMITOMO CORPORATION (Outside Auditor) Audit & Supervisory Board Member of Kewpie Corporation (Outside Auditor)	Note 4
Naoki Yanagida	Independent Audit & Supervisory Board Member	Attorney at law Outside Audit & Supervisory Board Member of Alpine Electronics, Inc. (Outside Auditor)	Note 4
Kazufumi Yunome	Audit & Supervisory Board Member (Full-Time)	—	Note 6

Notes:

1. Mr. Kengo Sakurada retired from the position of Chairman and Chief Executive Officer of Sompo Japan Nipponkoa Insurance Inc. as of March 31, 2015 and assumed the position of Representative Director, Chairman of said company as of April 1, 2015.
2. Mr. Keiji Nishizawa assumed the position of Representative Director, Deputy President and Senior Managing Executive Officer of Sompo Japan Nipponkoa Insurance Inc. as of April 1, 2015.
3. Each of Mr. Takaya Isogai and Mr. Atsushi Kumanomido resigned from the position of Director of the Company as of March 31, 2015.
4. Each of Ms. Sawako Nohara, Mr. Isao Endo, Ms. Tamami Murata, Mr. Scott Trevor Davis, Ms. Chikami Tsubaki and Mr. Haruo Kasama is an “independent director/auditor” which is specified by Tokyo Stock Exchange, Inc. as being unlikely to have a conflict of interest with general stockholders.
5. Ms. Chikami Tsubaki is a specialist in finance, accounting, auditing, and international accounting standards, with experience acquired over many years of actual practice as a certified public accountant. She has a considerable level of experience in connection with finance and accounting.
6. Mr. Kazufumi Yunome resigned from the position of Audit & Supervisory Board Member at the end of the 4th General Meeting of Stockholders of the Company held on June 23, 2014.
7. The Company has introduced an executive officer system in order to accelerate decision-making and to clarify an accountability system.
   The total number of executive officers is thirteen including those who concurrently serve as directors.

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(2) Remuneration, etc., for Officers

Category	Number of Officers for Payment	Total Remuneration, etc.	Total Amount Per Type of Remuneration	
			Basic Remuneration	Stock Compensation-type Stock Option
Directors	15	¥291 million	¥252 million	¥39 million
Audit & Supervisory Board Members	7	¥98 million	¥98 million	―
Total	22	¥389 million	¥350 million	¥39 million

Notes:

1. The number of officers for payment includes four directors and two audit & supervisory board members who resigned at the end of the 4th General Meeting of Stockholders of the Company held on June 23, 2014.
2. Total remuneration, etc. and total amount per type of remuneration, etc. include remuneration, etc. of four directors and two audit & supervisory board members who resigned at the end of the 4th General Meeting of Stockholders of the Company held on June 23, 2014.
3. The total amount of remuneration, etc. of directors includes ¥204 million as remuneration of executive officers for directors who are serving jointly as executive officers (¥172 million in basic remuneration and ¥31 million in stock compensation-type stock options). The remuneration of executive officers is being paid to a total of nine persons.
4. Basic remuneration of directors includes ¥38 million as performance-linked remuneration based on the performance of the previous fiscal year.
5. The amount of reserve for performance-linked remuneration based on the performance of the current fiscal year is ¥45 million.
6. The maximum amounts of remunerations determined by resolutions of the General Meeting of Stockholders are as set out below.

Category	Maximum Amount of Remuneration
Directors	・Basic remuneration not more than ¥400 million per year (of which the amount to outside directors shall be not more than ¥100 million per year) ・Stock compensation-type stock options not more than ¥100 million per year In each case, the amount of remuneration, etc. of directors does not include the portion paid as employee salary to directors serving concurrently as employees.
Audit & Supervisory Board Members	Basic remuneration not more than ¥110 million per year

7. None of the officers are receiving remuneration, etc. from the Company and consolidated subsidiaries of the Company totaling ¥100 million or more.

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Policies on Decisions Pertaining to the Amounts of Remuneration of Officers, or the Method of Calculation Thereof

The Company determines its "Policies on Decisions Pertaining to Remuneration for Officers" by resolution of the Board of Directors, based on the results of consultation with the nomination and compensation committee which is an advisory organ to the Board of Directors. The following is the content thereof:

<Policies on Decisions Pertaining to Remuneration for Officers>

Remuneration for directors, executive officers, and audit & supervisory board members shall in the case of remuneration of directors and executive officers be determined by the Board of Directors after consultation with the nomination and compensation committee, and in the case of remuneration of audit & supervisory board members be determined through discussion between the audit & supervisory board members, in accordance with the policies on decisions pertaining to remuneration for officers.

1. Basic Policy

Remuneration for directors and executive officers shall be in the form of a remuneration structure that gives them continuous incentive toward improving the Company's performance and contributes to improving corporate value over the long term, and shall be a level of remuneration that enables recruiting of superior human resources. Objectiveness and transparency will be achieved by determining the specific level after deliberation by the nomination and compensation committee composed primarily by outside members.

In principle the same structure shall be used for the structure of remuneration of directors and executive officers of subsidiaries.

Remuneration of audit & supervisory board members shall be in the form of a remuneration structure and level that is consistent with their duties and responsibilities, while taking into consideration their independence.

2. Remuneration for Directors

Remuneration of directors shall consist of basic remuneration and stock compensation-type stock options.

Basic remuneration shall consist of monthly remuneration and performance-linked remuneration. Monthly remuneration shall be determined at a fixed amount depending on whether the person is an outside or internal director, or does or does not have authority to represent the company.

Performance-linked remuneration shall be determined in accordance with the performance of the Company, and shall be determined using the benchmarks of the adjusted consolidated profit, net income for the period (consolidated) and the rate of increase or decrease in net assets per share.

Stock compensation-type stock options shall be awarded in order to increase the linking between remuneration and increases in corporate value over the long term.

Nevertheless stock compensation-type stock options and performance-linked remuneration will not be paid to outside directors.

Remuneration as a director and remuneration as an executive officer shall be totaled and paid together to those directors who are serving concurrently as executive officers.

3. Remuneration for Executive Officers

Remuneration of executive officers shall consist of basic remuneration and stock compensation-type stock options.

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Basic remuneration shall consist of monthly remuneration and performance-linked remuneration. Monthly remuneration shall be determined at a fixed amount based on the position of the executive officer. Performance-linked remuneration shall be determined in accordance with corporate performance and individual performance. Corporate performance-linked remuneration shall be determined using the benchmarks of the adjusted consolidated profit, net income for the period (consolidated) and the rate of increase or decrease in net assets per share. Individual performance-linked remuneration shall be determined in accordance with the performance evaluation of executive officers.
Stock compensation-type stock options shall be awarded in order to increase the linking between remuneration and increases in corporate value over the long term.

4. Remuneration for Audit & Supervisory Board Members

Remuneration of audit & supervisory board members shall be determined at a fixed amount through discussion between the audit & supervisory board members, depending on whether the audit & supervisory board member is full time or independent.

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III. Matters Relating to Outside Directors / Independent Audit & Supervisory Board Members

(1) Concurrently Held Positions and Other Circumstances of Outside Directors / Independent Audit & Supervisory Board Members

(As of March 31, 2015)

Name	Concurrently Held Positions and Other Circumstances
Sawako Nohara (Director (outside))	Representative Director, President of IPSe Marketing, Inc. Outside Board Member of Nissha Printing Co., Ltd. Outside Director of Japan Post Bank Co., Ltd.
Isao Endo (Director (outside))	Chairman of Roland Berger Ltd. Director of Ryohin Keikaku Co., Ltd. (Outside Director) Audit & Supervisory Board Member of Yamaha Motor Co., Ltd. (Outside Auditor) Director of Nisshin Steel Co., Ltd. (Outside Director)
Tamami Murata (Director (outside))	—
Scott Trevor Davis (Director (outside))	Director of Seven & I Holdings Co., Ltd. (Outside Director) Audit & Supervisory Board Member of Nissen Holdings Co., Ltd. (Outside Auditor) Director of Bridgestone Corporation (Outside Director)
Chikami Tsubaki (Independent Audit & Supervisory Board Member)	Statutory Auditor of HEIWA REAL ESTATE CO., LTD. (Outside Auditor)
Haruo Kasama (Independent Audit & Supervisory Board Member)	Director of Japan Post Holdings Co., Ltd. (Outside Director) Audit & Supervisory Board Member of SUMITOMO CORPORATION (Outside Auditor) Audit & Supervisory Board Member of Kewpie Corporation (Outside Auditor)
Naoki Yanagida (Independent Audit & Supervisory Board Member)	Outside Audit & Supervisory Board Member of Alpine Electronics, Inc. (Outside Auditor)

Notes:

1. There are no significant capital relationships or business transactions between the Company and the companies in which outside officers hold concurrent positions.
2. Japan Post Insurance Co., Ltd., a subsidiary of Japan Post Holdings Co., Ltd. is engaged in the same type of business as Sompo Japan Nipponkoa Himawari Life Insurance, Inc., the Company's subsidiary.

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(2) Main Activities of Outside Directors / Independent Audit &Supervisory Board Members

Name	Term of Office	Record of Attendance at Meetings of the Board of Directors and Meetings of the Audit & Supervisory Board	Remarks Made at Meetings of the Board of Directors and Meetings of the Audit & Supervisory Board and Other Activities
Sawako Nohara (Director (outside))	1 year and 9 months	Meetings of the Board of Directors: Attended 16 times out of 16 meetings	Based on her experience as a company manager, she makes valuable remarks and statements at meetings of the Board of Directors on a broad range of matters such as points requiring attention regarding the implementation of brand strategy and issues that need to be considered for implementing overseas business management in the same manner as it is implemented domestically. As chairperson of the Nomination and Compensation Committee, she organizes opinions to be expressed to the Board of Directors regarding the nomination policy and the assessment and compensation structure of officers of the Group, and she also makes valuable remarks and statements on such issues. Further, she expresses valuable opinions from time to time to the representative director and others through means other than meetings of the Board of Directors.
Isao Endo (Director (outside))	9 months	Meetings of the Board of Directors: Attended 12 times out of 12 meetings	Based on his professional experience and knowledge as a learned scholar and company manager, he makes valuable remarks and statements at meetings of the Board of Directors on a broad range of matters such as the need for establishing risk management methods in consideration of business characteristics when expanding into service businesses and the importance of developing core businesses in the overseas business. As a member of the Nomination and Compensation Committee, he also makes valuable remarks and statements regarding the nomination policy and the assessment and compensation structure of officers of the Group. Further, he expresses valuable opinions from time to time to the representative director and others through means other than meetings of the Board of Directors.

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Name	Term of Office	Record of Attendance at Meetings of the Board of Directors and Meetings of the Audit & Supervisory Board	Remarks Made at Meetings of the Board of Directors and Meetings of the Audit & Supervisory Board and Other Activities
Tamami Murata (Director (outside))	9 months	Meetings of the Board of Directors: Attended 12 times out of 12 meetings	Based on her professional knowledge as a legal expert, she makes valuable remarks and statements at meetings of the Board of Directors on a broad range of matters such as the direction of product strategy in consideration of the issue of falling birthrates and points requiring attention regarding the execution of business alliance agreements when expanding into new businesses. As a member of the Nomination and Compensation Committee, she also makes valuable remarks and statements regarding the nomination policy and the assessment and compensation structure of officers of the Group. Further, she expresses valuable opinions from time to time to the representative director and others through means other than meetings of the Board of Directors.
Scott Trevor Davis (Director (outside))	9 months	Meetings of the Board of Directors: Attended 12 times out of 12 meetings	Based on his professional knowledge as a learned scholar, he makes valuable remarks and statements at meetings of the Board of Directors on a broad range of matters such as the importance of clarifying grand designs in new business developments and points requiring attention for developing medium- to long-term Group management plans. As a member of the Nomination and Compensation Committee, he also makes valuable remarks and statements regarding the nomination policy and the assessment and compensation structure of officers of the Group. Further, he expresses valuable opinions from time to time to the representative director and others through means other than meetings of the Board of Directors.

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Name	Term of Office	Record of Attendance at Meetings of the Board of Directors and Meetings of the Audit & Supervisory Board	Remarks Made at Meetings of the Board of Directors and Meetings of the Audit & Supervisory Board and Other Activities
Chikami Tsubaki (Independent Audit & Supervisory Board Member)	1 year and 9 months	Meetings of the Board of Directors: Attended 15 times out of 16 meetings Meetings of the Audit & Supervisory Board: Attended 14 times out of 14 meetings	Based on her professional knowledge as a certified public accountant, she makes valuable remarks and statements at meetings of the Board of Directors and meetings of the Audit & Supervisory Board on a broad range of matters such as points requiring attention regarding audit procedures for account closing policy and three-pronged auditing coordination in order to contribute to improvements of the Group's internal control function. Further, she expresses valuable opinions from time to time to the representative director and others through means other than meetings of the Board of Directors and meetings of the Audit & Supervisory Board.
Haruo Kasama (Independent Audit & Supervisory Board Member)	1 year and 9 months	Meetings of the Board of Directors: Attended 14 times out of 16 meetings Meetings of the Audit & Supervisory Board: Attended 14 times out of 14 meetings	Based on his professional knowledge as a legal expert, he makes valuable remarks and statements at meetings of the Board of Directors and meetings of the Audit & Supervisory Board on a broad range of matters such as points requiring attention regarding strengthening overseas business management systems and legal risks related to the integration of overseas business network. Further, he expresses valuable opinions from time to time to the representative director and others through means other than meetings of the Board of Directors and meetings of the Audit & Supervisory Board.
Naoki Yanagida (Independent Audit & Supervisory Board Member)	9 months	Meetings of the Board of Directors: Attended 11 times out of 12 meetings Meetings of the Audit & Supervisory Board: Attended 11 times out of 11 meetings	Based on his professional knowledge as a legal expert, he makes valuable remarks and statements at meetings of the Board of Directors and meetings of the Audit & Supervisory Board on a broad range of matters such as the clarification of rules for initiatives aimed at improving compliance and points requiring attention regarding legal issues, etc. for the promotion of new businesses. Further, he expresses valuable opinions from time to time to the representative director and others through means other than meetings of the Board of Directors and meetings of the Audit & Supervisory Board.

Note: The Company has a nomination and compensation committee as an advisory organ to the Board of Directors.

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(3) Contracts for Limitation of Liability

Name	Overview of the Contracts for Limitation of Liability
Sawako Nohara (Director (outside))	The Company entered into, with each of outside directors and independent audit & supervisory board members, a contract for limitation of liability under Article 423, paragraph 1 of the Companies Act, in accordance with Article 427, paragraph 1 of the Companies Act. The maximum liability pursuant to said contract is the minimum liability amount stipulated in Article 425, paragraph 1 of the Companies Act.
Isao Endo (Director (outside))	
Tamami Murata (Director (outside))	
Scott Trevor Davis (Director (outside))	
Chikami Tsubaki (Independent Audit & Supervisory Board Member)	
Haruo Kasama (Independent Audit & Supervisory Board Member)	
Naoki Yanagida (Independent Audit & Supervisory Board Member)	

(4) Remuneration of Outside Directors / Independent Audit & Supervisory Board Members

	Number of Payees	Remuneration, etc., from Insurance Holding Company	Remuneration, etc., from Parent Company, etc., of Insurance Holding Company
Total remuneration, etc.	10	¥81 million	—

Notes:
1. The number of payees includes two directors and one audit & supervisory board member who resigned from their offices as at the end of the 4th General Meeting of Stockholders held on June 23, 2014.
2. Remuneration, etc., from insurance holding company includes the remuneration, etc. for two directors and one audit & supervisory board member who resigned from their offices as at the end of the 4th General Meeting of Stockholders held on June 23, 2014.
3. The following are the details of remuneration, etc. from the insurance holding company:
   Directors (outside): 6 individuals ¥45 million
   Independent Audit & Supervisory Board Members:
   4 individuals ¥36 million

(5) Opinion of Outside Directors / Independent Audit & Supervisory Board Members

None.

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IV. Equity Shares

(1) Number of Shares

(As of March 31, 2015)

Total number of authorized shares	1,200,000 thousand shares
Total number of shares outstanding	415,352 thousand shares

(2) Total Number of Stockholders at the End of the Current Fiscal Year: 45,796

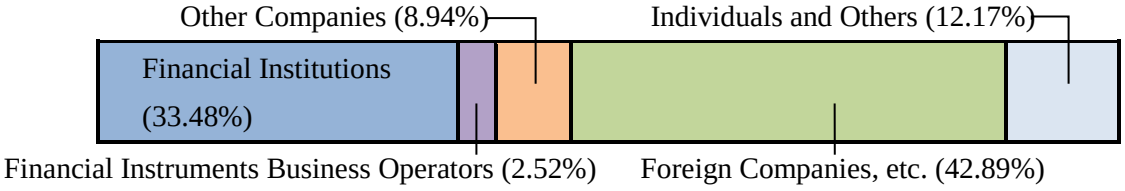
(3) Major Stockholders

(As of March 31, 2015)

Name of Stockholder	Investment in the Company	
	Number of Shares Held	Portion of Shares Outstanding
	Thousands	%
STATE STREET BANK AND TRUST COMPANY	23,467	5.8
The Master Trust Bank of Japan, Ltd. (Trust account)	16,668	4.1
Japan Trustee Services Bank, Ltd. (Trust account)	13,713	3.4
Sompo Japan Nipponkoa Holdings Employee Shareholders Association	11,134	2.7
The Dai-ichi Life Insurance Company, Limited	10,227	2.5
Nippon Express Co., Ltd.	8,001	2.0
STATE STREET BANK AND TRUST COMPANY 505225	6,919	1.7
GOLDMAN SACHS INTERNATIONAL	6,554	1.6
THE BANK OF NEW YORK MELLON SA/NV 10	6,050	1.5
MELLON BANK, N.A. AS AGENT FOR ITS CLIENT MELLON OMNIBUS US PENSION	6,007	1.5

Notes:
1. In addition to the above, the Company holds 7,314 thousand shares of treasury stock.
2. The portion of shares outstanding is calculated after deducting treasury stock.
3. The number of shares held by The Dai-ichi Life Insurance Company, Limited includes 4,492 thousand shares contributed by that company as trust assets for a retirement benefit trust (In the stockholder register, the shares are listed in the name of Mizuho Trust & Banking Co., Ltd., Dai-ichi Life Insurance Retirement Benefit Trust).

Types of Stockholders



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V. Matters Relating to Stock Acquisition Rights

(1) Number of Stock Acquisition Rights That Executives of the Insurance Holding Company Hold as of the Last Day of the Fiscal Year

	Overview of Content of Stock Acquisition Rights	Number of Holders of Stock Acquisition Rights
Directors (excluding outside directors)	The 23rd issue of stock acquisition rights of NKSJ Holdings, Inc. ・Number of stock acquisition rights: 22 ・Type and number of shares underlying stock acquisition rights: 550 shares of common stock (25 shares per stock acquisition right) ・Amount to be paid-in at the time of exercise of each stock acquisition right: ¥1 per share ・Period during which the stock acquisition rights can be exercised: From August 17, 2010 to August 16, 2035 ・Major conditions of exercise of stock acquisition rights: As stated in Note 1	1
	The 24th issue of stock acquisition rights of NKSJ Holdings, Inc. ・Number of stock acquisition rights: 67 ・Type and number of shares underlying stock acquisition rights: 6,700 shares of common stock (100 shares per stock acquisition right) ・Amount to be paid-in at the time of exercise of each stock acquisition right: ¥1 per share ・Period during which the stock acquisition rights can be exercised: From November 1, 2011 to October 31, 2036 ・Major conditions of exercise of stock acquisition rights: As stated in Note 1	3
	The 25th issue of stock acquisition rights of NKSJ Holdings, Inc. ・Number of stock acquisition rights: 221 ・Type and number of shares underlying stock acquisition rights: 22,100 shares of common stock (100 shares per stock acquisition right) ・Amount to be paid-in at the time of exercise of each stock acquisition right: ¥1 per share ・Period during which the stock acquisition rights can be exercised: From August 14, 2012 to August 13, 2037 ・Major conditions of exercise of stock acquisition rights: As stated in Note 1	4

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	The 26th issue of stock acquisition rights of NKSJ Holdings, Inc. ・Number of stock acquisition rights: 128 ・Type and number of shares underlying stock acquisition rights: 12,800 shares of common stock (100 shares per stock acquisition right) ・Amount to be paid-in at the time of exercise of each stock acquisition right: ¥1 per share ・Period during which the stock acquisition rights can be exercised: From August 13, 2013 to August 12, 2038 ・Major conditions of exercise of stock acquisition rights: As stated in Note 1	6
	The 27th issue of stock acquisition rights of NKSJ Holdings, Inc. ・Number of stock acquisition rights: 163 ・Type and number of shares underlying stock acquisition rights: 16,300 shares of common stock (100 shares per stock acquisition right) ・Amount to be paid-in at the time of exercise of each stock acquisition right: ¥1 per share ・Period during which the stock acquisition rights can be exercised: From August 15, 2014 to August 14, 2039 ・Major conditions of exercise of stock acquisition rights: As stated in Note 1	7
Directors (outside)	—	—
Audit & Supervisory Board Members	—	—

Notes:

1. Each of the holders of stock acquisition rights (the "Holder of Stock Acquisition Rights") may exercise his or her stock acquisition rights during the stock acquisition rights exercise period, and only within a period of 10 days from the day following the date on which he or she has lost his or her position as either a director or an executive officer.
   Moreover the Holder of Stock Acquisition Rights is to exercise in one transaction all of the stock acquisition rights that he or she holds, as to the stock acquisition rights (stock compensation-type stock options) that he or she received pursuant to his or her position as a director or an executive officer of the Company, and shall not be allowed to exercise only a part thereof.
2. This table shows the stock acquisition rights that the Company has granted to executives of the Company as consideration for execution of duties.
3. As to a director of the Company who was a director or an executive officer of Sompo Japan Insurance Inc., NIPPONKOA Insurance Company, Limited or NKSJ Himawari Life Insurance, Inc., at the time of grant of these stock acquisition rights, the allocation was made to such director of the Company on the basis of his/her being director or executive officer of Sompo Japan Insurance Inc., NIPPONKOA Insurance Company, Limited or NKSJ Himawari Life Insurance, Inc., as the case may be. The number of the stock acquisition rights, as well as the type and number of the

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underlying shares, held by directors of the Company (excluding outside directors) as of the last day of this fiscal year are as set out below.

The 23rd issue of stock acquisition rights of NKSJ Holdings, Inc.
1,251 (31,275 shares of common stock)
The 24th issue of stock acquisition rights of NKSJ Holdings, Inc.
427 (42,700 shares of common stock)
The 25th issue of stock acquisition rights of NKSJ Holdings, Inc.
359 (35,900 shares of common stock)
The 26th issue of stock acquisition rights of NKSJ Holdings, Inc.
240 (24,000 shares of common stock)
The 27th issue of stock acquisition rights of NKSJ Holdings, Inc.
246 (24,600 shares of common stock)

4. At the time of establishment of the Company, stock acquisition rights that Sompo Japan Insurance Inc. and NIPPONKOA Insurance Company, Limited had issued were extinguished as of April 1, 2010, and the stock acquisition rights of the Company (from the 1st issue of stock acquisition rights through the 22nd issue of stock acquisition rights) were issued on the same date to the holders of the extinguished stock acquisition rights as replacement therefor. The number of stock acquisition rights held by the executives of the Company as of the last day of this fiscal year, as well as the type and number of the underlying shares, are as set out below.

・The 9th issue of Stock acquisition rights of NKSJ Holdings, Inc.:
10 (2,500 shares of common stock)
・The 10th issue of stock acquisition rights of NKSJ Holdings, Inc.:
10 (2,500 shares of common stock)
・The 11th issue of stock acquisition rights of NKSJ Holdings, Inc.:
13 (3,250 shares of common stock)
・The 12th issue of stock acquisition rights of NKSJ Holdings, Inc.:
13 (3,250 shares of common stock)
・The 13th issue of stock acquisition rights of NKSJ Holdings, Inc.:
26 (6,500 shares of common stock)
・The 14th issue of stock acquisition rights of NKSJ Holdings, Inc.:
24 (6,000 shares of common stock)
・The 15th issue of stock acquisition rights of NKSJ Holdings, Inc.:
197 (4,925 shares of common stock)
・The 16th issue of stock acquisition rights of NKSJ Holdings, Inc.:
342 (8,550 shares of common stock)
・The 17th issue of stock acquisition rights of NKSJ Holdings, Inc.:
14 (3,150 shares of common stock)
・The 18th issue of stock acquisition rights of NKSJ Holdings, Inc.:
13 (2,925 shares of common stock)
・The 19th issue of stock acquisition rights of NKSJ Holdings, Inc.:
10 (2,250 shares of common stock)
・The 20th issue of stock acquisition rights of NKSJ Holdings, Inc.:
12 (2,700 shares of common stock)
・The 21st issue of stock acquisition rights of NKSJ Holdings, Inc.:
30 (6,750 shares of common stock)
・The 22nd issue of stock acquisition rights of NKSJ Holdings, Inc.:
36 (8,100 shares of common stock)

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(2) Stock Acquisition Rights, etc., in the Insurance Holding Company That Have Been Granted to Employees, etc., During the Fiscal Year

	Overview of Content of Stock Acquisition Rights	Number of Grantees of Stock Acquisition Rights
Employees	The 27th issue of stock acquisition rights of NKSJ Holdings, Inc. ・Number of stock acquisition rights: 75 ・Type and number of shares underlying the stock acquisition rights: 7,500 shares of common stock (100 shares per stock acquisition right) ・Amount to be paid-in at the time of exercise of each stock acquisition right: ¥1 per share ・Period during which the stock acquisition rights can be exercised: From August 15, 2014 to August 14, 2039 ・Major conditions of exercise of stock acquisition rights: As stated in Note 1	4
Officers and Employees of Subsidiary Corporations	The 27th issue of stock acquisition rights of NKSJ Holdings, Inc. ・Number of stock acquisition rights: 1,245 ・Type and number of shares underlying the stock acquisition rights: 124,500 shares of common stock (100 shares per stock acquisition right) ・Amount to be paid-in at the time of exercise of each stock acquisition right: ¥1 per share ・Period during which the stock acquisition rights can be exercised: From August 15, 2014 to August 14, 2039 ・Major conditions of exercise of stock acquisition rights: As stated in Note 1	57

Notes:

1. Each of the holders of stock acquisition rights (the “Holder of Stock Acquisition Rights”) may, as to the stock acquisition rights granted to him or her pursuant to his or her position as executive officer of the Company, director and executive officer of Sompo Japan Insurance Inc., director and executive officer of NIPPONKOA Insurance Company, Limited, director and executive officer of NKSJ Himawari Life Insurance, Inc., director of SOMPO JAPAN NIPPONKOA ASSET MANAGEMENT CO., LTD., director of Prime Assistance Inc. or director of SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED, exercise such stock acquisition rights during the stock acquisition rights exercise period, and only within a period of 10 days from the day following the date on which he or she has lost his or her position as either a director or an executive officer. Moreover the Holder of Stock Acquisition Rights is to exercise in one transaction all

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of the stock acquisition rights that he or she holds, as to the stock acquisition rights (stock compensation-type stock options) that he or she has received pursuant to his or her position as director and executive officer of the Company, director and executive officer of Sompo Japan Insurance Inc., director and executive officer of NIPPONKOA Insurance Company, Limited, director and executive officer of NKSJ Himawari Life Insurance, Inc., director of SOMPO JAPAN NIPPONKOA ASSET MANAGEMENT CO., LTD., director of Prime Assistance Inc. and director of SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED and shall not be allowed to exercise only a part thereof.

2. This table shows the stock acquisition rights that the Company has granted to employees of the Company as consideration for execution of duties, as well as the stock acquisition rights that have been granted to officers and employees of Sompo Japan Insurance, Inc., NIPPONKOA Insurance Company, Limited, NKSJ Himawari Life Insurance, Inc., SOMPO JAPAN NIPPONKOA ASSET MANAGEMENT CO., LTD., Prime Assistance Inc. and SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED pursuant to a setoff of the claims for remuneration as consideration for execution of duties in the relevant company and the duty to pay in the payment for the stock acquisition rights.
3. This table does not include the 246 stock acquisition rights that were granted to directors of the Company who were directors or executive officers of Sompo Japan Insurance, Inc., NIPPONKOA Insurance Company, Limited or NKSJ Himawari Life Insurance, Inc. at the time of grant of the stock acquisition rights pursuant to a setoff of the claims for remuneration as consideration for execution of duties in the relevant company, and the duty to pay in the payment for the stock acquisition rights.
4. The total number of the stock acquisition rights granted by the Company as of the last day of the current fiscal year is 10,423, with the type and number of the underlying shares being 876,575 shares of common stock.

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VI. Matters Relating to Accounting Auditor

(1) Status of Accounting Auditor

Name	Remuneration, etc., in Connection With the Relevant Fiscal Year	Others
Ernst & Young ShinNihon LLC Designated Member with limited liability: Yuji Ozawa Designated Member with limited liability: Norio Hashiba Designated Member with limited liability: Makoto Kubodera	¥31 million	The Company entrusts to the Accounting Auditor the advisory services concerning development of ERM system as services other than the services stipulated in Article 2, paragraph 1 of the Certified Public Accountants Act (non-audit services).

Notes:
1. The auditing agreement between the Company and the accounting auditor does not classify between audits pursuant to the Companies Act and audits pursuant to the Financial Instruments and Exchange Act. Moreover this distinction cannot substantively be made, so the total has been stated.
2. The total amount of cash and other property benefits that the Company and its subsidiary corporations are to pay to the accounting auditor is ¥450 million.

(2) Contract for Limitation of Liability

None.

(3) Other Matters Concerning the Accounting Auditor

A. Policy on Decisions pertaining to Dismissal or Not Reappointing the Accounting Auditor

If the Audit & Supervisory Board of the Company determines that the accounting auditor falls under any case prescribed in each item of Article 340, paragraph 1 of the Companies Act, the Audit & Supervisory Board dismisses the accounting auditor pursuant to unanimous consent of all Audit & Supervisory Board Members. The Audit & Supervisory Board verifies, through its full-year audit activities, the compliance with the auditing standards and quality control standards for audit established by the Business Accounting Council, in which the expertise, professional ethics, independence, an audit implementation system, a quality control system, and the duty performance status of the accounting auditor are included. As a result of the audits, if the Audit & Supervisory Board finds that the accounting auditor cannot properly perform its duties or it is deemed necessary for other reasons, the Audit & Supervisory Board, in accordance with the provisions prescribed in Article 344 of the Companies Act, determines the content of a

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proposal for dismissal or not reappointing the accounting auditor, and submit the proposal to the General Meeting of Stockholders.

B. Examination of Financial Statements of Significant Subsidiary Corporations, etc. of the Insurance Holding Company, by a Certified Public Accountant or an Accounting Corporation Other Than the Accounting Auditor of the Insurance Holding Company

Among significant subsidiary corporations of the Company, overseas subsidiary corporations are audited by accounting corporations other than the accounting auditor of the Company.

VII. Basic Policy on what the Persons Controlling Financial and Business Policy Decisions ought to be

None.

VIII. Systems to Ensure the Appropriate Performance of the Business Operations

The Company's Board of Directors has resolved the Basic Policy on Internal Control based on relevant laws and regulations, and the Sompo Japan Nipponkoa Group (the "Group") Management Philosophy for the purpose of ensuring that the Group business operations are appropriately performed and that corporate governance is continually reinforced and qualitatively improved. The details thereof are as follows. Under this Basic Policy, the Company continuously seeks to monitor and verify the Group's control systems and works to improve related structures.

Basic Policy on Internal Controls

1. System for Ensuring Proper Conduct of Operations of the Group

As set forth below, Sompo Japan Nipponkoa Holdings shall establish systems required to ensure that its operations and the operations of its Group companies are conducted properly.

(1) Sompo Japan Nipponkoa Holdings shall present the Group Management Philosophy, the Group Action Guideline, the Group Vision, the Group Basic Management Policies, the Group Personnel Vision, and the Group CSR Vision to its Group companies.
(2) Sompo Japan Nipponkoa Holdings shall prescribe the Management of Group Companies and appropriately manage its Group companies. As to its directly owned subsidiaries, Sompo Japan Nipponkoa Holdings shall enter into management agreements with them and appropriately exercise its shareholder's rights. As to other Group companies, Sompo Japan Nipponkoa Holdings shall manage them directly or through the directly owned subsidiaries.
(3) Sompo Japan Nipponkoa Holdings shall establish systems for approval and reporting of its Group companies' business strategies and other important matters that affect Group operations.
(4) Sompo Japan Nipponkoa Holdings shall appropriately manage the Group by formulating various basic policies that prescribe the Group's control framework and

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disseminating thereof. Sompo Japan Nipponkoa Holdings shall also have its Group companies formulate their own rules suited to their business operations and establish systems based on these basic rules and shall establish a system for having matteres pertaining to the execution of duties by their directors and other board members of its Group companies reported.

(5) Sompo Japan Nipponkoa Holdings shall establish systems for information collection, inspections, and examinations required for management decisions. Sompo Japan Nipponkoa Holdings shall also seek to activate management discussions through such means as reliably providing information to independent directors, and ensure the adequacy of management decisions on important matters regarding Group management.

(6) Sompo Japan Nipponkoa Holdings shall prescribe the Sompo Japan Nipponkoa Group Basic Policy on Intra-Group Transactions, appropriately monitor and review material intragroup transactions and other such matters, and ensure the fairness and soundness of intragroup transactions.

2. System for Ensuring Execution of Duties in Compliance with Applicable Laws and the Firm's Articles of Incorporation

As set forth below, Sompo Japan Nipponkoa Holdings shall establish systems required to ensure that its own and its Group companies' directors, executive officers, and employees ("Officers and Employees") execute their duties in compliance with applicable laws and the firm's Articles of Incorporation.

(1) Sompo Japan Nipponkoa Holdings shall verify that its own and its Group companies' Officers and Employees are executing their duties in a legally compliant manner through such means as reporting on the state of directors' execution of their duties at Board of Directors meetings.

(2) Sompo Japan Nipponkoa Holdings shall prescribe the Sompo Japan Nipponkoa Group Basic Policy on Compliance, and the Compliance Code of Conduct to establish compliance systems. Sompo Japan Nipponkoa Holdings shall also issue a compliance manual with standards of conduct for Officers and Employees of the Group, and conduct ongoing education and training based on compliance manual to disseminate these basic policies, the code of conduct, and compliance manual.

(3) Sompo Japan Nipponkoa Holdings shall establish a department that controls compliance matters across the board and manage the progress of compliance programs that formulate plans in response to compliance issues. Additionally, Compliance Committee shall confer on the Group's compliance promotion systems and methods and monitor the states of compliance promotion.

(4) Sompo Japan Nipponkoa Holdings and its Group companies shall establish systems for internal reporting, internal whistle-blowing, and internal audits of misconduct and other such incidents, and properly rectify or otherwise respond to such matters.

(5) Sompo Japan Nipponkoa Holdings shall prescribe the Sompo Japan Nipponkoa Group Basic Policy on Response to Customer Feedback and establish effective systems for responding to customer feedback.

(6) Sompo Japan Nipponkoa Holdings shall prescribe the Sompo Japan Nipponkoa Group Basic Policy on the Establishment and Maintenance of Customer Information Management System and appropriately manage customer information.

(7) Sompo Japan Nipponkoa Holdings shall prescribe the Security Policy to ensure appropriate management systems for information assets.

(8) Sompo Japan Nipponkoa Holdings shall prescribe Sompo Japan Nipponkoa Group Basic Policy on Managing Conflict-of-Interest Transactions, and appropriately manage conflict-of-interest transactions with the potential to unduly harm customers' interests.

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(9) Sompo Japan Nipponkoa Holdings shall prescribe the Sompo Japan Nipponkoa Group Basic Policy on Response to Antisocial Forces and establish systems for responding to such antisocial forces. Sompo Japan Nipponkoa Holdings shall deal with antisocial forces resolutely to reject undue claims from and sever relationships with antisocial forces by cooperating with specialized agencies.

3. Strategic Risk Management Frameworks

Sompo Japan Nipponkoa Holdings shall prescribe the Group Basic Policy on ERM and implement the Strategic Risk Management, i.e. an ERM designed to minimize unforeseen losses while effectively utilizing its capital, increasing its profits under appropriate control of risks, and maximizing the Group's corporate value.

(1) To ensure the effectiveness of the Strategic Risk Management, Sompo Japan Nipponkoa Holdings shall establish and promote the frameworks for Strategic Risk Management such as the Group Risk Appetite Statement to work as a guideline for risk takings in capital budgeting.
Sompo Japan Nipponkoa Holdings shall also appropriately manage risks that may confront the Group as a whole, through the adequate assessment of the risks inherent to a group structure and of the outline of various risk characteristics that exist within the Group.
Sompo Japan Nipponkoa Holdings shall establish the Group ERM Promotion Committee and the Risk Management Committee for this purpose.

(2) Sompo Japan Nipponkoa Holdings shall have its Group companies develop and implement the appropriate frameworks for strategic risk management including assessment and evaluation of risks, according to their scope, scale and characteristics of operations.

4. System to Ensure Effective and Accurate Execution of Duties

As set forth below, Sompo Japan Nipponkoa Holdings shall delegate authority for execution of job duties, prescribe rules regarding decision-making and reporting, establish a command and control structure, and effectively utilize management resources to ensure that its own and its Group companies' Officers and Employees execute their duties properly and efficiently.

(1) Sompo Japan Nipponkoa Holdings shall formulate the Group's mid-term management plans and fiscal year plans and share these plans with its Group companies.

(2) The Executive Management Meeting shall confer on matters pertaining to the performance of the Group's key operations and seek to improve the efficiency and effectiveness of Board of Directors' deliberations.

(3) Sompo Japan Nipponkoa Holdings and its Group companies shall clearly identify matters in which the Board of Directors is to be involved by designating matters over which the Board of Directors has decision-making authority and matters to be reported to the Board of Directors. They shall also determine executive officers and other personnel's decision-making authority consistent with the matters thus designated.

(4) Sompo Japan Nipponkoa Holdings and its Group companies shall establish rules and clearly define internal organizational units' objectives and scope of responsibilities, and shall determine for each organizational unit division of its duties, executives, and scope of operational authority.

(5) To achieve highly reliable, convenient, and effective business operations, Sompo Japan Nipponkoa Holdings shall prescribe the Sompo Japan Nipponkoa Group Basic Policy on IT system Strategy and IT system Risk Management and establish adequate and accurate Group IT systems.

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(6) Sompo Japan Nipponkoa Holdings shall prescribe the Sompo Japan Nipponkoa Group Basic Policy on Establishing Business Continuity Systems and establish systems to ensure the continuity or early restoration of the Group's key operations during times of crisis, including major natural disasters, and ensure the stability and soundness of the Group's operational foundation in times of emergency.

5. System for Ensuring the Financial Soundness and Adequacy of Financial Reporting

(1) Sompo Japan Nipponkoa Holdings shall prescribe the Basic Policy on Managing Financial Soundness and Actuarial Matters and establish management systems to ensure financial soundness.
(2) Sompo Japan Nipponkoa Holdings shall prescribe the Sompo Japan Nipponkoa Group Basic Policy for Establishing Internal Controls over Financial Reporting and, to ensure adequacy and reliability of its financial reporting on a consolidated basis, determine a framework for establishment, operation, and evaluation of internal controls over the Group's financial reporting and establish requisite systems within its own and its Group companies.

6. Systems for Ensuring Appropriate Information Disclosure

Sompo Japan Nipponkoa Holdings shall prescribe the Disclosure Policy and set up a department that controls disclosure matters and the Disclosure Committee based on laws and regulations to establish systems for timely and appropriate disclosure of information concerning its business activities.

7. System for Retention and Management of Information Related to Directors and Executive Officers' Performance of their Duties

To appropriately retain and manage information related to its own and its Group companies' directors and executive officers' performance of their duties, Sompo Japan Nipponkoa Holdings shall prescribe rules dictating methods for retaining and managing information related to its own and its Group companies' directors and executive officers' execution of their duties, including minutes of Board of Directors and other important meetings and documentation related thereto. Sompo Japan Nipponkoa Holdings shall also establish system required to retain and manage such information.

8. System to Ensure Internal Audits' Effectiveness

To ensure the effectiveness of its own and its Group companies' internal audits, Sompo Japan Nipponkoa Holdings shall prescribe the Sompo Japan Nipponkoa Group Basic Policy on Internal Audits and establish systems required thereby. Said basic policy shall define matters related to internal audit sections' independence from audited organizational sections, planning and conduct of internal audits, and Group companies' compliance duties with respect to internal audits.

9. System Related to Audit & Supervisory Board Members' Audits

Sompo Japan Nipponkoa Holdings shall establish the following systems to improve the effectiveness of Audit & Supervisory Board Members' audits:

9-1. Matters relating to employees who assist Audit & Supervisory Board Members in the performance of their duties

Sompo Japan Nipponkoa Holdings shall establish an Audit & Supervisory Board

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Members' office and, at Audit & Supervisory Board Members' requests, appoint personnel with the requisite knowledge and experience to serve as Staff of Audit & Supervisory Board (employees to assist with Audit & Supervisory Board Members' duties) assigned exclusively to audit duty. Sompo Japan Nipponkoa Holdings shall also prescribe rules regarding Staff of Audit & Supervisory Board and ensure their independence from executive functions and the effectiveness of instructions issued by Audit & Supervisory Board Members to the Staff of the Audit & Supervisory Board as follows.

(1) Sompo Japan Nipponkoa Holdings shall ensure Staff of Audit & Supervisory Board's independence from directors by making decisions regarding Staff's appointment, dismissal and compensation subject to the approval of a standing Members and by seeking a standing Members' approval of Staff's personnel evaluations.
(2) In conducting their duties, Staff of Audit & Supervisory Board shall follow the instructions and orders of Audit & Supervisory Board Members only and not receive instructions or orders from directors, executive officers, or other non-audit personnel.
(3) Staff of Audit & Supervisory Board shall have the authority to collect information required in relation to their duties ordered by Audit & Supervisory Board Members.

9-2. System for Reporting to Audit & Supervisory Board Members

(1) Sompo Japan Nipponkoa Holdings shall, under the Audit & Supervisory Board's approval, prescribe matters that are to be reported to Audit & Supervisory Board Members by Officers and Employees (including gross violations of laws or Articles of Incorporation or other improprieties in connection with execution of duties that potentially may cause a material loss for the company) and the timing of such reports. Officers and Employees shall unfailingly submit reports in accord with such prescriptions and other reports requested by Audit & Supervisory Board Members. Provided, however, that none of such Officers and Employees who have submitted such reports to Audit & Supervisory Board Members shall be treated unfavorably because of such submission.
(2) When Audit & Supervisory Board Members express opinions on directors or executive officers' execution of their duties or recommend improvements thereof, the director or executive officer in question shall report back to the Audit & Supervisory Board Members on progress in addressing the matter cited by the Audit & Supervisory Board Members.

9-3. Other Systems to Ensure that Audit & Supervisory Board Members' Audits are Conducted Effectively

(1) Audit & Supervisory Board Members may attend and express their opinions to the Board of Directors, Executive Management Meeting and other important meetings.
(2) Sompo Japan Nipponkoa Holdings shall ensure that there are opportunities for Audit & Supervisory Board Members to appropriately and fully exchange opinions with directors, executive officers, internal audit sections, accounting auditors and other persons required to appropriately perform the duty of Audit & Supervisory Board Members. Officers and Employees shall submit reports on matters concerning the performance of their duties at the request of Audit & Supervisory Board Members.
(3) Sompo Japan Nipponkoa Holdings shall respond to Audit & Supervisory Board Members' requests concerning access to the minutes of important meetings and other important documents (including electromagnetic records).
(4) Sompo Japan Nipponkoa Holdings shall ensure that there are opportunities for Audit & Supervisory Board Members to cooperate with the Audit & Supervisory Board Members of Group companies and collect information from Officers and Employees

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of Group companies at the request of Audit & Supervisory Board Members.

(5) When Audit & Supervisory Board Members submit a request for the coverage of costs arising in connection with the execution of their duties, it shall be appropriately processed according to the request made by the Audit & Supervisory Board Members.

-- End

IX. Matters Relating to Accounting Advisors

None.

X. Others

None.

Attachment (2)

Consolidated Balance Sheet

For the fiscal year 2014 (As of March 31, 2015)

(Millions of yen)

Assets:	
Cash and deposits	523,465
Receivables under resale agreements	71,985
Monetary receivables bought	14,234
Money trusts	111,293
Securities	7,682,930
Loans	604,058
Tangible fixed assets:	343,322
Land	180,226
Buildings	126,407
Leased assets	5,225
Construction in progress	3,825
Other tangible fixed assets	27,637
Intangible fixed assets:	100,230
Software	7,973
Goodwill	83,636
Other intangible fixed assets	8,620
Other assets	795,963
Net defined benefit asset	315
Deferred tax assets	11,560
Allowance for possible credit losses	(5,928)
Total assets	10,253,431
Liabilities:	
Underwriting funds:	7,579,309
Reserve for outstanding losses and claims	1,264,221
Underwriting reserves	6,315,087
Corporate bonds	135,958
Other liabilities	416,340
Net defined benefit liability	96,854
Reserve for retirement benefits to directors	64
Reserve for bonus payments	24,567
Reserve for bonus payments to directors	216
Reserves under the special laws:	53,553
Reserve for price fluctuation	53,553
Deferred tax liabilities	116,713
Total liabilities	8,423,578

Net assets:	
Common stock	100,045
Capital surplus	438,306
Retained earnings	222,682
Treasury stock	(19,067)
Total shareholders' equity	741,967
Unrealized gains and losses on securities available for sale	1,048,718
Deferred gains and losses on hedges	8,085
Foreign currency translation adjustments	26,046
Remeasurements of defined benefit plans	(3,235)
Total accumulated other comprehensive income	1,079,614
Stock acquisition rights	1,550
Non-controlling interests	6,720
Total net assets	1,829,852
Total liabilities and net assets	10,253,431

Attachment (3)

Consolidated Statement of Income

For the fiscal year 2014 (April 1, 2014 to March 31, 2015)

(Millions of yen)

Ordinary income:	3,282,343
Underwriting income:	3,043,075
Net premiums written	2,508,031
Deposits of premiums by policyholders	144,213
Interest and dividend income on deposits of premiums, etc.	46,126
Life insurance premiums written	277,208
Reversal of reserve for outstanding losses and claims	55,789
Other underwriting income	11,705
Investment income:	213,680
Interest and dividend income	161,246
Investment gains on money trusts	6,304
Investment gains on trading securities	6,649
Gains on sales of securities	66,865
Gains on redemption of securities	1,072
Investment gains on special account	3,261
Other investment income	14,407
Transfer of interest and dividend income on deposits of premiums, etc.	(46,126)
Other ordinary income:	25,588
Investment gains on the equity method	175
Other ordinary income	25,412
Ordinary expenses:	3,074,034
Underwriting expenses:	2,581,292
Net claims paid	1,531,221
Loss adjustment expenses	135,161
Net commissions and brokerage fees	476,876
Maturity refunds to policyholders	293,114
Dividends to policyholders	105
Life insurance claims paid and other payments	78,594
Provision for underwriting reserves	61,626
Other underwriting expenses	4,591
Investment expenses:	17,288
Investment losses on money trusts	163
Losses on sales of securities	1,468
Impairment losses on securities	1,434
Losses on redemption of securities	82
Losses on derivatives	11,512
Other investment expenses	2,627

Operating, general and administrative expenses	465,019
Other ordinary expenses:	10,434
Interest paid	6,067
Provision for allowance for possible credit losses	167
Losses on bad debt	9
Other ordinary expenses	4,190
Ordinary profit	208,309
Extraordinary gains:	1,476
Gains on disposal of fixed assets	1,334
Gains on negative goodwill	0
Other extraordinary gains	140
Extraordinary losses:	105,258
Losses on disposal of fixed assets	1,645
Impairment losses	5,517
Provision for reserves under the special laws:	9,782
Provision for reserve for price fluctuation	9,782
Other extraordinary losses	88,314
Net income before income taxes and non-controlling interests	104,527
Income taxes	14,569
Deferred income taxes	34,892
Total income taxes	49,461
Net income before non-controlling interests	55,066
Income attributable to non-controlling interests	790
Net income	54,276

Attachment (4)

Non-Consolidated Balance Sheet

For the fiscal year 2014 (As of March 31, 2015)

(Millions of yen)

Assets:	
Current assets:	56,202
Cash and bank deposits	2,479
Prepaid expenses	8
Deferred tax assets	65
Accounts receivable	53,611
Others	36
Fixed assets:	858,527
Tangible fixed assets:	157
Buildings	142
Tools, furniture and equipment	15
Investments and other assets:	858,370
Investments in subsidiaries and affiliates	858,276
Deferred tax assets	0
Others	92
Total assets	914,729
Liabilities:	
Current liabilities:	19,784
Short-term loans payable to subsidiaries and affiliates	19,000
Accounts payable	425
Accrued expenses	13
Income taxes payable	9
Consumption taxes payable	128
Reserve for bonus payments	161
Reserve for bonus payments to directors	45
Others	0
Total liabilities	19,784
Net assets:	
Shareholders' equity:	893,394
Common stock	100,045
Capital surplus:	776,611
Capital reserves	25,045
Other capital surplus	751,565
Retained earnings:	35,804
Other retained earnings:	35,804
Retained earnings carried forward	35,804
Treasury stock	(19,067)
Stock acquisition rights	1,550
Total net assets	894,944
Total liabilities and net assets	914,729

Attachment (5)

Non-Consolidated Statement of Income

For the fiscal year 2014 (April 1, 2014 to March 31, 2015)

(Millions of yen)

Operating income:	
Dividends received from subsidiaries and affiliates	32,907
Fees received from subsidiaries and affiliates	3,661
Total operating income	36,568
Operating expenses:	
Operating, general and administrative expenses	3,531
Total operating expenses	3,531
Operating profit	33,037
Non-operating income:	
Gains on forfeiture of unclaimed dividends	34
Office work fee	3
Interest on refund	2
Others	0
Total non-operating income	40
Non-operating expenses:	
Interest paid	17
Others	4
Total non-operating expenses	22
Ordinary profit	33,055
Extraordinary gains:	
Gains on reversal of stock acquisition rights	140
Total extraordinary gains	140
Extraordinary losses:	
Losses on retirement of fixed assets	1
Others	14
Total extraordinary losses	16
Net income before income taxes	33,180
Income taxes	112
Deferred income taxes	(2)
Total income taxes	109
Net income	33,070

Attachment (6) [English Translation of the Auditors' Report Originally Issued in Japanese Language]

Independent Auditor's Report

May 18, 2015

The Board of Directors
Sompo Japan Nipponkoa Holdings, Inc.

Ernst & Young ShinNihon LLC

Yuji Ozawa
Certified Public Accountant
Designated and Engagement Partner

Norio Hashiba
Certified Public Accountant
Designated and Engagement Partner

Makoto Kubodera
Certified Public Accountant
Designated and Engagement Partner

Pursuant to Article 444, Section 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the notes to the consolidated financial statements of Sompo Japan Nipponkoa Holdings, Inc. (the "Company", formerly NKSJ Holdings, Inc.) applicable to the fiscal year from April 1, 2014 through March 31, 2015.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Sompo Japan Nipponkoa Group, which consisted of the Company and consolidated subsidiaries, applicable to the fiscal year ended March 31, 2015 in conformity with accounting principles generally accepted in Japan.

Conflicts of Interest

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

Attachment (7) [English Translation of the Auditors' Report Originally Issued in Japanese Language]

Independent Auditor's Report

May 18, 2015

The Board of Directors
Sompo Japan Nipponkoa Holdings, Inc.

Ernst & Young ShinNihon LLC

Yuji Ozawa
Certified Public Accountant
Designated and Engagement Partner

Norio Hashiba
Certified Public Accountant
Designated and Engagement Partner

Makoto Kubodera
Certified Public Accountant
Designated and Engagement Partner

Pursuant to Article 436, Section 2, Paragraph 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets, the notes to the financial statements and the related supplementary schedules of Sompo Japan Nipponkoa Holdings, Inc. (the "Company", formerly NKSJ Holdings, Inc.) applicable to the 5th fiscal year from April 1, 2014 through March 31, 2015.

Management's Responsibility for the Financial Statements and the Related Supplementary Schedules

Management is responsible for the preparation and fair presentation of these financial statements and the related supplementary schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements and the related supplementary schedules that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements and the related supplementary schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the related supplementary schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the related supplementary schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements and the related supplementary schedules, whether due to fraud or error. The purpose of an audit of the financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements and the related supplementary schedules in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the related supplementary schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements and the related supplementary schedules referred to above present fairly, in all material respects, the financial position and results of operations of the Sompo Japan Nipponkoa Holdings, Inc. applicable to the 5th fiscal year ended March 31, 2015 in conformity with accounting principles generally accepted in Japan.

Conflicts of Interest

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Attachment (8)

Certified Copy of the Audit Report of the Audit & Supervisory Board

Audit Report

The Audit & Supervisory Board has prepared this audit report following deliberation on the basis of audit reports as prepared by each audit & supervisory board member in respect of the duties as performed by the directors of the Company during the 5th fiscal year from April 1, 2014 to March 31, 2015 and hereby reports as follows:

1. Audit Methods and Contents of Audit & Supervisory Board Members and the Audit & Supervisory Board

The Audit & Supervisory Board established the audit policy and audit plans, etc., received reports from each audit & supervisory board member on audit field work performed and audit results, and also received reports from directors, etc. and the accounting auditor concerning the status of the performance of their duties, and requested explanations if and when needed.

Each audit & supervisory board member, in conformity with general audit standards set out by the Audit & Supervisory Board and in accordance with the audit policy and audit plans, has requested communications with directors and employees from internal audit and other departments, strove to collect information and developed the environment for audit, attended the Board of Directors meetings and other pertinent meetings, received reports from directors and employees concerning the status of the performance of their duties, and requested explanations if and when needed, gained access to important approval documents, and examined the status of business operations and assets.

Further, we received reports periodically from directors and employees concerning the contents of Board of Directors resolutions relating to the establishment of the system to ensure that directors comply with the laws and regulations and the articles of incorporation in the performance of their duties and other systems stipulated by Paragraphs 1 and 3 of Article 100 of the Ordinance for Enforcement of the Companies Act as necessary to ensure that business operations of companies are performed appropriately as well as the status of the system developed under the said Board of Directors resolutions (the internal control systems). We requested explanations concerning the said reports if and when needed and made remarks and statements with respect thereto.

With respect to the internal control systems pertaining to the financial reporting under the Financial Instruments and Exchange Act, we received reporting concerning the evaluation of the relevant internal control systems and the status of audit from directors, etc. and ERNST &YOUNG SHINNIHON LLC, and requested explanations if and when needed.

As for subsidiaries, we requested communications and an exchange of information with directors and audit & supervisory board members of subsidiaries, and received business reports from subsidiaries if and when needed.

On the basis of the above-mentioned methods, we examined the business report and supplementary schedules thereof for the relevant fiscal year.

Furthermore, we have monitored and inspected whether the accounting auditor has maintained its independent position and conducted proper auditing and received reports from the accounting auditor on the status of the performance of its duties and requested explanations if and when needed.

We have also received the notification from the accounting auditor that it has developed the "internal system for ensuring the appropriate execution of duties (matters listed in each item of Article 131, the Ordinance for Company Accounting) in accordance with "Quality Control Standards for audit" (Business Accounting Council, October 28, 2005), and requested explanations if and when needed.

On the basis of the above-described audit methods, we have examined the financial statements (balance sheet, statement of income (loss), statement of changes in net assets and notes to non-consolidated financial statements) for the relevant fiscal year, supplementary schedules thereof and the consolidated financial statements (consolidated balance sheet, consolidated statement of income (loss), consolidated statement of changes in net assets and notes to consolidated financial statements) for the relevant fiscal year.

2. Audit Results

(1) Audit Results for the Business Report, etc.

(i) The business report and supplementary schedules thereof properly represent conditions at the Company in accordance with relevant laws and regulations and the Company's articles of incorporation.

(ii) There are no inappropriate behaviors or serious violations of the laws, regulations or the Company's articles of incorporation relating to directors' performance of their duties.

(iii) The contents of the Board of Directors resolution concerning the internal control systems are appropriate. Further, there are no matters to be raised regarding the statements in the business report and performance of duties by directors with respect to the internal control systems, including the internal control systems pertaining to the financial reporting under the Financial Instruments and Exchange Act.

(2) Audit Results for the Financial Statements and Supplementary Schedules thereof

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

The audit methods used and results obtained by the accounting auditor, ERNST & YOUNG SHINNIHON LLC, are appropriate.

(3) Audit Results for the Consolidated Financial Statements and Supplementary Schedules thereof

The audit methods used and results obtained by the accounting auditor, ERNST & YOUNG SHINNIHON LLC, are appropriate.

May19, 2015

The Audit & Supervisory Board, Sompo Japan Nipponkoa Holdings, Inc.

Eiichi Yoshimitsu, Audit & Supervisory Board Member (full-time)
Toshiyuki Takata, Audit & Supervisory Board Member (full-time)
Chikami Tsubaki, Independent Audit & Supervisory Board Member
Haruo Kasama, Independent Audit & Supervisory Board Member
Naoki Yanagida, Independent Audit & Supervisory Board Member

Attachment (9)

Consolidated Statement of Changes in Net Assets

For the fiscal year 2014 (April 1, 2014 to March 31, 2015)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	100,045	438,536	188,087	(9,825)	716,845
Cumulative effects of changes in accounting policies			4,665		4,655
Restated balance	100,045	438,536	192,753	(9,825)	721,511
Changes during the period:					
Dividends			(24,578)		(24,578)
Net income			54,276		54,276
Acquisition of treasury stock				(10,050)	(10,050)
Disposal of treasury stock		(230)		808	577
Changes in the scope of consolidation			231		231
Net changes in items other than shareholders' equity					
Total changes during the period	–	(230)	29,928	(9,242)	20,456
Balance at the end of the period	100,045	438,306	222,682	(19,067)	741,967

	Accumulated other comprehensive income					Stock acquisition rights	Non-controlling interests	Total net assets
	Unrealized gains and losses on securities available for sale	Deferred gains and losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the period	659,375	7,205	(4,341)	3,120	665,360	1,851	6,096	1,390,153
Cumulative effects of changes in accounting policies								4,665
Restated balance	659,375	7,205	(4,341)	3,120	665,360	1,851	6,096	1,394,819
Changes during the period:								
Dividends								(24,578)
Net income								54,276
Acquisition of treasury stock								(10,050)
Disposal of treasury stock								577
Changes in the scope of consolidation								231
Net changes in items other than shareholders' equity	389,342	880	30,387	(6,355)	414,254	(300)	623	414,577
Total changes during the period	389,342	880	30,387	(6,355)	414,254	(300)	623	435,033
Balance at the end of the period	1,048,718	8,085	26,046	(3,235)	1,079,614	1,550	6,720	1,829,852

Attachment (10)

Notes to the consolidated financial statements

Significant Accounting Policies for the Preparation of the Consolidated Financial Statements

Sompo Japan Nipponkoa Holdings, Inc. (the “Company”) prepares the consolidated financial statements in accordance with the “Ordinance on Accounting of Companies” (Ordinance of the Ministry of Justice No. 13, 2006) and the “Ordinance for Enforcement of the Insurance Business Act” (Ordinance of the Ministry of Finance No. 5, 1996) pursuant to the provision of Article 118 of the “Ordinance on Accounting of Companies”.

The definitions of subsidiaries and affiliates, etc. conform to Article 2 of the “Ordinance on Accounting of Companies”.

1. Scope of consolidation
   (1) Number of consolidated subsidiaries: 84 companies
   Name of major consolidated subsidiaries
   Sompo Japan Nipponkoa Insurance Inc.
   Sonpo 24 Insurance Company Limited
   SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED
   Sompo Japan Nipponkoa Insurance Services Inc.
   Sompo Japan Nipponkoa Himawari Life Insurance, Inc.
   Sompo Japan Nipponkoa DC Securities Inc.
   SOMPO JAPAN NIPPONKOA ASSET MANAGEMENT CO., LTD.
   Healthcare Frontier Japan Inc.
   Sompo Japan Nipponkoa Holdings (Americas) Inc.
   Sompo Japan Insurance Company of America
   Canopius Group Limited
   Canopius Holdings UK Limited
   Canopius Managing Agents Limited
   Canopius Reinsurance Limited
   Sompo Japan Nipponkoa Insurance Company of Europe Limited
   NIPPONKOA Insurance Company (Europe) Limited
   NIPPONKOA Management Services (Europe) Limited
   Sompo Japan Sigorta Anonim Sirketi
   Sompo Japan Nipponkoa Holdings (Asia) Pte. Ltd.
   Tenet Sompo Insurance Pte. Ltd.
   Berjaya Sompo Insurance Berhad
   Sompo Japan Nipponkoa Insurance (China) Co., Ltd.
   NIPPONKOA Insurance Company (China) Limited
   Sompo Japan Nipponkoa Insurance (Hong Kong) Company Limited
   Yasuda Maritima Seguros S.A.
   Yasuda Maritima Saude Seguros S.A.

   Canopius Group Limited and its 60 group companies are included in the scope of consolidation during the fiscal year ended March 31, 2015 because they became consolidated subsidiaries through the acquisition of shares.
   NIPPONKOA Insurance Company, Limited no longer exists due to a merger with Sompo Japan Insurance Inc., which changed its name to Sompo Japan Nipponkoa Insurance Inc. on September 1, 2014.

Sompo Japan DIY Life Insurance CO., LTD. is excluded from the scope of consolidation during the fiscal year ended March 31, 2015 because it is no longer a consolidated subsidiary due to the transfer of share. Consolidated statement of income includes income and loss of Sompo Japan DIY Life Insurance CO., LTD. from April 1, 2014 to June 30, 2014.

NIPPONKOA Insurance Company (Asia) Limited is excluded from the scope of consolidation during the fiscal year ended March 31, 2015 because the liquidation procedure has been substantially started and it does not have a material impact. Consolidated statement of income includes income and loss of NIPPONKOA Insurance Company (Asia) Limited from April 1, 2014 to June 30, 2014.

Yasuda Seguros S.A. no longer exists due to the merger with Maritima Seguros S.A. which changed its name to Yasuda Maritima Seguros S.A. on October 21, 2014.

NKSJ Himawari Life Insurance, Inc. changed its name to Sompo Japan Nipponkoa Himawari Life Insurance, Inc. on September 1, 2014. Sompo Japan DC Securities Inc. changed its name to Sompo Japan Nipponkoa DC Securities Inc. on September 1, 2014. Sompo Japan Asia Holdings Pte. Ltd. changed its name to Sompo Japan Nipponkoa Holdings (Asia) Pte. Ltd. on September 1, 2014. Sompo Japan Insurance (China) Co., Ltd. changed its name to Sompo Japan Nipponkoa Insurance (China) Co., Ltd. on April 1, 2014. Maritima Saude Seguros S.A. changed its name to Yasuda Maritima Saude Seguros S.A. on October 29, 2014.

(2) Names of major non-consolidated subsidiaries

Names of major non-consolidated subsidiaries

Sompo Japan Nipponkoa Insurance (Thailand) Public Company Limited

Sompo Japan Nipponkoa Corporate Member Limited

As the non-consolidated subsidiaries do not have a material impact on reasonable judgment about the financial conditions and results of operations of the Sompo Japan Nipponkoa Group (the “Group”) in terms of total assets, ordinary income, net income or loss and retained earnings, etc. to the extent of equity position of the Company, they are excluded from the scope of consolidation.

2. Application of the equity method

(1) Number of affiliates accounted for under the equity method: 2 companies

Hitachi Capital Insurance Corporation

Universal Sompo General Insurance Company Limited

(2) The non-consolidated subsidiaries and affiliates (Sompo Japan Nipponkoa Insurance (Thailand) Public Company Limited and Sompo Japan Nipponkoa Corporate Member Limited, etc.) are not accounted for under the equity method as each company has a minor impact on the consolidated net income or loss and retained earnings, etc. and they also do not have a materiality as a whole.

(3) The Company holds 26.6% of voting rights of Japan Earthquake Reinsurance Co., Ltd. (“J.E.R.”) through its domestic consolidated property and casualty insurance subsidiaries. As J.E.R. is engaged in public business and the Company is not considered to have a material impact on J.E.R.’s decisions of finance, promotion and business strategy, J.E.R. is excluded from affiliates.

3. The fiscal year of consolidated subsidiaries

The balance sheet dates of the foreign consolidated subsidiaries are December 31. As the difference between the balance sheet dates and the consolidated balance sheet date does not exceed three months, the financial statements as of December 31 are used for the preparation of the consolidated financial statements.

Necessary adjustments are made for the significant transactions during the periods from the balance sheet dates of the subsidiaries to the consolidated balance sheet date.

4. Accounting policies

(1) Valuation policies and methods for securities

(a) Trading securities are carried at fair value.

Cost of sale is calculated based on the moving-average method.

(b) Bonds held to maturity are carried at amortized cost based on the moving-average method.

(c) Policy reserve matching bonds are carried at amortized cost based on the moving-average method in accordance with “Temporary Treatment of Accounting and Auditing Concerning Policy Reserve Matching Bonds in the Insurance Industry” (Japanese Institute of Certified Public Accountants Industry Audit Practice Committee Report No.21).

The outline of risk management policy in relation to policy reserve matching bonds is as follows.

Domestic consolidated life insurance subsidiary sets up the sub-category for individual insurance depending on line of business and investment policy, etc., and follows the management policy to match the duration of the policy reserve in the sub-category with the duration of policy reserve matching bonds within a certain range.

(d) Stocks of non-consolidated subsidiaries and affiliates that are not accounted for under the equity method are carried at cost based on the moving-average method.

(e) Securities available for sale (excluding securities available for sale which are considered extremely difficult to figure out their fair value) are carried at fair value based on the market price and other factors at the end of the fiscal year. Unrealized gains and losses are directly included in net assets and cost of sale is calculated based on the moving-average method.

(f) Securities available for sale which are considered extremely difficult to figure out their fair value are carried at cost based on the moving-average method.

(g) Securities managed as trust assets in individually operated money trusts for primarily trading purposes are carried at fair value.

(h) Securities managed as trust assets in individually operated money trusts classified as other than trading purposes or held to maturity are carried on the same basis as that of securities available for sale.

(2) Valuation policies and methods for derivative transactions

Derivative transactions are carried at fair value.

(3) Depreciation methods of significant depreciable assets

(a) Tangible fixed assets (excluding leased assets)

Depreciation of tangible fixed assets (excluding leased assets) held by the Company and its domestic consolidated subsidiaries is calculated by using the declining-balance method, except for buildings (excluding fixtures attached to buildings) acquired on or after April 1, 1998 whose depreciation is calculated by using the straight-line method. Depreciation of tangible fixed assets (excluding leased assets) held by the foreign consolidated subsidiaries is mainly calculated by using the straight-line method.

(b) Intangible fixed assets

Amortization of software for internal use held by the consolidated subsidiaries is calculated by using the straight-line method based on the estimated useful lives.

(4) Accounting policies for significant reserves

(a) Allowance for possible credit losses

In order to provide for losses from defaults, the domestic consolidated insurance subsidiaries establish allowance for possible credit losses in accordance with the internal standards for self-assessment of assets and the policy of write-off and provision.

For claims against debtors that have legally, formally or substantially entered into bankruptcy, special liquidation or whose notes have been under suspension at clearing houses, allowances are provided based on the amount remaining after deduction of the estimated collectable amounts by the disposal of collateral and by guarantees.

For claims against debtors that are highly likely to go bankrupt in the future, allowances are provided based on the amount considered necessary according to overall solvency assessment of the debtor, after deduction of estimated collectable amounts by disposal of collateral and by guarantees.

For claims other than those described above, allowances are provided based on the amount of claims multiplied by the default rate, which is calculated based on historical credit loss experience for a certain period in the past.

The departments responsible for respective assets assess relevant claim in accordance with the internal standards for self-assessment of assets. The asset auditing department independently reviews the results and allowances are provided based on the reviewed results.

The other consolidated subsidiaries determine mainly the collectability of the receivables respectively to provide allowances to cover the estimated future losses.

(b) Reserve for retirement benefits to directors

In order to provide for retirement benefits to directors, the domestic consolidated subsidiaries record the amount deemed accrued at the end of the fiscal year based on internal regulations.

(c) Reserve for bonus payments

In order to provide for employees' bonus payments, reserve for bonus payments is recorded, with the amount to be paid estimated at the end of the fiscal year.

(d) Reserve for bonus payments to directors

In order to provide for directors' bonus payments, reserve for bonus payments to directors is recorded, with the amount to be paid estimated at the end of the fiscal year.

(e) Reserve for price fluctuation

In order to provide for possible losses arising from price fluctuation of stock, etc., the domestic consolidated insurance subsidiaries set aside reserves under Article 115 of the Insurance Business Act.

(5) Methods of accounting procedures for retirement benefits

(a) Allocation method of projected retirement

Benefit formula method is mainly used for calculating retirement benefit obligation as the method for attributing projected retirement benefits to the end of the current consolidated fiscal year.

(b) Amortization method of actuarial difference

Actuarial difference is mainly amortized from the following fiscal year by using the straight-line attribution method over certain years (10 to 11 years) within the average remaining service years of employees in each fiscal year when the difference occurs.

(Changes in accounting policies)

Sompo Japan Nipponkoa Holdings, Inc. (the "Company") has applied the "Accounting Standard for Retirement Benefits" (Accounting Standards Board of Japan Statement No. 26, May 17, 2012, hereinafter "Retirement Benefits Accounting Standard") and the "Guidance on Accounting Standard for Retirement Benefits" (Accounting Standards Board of Japan Guidance No. 25, May 17, 2012, hereinafter "Retirement Benefits Guidance") with regard to the provisions laid down in the main clause of Paragraph 35 of the Retirement Benefits Accounting Standard and the main clause of Paragraph 67 of the Retirement Benefits Guidance, from the fiscal year ended March 31, 2015. Accordingly, the Company reviewed the calculation method for retirement benefit obligation and service cost, and changed the method of attributing expected benefit to periods from straight-line attribution method or point method to benefit formula method. The Company also changed the way of determining discount rate, from use of the number of years approximate to average remaining service period of employees as bond maturity, which is the basis of determining the discount rate, to use of a single weighted average discount rate reflecting the expected periods of payment of retirement benefits and amount of benefit payment for each expected payment period.

Application of the Retirement Benefits Accounting Standard, etc. is in line with the transitional measures provided in Paragraph 37 of the Retirement Benefits Accounting Standard. The impact from the change in calculation method for retirement benefit obligation and service cost was recognized as retained earnings at the beginning of the fiscal year ended March 31, 2015.

As a result, net defined benefit liability decreased by 6,733 million yen and retained earnings increased by 4,665 million yen at the beginning of the fiscal year ended March 31, 2015. The impact on ordinary profit and net income before income taxes and non-controlling interests for the fiscal year ended March 31, 2015 was immaterial.

(6) Significant hedge accounting

Generally the consolidated subsidiaries apply the exceptional treatment for certain interest rate swaps to hedge cash flow fluctuation risk of floating-rate loans and bonds to the extent that such transactions meet the conditions required for the application of the exceptional treatment.

The deferred hedge accounting method is applied to interest rate swaps to hedge interest rate fluctuation risk related to long-term insurance contracts based on “The Accounting and Auditing Treatment on the Application of the Financial Products Accounting Standard to the Insurance Industry” (Japanese Institute of Certified Public Accountants Industry Audit Practice Committee Report No. 26, hereafter “Industry Audit Practice Committee Report No. 26”).

The consolidated subsidiaries apply the fair value hedge accounting method to equity swaps for hedging the future stock price fluctuation risks.

Generally the fair value hedge accounting method is applied to forward foreign exchanges, currency options and currency swaps in order to reduce foreign exchange rate fluctuation risk on foreign currency denominated assets, etc. The assignment accounting as an exceptional treatment is applied to certain transactions to the extent that such transactions meet the conditions required for application of the assignment accounting. Deferred hedge is applied to the part of foreign exchange forward contracts to fix yen denominated cash flow from foreign currency denominated forecast transactions. The assignment accounting is applied to currency swaps in order to reduce foreign exchange rate fluctuation risk on foreign currency denominated corporate bonds issued by the domestic consolidated insurance subsidiary.

Hedge effectiveness is assessed by periodically comparing the accumulated fluctuations of the market value or cash flows of the hedged item to those of the related hedging instrument for the period from the commencement of the hedge to the date of assessment.

However, when the significant conditions are shared among the hedged item and the hedging instrument and its effectiveness is obviously considered high, when interest rate swaps meet requirements for applying the exceptional treatment or when certain transactions fulfill the required conditions to apply the assignment accounting, the assessment of the hedge effectiveness is omitted.

The hedge effectiveness of interest rate swaps based on Industry Audit Practice Committee Report No. 26 is assessed by monitoring the interest rates which impact the calculation of theoretical prices of both insurance liabilities as hedged item and interest rate swaps as hedging instrument which are grouped by different remaining periods.

(7) Method and period of amortization of goodwill

Goodwill is amortized in equal installments over 20 years.

Immaterial amounts of goodwill are amortized at one time.

(8) Accounting methods for consumption taxes

The Company and its domestic consolidated subsidiaries account for consumption taxes by using the tax-excluded method, except for the domestic consolidated insurance subsidiaries' expenses such as loss adjustment expenses and operating, general and administrative expenses under the tax-included method.

Non-deductible consumption taxes relating to assets are included in other assets and amortized in equal installments over 5 years.

(Additional information)

"Act on Partial Amendment to the Income Tax Act, etc." (Act No. 9, 2015) was promulgated on March 31, 2015, and accordingly, a reduction in the corporate tax rate, etc. has been enforced from the fiscal year beginning on or after April 1, 2015.

Accordingly, the effective statutory income tax rate has generally been changed from 30.7% used previously, to 28.8%. The effective statutory income tax rate was used to calculate deferred tax assets and liabilities for temporary differences expected to be reversed in the fiscal year beginning on or after April 1, 2015.

As a result of this change in the corporate tax rate, the net amount of deferred tax liabilities (net of deferred tax assets) decreased by 6,398 million yen, underwriting reserves decreased by 2,530 million yen, deferred income taxes increased by 20,680 million yen and net income decreased by 18,154 million yen.

Notes to the consolidated balance sheet

1. Accumulated depreciation of tangible fixed assets amounts to 414,404 million yen and advanced depreciation of tangible fixed assets amounts to 20,531 million yen.

2. Investments in non-consolidated subsidiaries and affiliates are as follows.

Securities (stocks)	23,524 million yen
Securities (equity interests)	3,370 million yen

3. (1) Loans to borrowers in bankruptcy and overdue loans amount to 70 million yen and 572 million yen, respectively.
Loans to borrowers in bankruptcy represent non-accrual loans which meet the events defined in Article 96, paragraph (1), item (iii) (the maximum amount transferable to allowance for possible credit losses) or Article 96, paragraph (1), item (iv) of the "Order for Enforcement of the Corporation Tax Act" (Cabinet Order No. 97 of 1965). Non-accrual loans are defined as loans (excluding the portion of the loans that were written off), on which accrued interest receivable is not recognized because payments of principal or interest are overdue for considerable periods and therefore are regarded as improbable.
Overdue loans represent non-accrual loans other than (a) loans to borrowers in bankruptcy or (b) loans on which grace on interest payments has been granted in order to assist or facilitate the restructuring of borrowers in financial difficulties.

(2) Loans overdue for three months or more amount to 15 million yen.
Loans overdue for three months or more represent, among loans which are not included in loans to borrowers in bankruptcy or overdue loans, loans on which the payment of principal or interest has been delayed for three months or more from the date following the due date.

(3) Restructured loans amount to 60 million yen.
Restructured loans represent, among loans which are not included in any of the above categories, loans on which favorable terms for the benefit of borrowers such as interest exemption or reduction, grace on interest payments, grace on principal repayments or forgiveness of debts have been granted in order to assist or facilitate the restructuring of borrowers in financial difficulties.

(4) The total of loans to borrowers in bankruptcy, overdue loans, loans overdue for three months or more and restructured loans amount to 719 million yen.

4. Breakdown of pledged assets is securities of 289,278 million yen, deposits of 22,627 million yen and tangible fixed assets of 2,796 million yen. These are collateral for the borrowings which are included in other liabilities and securities which are put into as deposited assets for overseas operation and others. Secured debts are composed of the borrowings of 704 million yen, which are included in other liabilities.
Other than those mentioned above, stocks of subsidiaries and affiliates of 2,794 million yen are pledged as collateral, but the entire amount is eliminated for the preparation of the consolidated financial statements.

5. Securities include 2,701 million yen of lending securities under loan agreements.

6. The amount of loan commitments outstanding is 9,474 million yen.

7. Of the securities received as collaterals under derivative transactions, those which the

Group holds rights to dispose of by sale or provision of collateral at its discretion amount to 52,062 million yen. All of those are retained by the Group.

8. Amounts are rounded down to the unit noted.

Notes to the consolidated statement of income

1. Main components of operating expenses are as follows.

Agency commissions, etc.	462,356 million yen
Salaries	214,938 million yen

Operating expenses represent the sum of loss adjustment expenses, operating, general and administrative expenses and net commissions and brokerage fees included in the consolidated statement of income.

2. Impairment losses on the following assets are recorded for the fiscal year ended March 31, 2015.

Purpose of use	Category	Location	Impairment losses (millions of yen)		
			Land	Buildings	Total
Idle properties	Land and buildings	14 properties, including land and buildings in Kanagawa	4,163	1,087	5,250
Properties for rent	Land and buildings	Land and building in Nagano	162	103	266
Total			4,325	1,191	5,517

The domestic consolidated insurance subsidiaries categorize properties used for the insurance business as a single asset group for the entire insurance business. Each property for rent, idle property and expected disposal property is categorized as an individual asset group. The other consolidated subsidiaries categorize properties used for the business as a single asset group for each subsidiary.
Concerning idle properties whose profitability is decreased significantly, due mainly to a decline in the prices of land, the consolidated subsidiaries devalue the book value of those properties to the recoverable value. For the fiscal year ended March 31, 2015, these devaluations are recorded as impairment losses in extraordinary losses. The recoverable value is calculated by using the net selling price. The net selling price is the appraisal value measured by the real estate appraisers.

3. Significant items in other extraordinary losses are 87,106 million yen of merger cost of domestic consolidated property and casualty insurance subsidiaries.

4. Amounts are rounded down to the unit noted.

Notes to the consolidated statement of changes in net assets

1. Type and number of shares outstanding and of treasury stock

	Number of shares at the beginning of the period (thousand shares)	Increase during the period (thousand shares)	Decrease during the period (thousand shares)	Number of shares at the end of the period (thousand shares)
Shares outstanding Common stock	415,352	-	-	415,352
Total	415,352	-	-	415,352
Treasury stock Common stock	4,068	3,569	322	7,314
Total	4,068	3,569	322	7,314

Notes)

1. Breakdown of increase in treasury stock of common stock of 3,569 thousand shares is as follows.
   Increase due to acquisition of treasury stock in accordance with approval by board of directors: 3,552 thousand shares
   Increase due to purchase of shares less than a full trading unit: 17 thousand shares

2. Breakdown of decrease in treasury stock of common stock of 322 thousand shares is as follows.
   Decrease due to disposal of treasury stock related to exercise of stock acquisition rights: 322 thousand shares
   Decrease due to sales of shares less than a full trading unit: 0 thousand shares

2. Stock acquisition rights

Category	Breakdown of stock acquisition rights	Balance at the end of the period (millions of yen)
Sompo Japan Nipponkoa Holdings, Inc.	Stock acquisition rights for stock options	1,550
Total		1,550

3. Dividends

(1) Dividends paid

Resolution	Type of shares	Total amount of dividends (millions of yen)	Dividend per share (yen)	Record date	Effective date
General meeting of stockholders held on June 23, 2014	Common stock	12,338	30	March 31, 2014	June 24, 2014
The board of director's meeting held on November 19, 2014	Common stock	12,240	30	September 30, 2014	December 10, 2014

(2) Of dividends recorded in the current fiscal year, dividends effective in the following fiscal year

Resolution	Type of shares	Total amount of dividends (millions of yen)	Source of dividends	Dividend per share (yen)	Record date	Effective date
General meeting of stockholders to be held on June 22, 2015	Common stock	16,321	Retained earnings	40	March 31, 2015	June 23, 2015

4. Amounts are rounded down to the unit noted.

Notes on financial instruments

1. Overview of financial instruments

(1) Our policy to manage financial instruments

As the Group is mainly engaged in insurance businesses and recognizes the characteristic of investment fund for the insurance company, the Group manages the investment asset taking into consideration safety, liquidity and profitability. Further, in order to appropriately manage investment assets related to long-term insurance liabilities related to life insurance and savings-type insurance, the Group intends to stabilize returns for the future maturity refunds to policyholders by the methodology based on ALM (integrated management of assets and liabilities).

In addition, with a view to strengthen the financial structure, the consolidated subsidiary increased its capital substantively by the issuance of subordinated bond (i.e. hybrid finance) which is deemed as capital to some extent by major credit rating agencies.

(2) The nature and risk of financial instruments

As financial instruments which the Group holds are mainly securities such as bonds and stocks, the Group is exposed to risks (market risks) associated with price fluctuations of investments, which are influenced by stock prices, interest rates and foreign exchange rates, as well as risks (liquidity risks) that securities may not be traded or may be forced to be traded at far more unfavorable prices than under normal conditions due to a market crisis and the like.

In addition, the securities and the loans which the Group holds are exposed to credit risk which would cause a significant decrease in their value or uncollectible interest and principal due to the reasons such as deterioration of creditworthiness and bankruptcy of the issuer and the borrower.

Regarding derivative transactions, the Group utilizes derivatives to hedge risks on assets held. These also involve market risks and credit risks.

Please refer to the note on “(6) Significant hedge accounting” in “4. Accounting policies” in “Significant Accounting Policies for the Preparation of the Consolidated Financial Statements” for derivative transactions which hedge accounting is applied to.

(3) The risk management systems regarding financial instruments

The Company has established the risk management systems to appropriately identify, evaluate and control risks and accurately respond when risks emerge through strategic risk management (ERM) designed to maximize the Group’s corporate value, as described below.

With the aim of maintaining strategic risk management, the company’s board of directors has established the “Group Basic Policy on ERM”, which sets forth principles for accurately assessing the group-wide status of risk exposure and managing the various types of risk in a comprehensive manner. With the aim of enabling appropriate management decision making based upon assessment of group-wide risk, the company established Group ERM promotion committee and others. Moreover, the Risk Management Department was established to promote the Company’s efforts to develop and enhance its risk management systems.

Through the comprehensive management model of investment risks, the Company manages market risk, credit risk and real estate investment risk. In addition, the Company comprehensively manages risks, including the risk of invested assets failing to yield assumed interest rates with regard to long-term insurance liabilities related to savings-type insurance held by its insurance subsidiaries. The Company obtains investment asset information on a daily basis and quantifies investment risks. Further, the company utilizes risk management by setting stress scenarios to cover events that could cause a material impact on Group’s operations, and performing stress tests to assess and measure risks comprehensively.

As to credit risks, in order to avoid concentrating the risks on specific borrowers, the Company has set credit limits and manages the risks appropriately for the whole Group.

As to liquidity risks, the Company has developed systems for its insurance subsidiaries to forecast payments for claims, etc. upon occurrence of liquidity risk scenarios, such as outbreak of catastrophe, and to ensure liquidity assets so as to adequately secure enough to cope with these payments.
Each Group member has basic policies and rules on risk management formulated in reference to the Group Basic Policy on ERM, thereby developing risk management systems appropriate to the content, scale, and characteristics of their particular business activities and implementing autonomous risk management. In addition, insurance subsidiaries place considerable emphasis on managing various types of risk in ways tailored to their particular risk profile. By doing so, these subsidiaries are appropriately addressing risks that could significantly affect their operations.

(4) Supplemental explanation about the fair value of financial instruments
Other than the fair value of financial instruments based on the market price, fair value calculated reasonably is included if the market price is not obtainable. In view that certain assumption is employed to measure the fair value, the resulting value might differ depending on the assumption to be applied.

2. Fair value of financial investments
Carrying amount, fair value and unrealized gains and losses as of March 31, 2015 are as follows. Meanwhile, financial instruments which are considered extremely difficult to figure out their fair value are not included in the following table. (Please refer to Notes) 2 for details.)

	Carrying amount (millions of yen)	Fair value (millions of yen)	Unrealized gains and losses (millions of yen)
(1) Cash and deposits	523,465	523,465	-
(2) Receivables under resale agreements	71,985	71,985	-
(3) Monetary receivables bought	14,234	14,234	-
(4) Money trusts	111,293	111,293	-
(5) Securities:			
Trading securities	284,672	284,672	-
Bonds held to maturity	1,246,637	1,434,768	188,131
Policy reserve matching bonds	75,497	78,479	2,981
Securities available for sale	5,995,331	5,995,331	-
(6) Loans	604,058		
Allowance for possible credit losses(*1)	(160)		
	603,897	627,273	23,375
Total assets	8,927,016	9,141,504	214,488
(1) Corporate bonds	135,958	145,181	9,222
Total liabilities	135,958	145,181	9,222
Derivative transactions(*2):			
Hedge accounting is not applied to	[5,110]	[5,110]	-
Hedge accounting is applied to	12,959	12,959	-
Total derivative transactions	7,848	7,848	-

(*1) This figure represents deductions to loans as general and individual allowance for possible credit losses.

(*2) This table collectively shows derivative transactions which are included in other assets

and other liabilities. Net assets and liabilities from derivative transactions are shown on the net basis. The items which are net debt in total are shown in the brackets [ ].

Notes)
1. Calculation methods for the fair value of financial instruments

Assets

(1) Cash and deposits

As all are short term and the fair value approximates the book value, the book value is presented as the fair value.

(2) Receivables under resale agreements

As all are short term and the fair value approximates the book value, the book value is presented as the fair value.

(3) Monetary receivables bought

The fair value is based on the price quoted by counterparties.

(4) Money trusts

The fair value of the financial instruments managed as trust asset is as follows. As bank deposit, etc. are short term and their fair value approximates the book value, the book value is presented as the fair value. The fair value of the domestic bonds is based on the price at exchanges, the price released by Japan Securities Dealers Association and the price quoted by counterparties and others. The fair value of the domestic stocks is based on the price at exchanges. In addition, the fair value of foreign securities is based on the price at exchanges and others.

(5) Securities

The fair value of the domestic bonds is based on the price at exchanges, the price released by Japan Securities Dealers Association and the price quoted by counterparties. The fair value of the domestic stocks is based on the price at exchanges. In addition, the fair value of foreign securities is based on the price at exchanges, the price quoted by counterparties and others.

(6) Loans

The fair value is the amount of future collection cash flow of each loan which is discounted by the risk free rate for the corresponding period, adding credit risk premium and liquidity premium thereto. For the loans categorized as loans to borrowers in bankruptcy legally or substantially and borrowers who are highly probable to go bankrupt in the future, the fair values are the carrying amount less current estimated credit losses. Because the estimated credit losses are calculated based on the amount expected to be covered by collateral and guarantee, the fair value approximates the said amount.

Liabilities

(1) Corporate bonds

The fair value is based on the price at exchanges and others.

Derivative transactions

The fair value of forward foreign exchanges is calculated by using forward exchange rate.

The currency swaps such as forward foreign exchanges to which assignment accounting is applied are accounted for together with foreign currency denominated corporate bonds that are subject to hedging. Therefore, their fair value is included in the fair value of the corporate bonds.

The fair value of currency option transactions is based on the price quoted by counterparties.
The fair value of interest rate futures is based on the closing price at major exchanges.
The fair value of interest rate swaps is based on the price calculated by discounting future cash flow to the present value.
The fair value of bond futures is based on the closing price at major exchanges.
The fair value of weather derivatives is calculated based on the contract term and other elements of the contract.
The fair value of earthquake derivatives is calculated based on the contract term and other elements of the contract.

2. The financial instruments which are considered extremely difficult to figure out their fair value are as follows. These financial instruments are not included in “(5) Securities.”

Category	Carrying amount (millions of yen)
Domestic bonds	0
Domestic stocks	42,777
Foreign securities	28,077
Others	9,057
Total	79,912

As domestic stocks are unlisted stocks and do not have quoted market prices, they are not included in the scope of fair value disclosure.
As foreign securities are unlisted stocks or investments mainly in unlisted stocks and do not have quoted market prices, they are not included in the scope of fair value disclosure.
As others are investments mainly in real estate or in unlisted stocks and do not have quoted market prices, they are not included in the scope of fair value disclosure.

Note on per share information

Net assets per share	4,464.24 yen
Net income per share	132.85 yen

Notes on business combinations

1. Business combination through acquisitions

(1) Summary of business combination

(a) The name of acquiree and its type of business
Canopius Group Limited : Overseas insurance business

(b) Major reason for business combination
The Sompo Japan Nipponkoa Group acquired the shares of Canopius Group Limited with aim of entering into the overseas specialty market on a full scale and of expanding its overseas insurance business. Through the acquisition of Canopius, the Sompo Japan Nipponkoa Group intends to further increase its group-wide competitiveness of the overseas insurance business through the sharing of Canopius' skills and know how with the Sompo Japan Nipponkoa Group, such as in relation to the M&A transactions, techniques to enhance management of acquired entities and excellent HR strategy.

(c) Date of business combination
May 1, 2014

(d) Legal form of business combination
Acquisition of shares by cash

(e) Name of the entity after business combination
Canopius Group Limited

(f) Percentage of voting rights acquired
100.0%

(g) Major reason for determination of the acquirer
Sompo Japan Nipponkoa Insurance Inc., which is a consolidated subsidiary of Sompo Japan Nipponkoa Holdings, Inc., was determined as the acquirer because Sompo Japan Nipponkoa Insurance Inc. acquired shares of Canopius Group Limited by cash.

(2) The period of financial result of the acquiree included in the consolidated financial statements

From April 1, 2014 to December 31, 2014

(3) Acquisition cost of the acquiree

Purchase price	GBP 613 million
Direct cost for the acquisition	GBP 10 million
Acquisition cost	GBP 623 million

(4) Amount of goodwill, reason for recognizing goodwill, method and period of amortization

(a) Amount of goodwill

GBP 173 million

(b) Reason for recognizing goodwill

The acquisition cost exceeded the net amounts of assets acquired and liabilities assumed.

(c) Method and period of amortization

Straight-line amortization over 20 years

(5) Amounts of assets acquired and liabilities assumed on the day of business combination

Total assets:	GBP 1,911 million
Securities:	GBP 1,179 million
Total liabilities:	GBP 1,460 million
Underwriting funds:	GBP 1,113 million

(6) Approximate amounts of influence and its calculation method on the consolidated statement of income for the fiscal year ended March 31, 2015, assuming that the business integration was completed on the commencement date of the fiscal year

Net premiums written	28,228 million Japanese yen
Ordinary profit	2,097 million Japanese yen
Net income	1,663 million Japanese yen

（Calculation methods for approximate amounts）

Approximate amounts of influence are the differences between the amount of net premiums written, ordinary profit and net income based on the assumption that the business integration was completed on the commencement date of the fiscal year and their corresponding amounts in the consolidated income statement of the acquirer. Goodwill recognized at business combination has been amortized based on the assumption that this goodwill was incurred on the commencement date of the fiscal year.

Please note that this note is unaudited.

2. Transactions under common control

(1) Summary of transactions

(a) The name of subject companies and their type of business

Sompo Japan Insurance Inc.	: Domestic property and casualty insurance business
NIPPONKOA Insurance Company, Limited	: Domestic property and casualty insurance business

(b) Date of business combination

September 1, 2014

(c) Legal form of business combination

Sompo Japan Insurance Inc. (consolidated subsidiary of Sompo Japan Nipponkoa Holdings, Inc., surviving company) merged with NIPPONKOA Insurance Company, Limited (consolidated subsidiary of Sompo Japan Nipponkoa Holdings, Inc., merged company).

(d) Name of the entity after business combination

Sompo Japan Nipponkoa Insurance Inc.

(e) Other matters concerning the transactions

In light of changes in the challenging operating environment surrounding the property and casualty insurance industry, Sompo Japan Nipponkoa Holdings, Inc. was established with the aim of maximizing earnings power based on a strong business foundation where Sompo Japan Insurance Inc. and NIPPONKOA Insurance Company, Limited can demonstrate, as a single company, the strengths they have developed over the years.

(2) Summary of accounting treatment

The transactions are accounted for at appropriate book value as common control transactions in accordance with the "Accounting Standard for Business Combinations" (Accounting Standards Board of Japan Statement No. 21, December 26, 2008) and the "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (Accounting Standards Board of Japan Guidance No. 10, December 26, 2008).

3. Transactions under common control

(1) Summary of transactions

(a) The name of subject companies and their type of business

Sompo Japan Nipponkoa Insurance Inc.	: Domestic property and casualty insurance business
Sompo Japan Insurance Company of America	: Overseas insurance business

(b) Date of business combination

September 1, 2014

(c) Legal form of business combination

Investment in-kind by Sompo Japan Nipponkoa Insurance Inc. (consolidated subsidiary of Sompo Japan Nipponkoa Holdings, Inc.) of assets and liabilities held by its U.S. branch in Sompo Japan Insurance Company of America (consolidated subsidiary of Sompo Japan Nipponkoa Holdings, Inc.)

(d) Other matters concerning the transactions

Sompo Japan Nipponkoa Insurance Inc. made an investment in-kind of assets and liabilities held by its U.S. branch in Sompo Japan Insurance Company of America, with the aim of expanding operations to be derived from the integration of sites in the United States.

(2) Summary of accounting treatment

The transactions are accounted for at appropriate book value as common control transactions in accordance with the “Accounting Standard for Business Combinations” (Accounting Standards Board of Japan Statement No. 21, December 26, 2008), the “Accounting Standard for Business Divestitures” (Accounting Standards Board of Japan Statement No. 7, December 26, 2008) and the “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (Accounting Standards Board of Japan Guidance No. 10, December 26, 2008).

4. Transactions under common control

(1) Summary of transactions

(a) The name of subject companies and their type of business

Yasuda Seguros S.A. : Overseas insurance business

Maritima Seguros S.A. : Overseas insurance business

(b) Date of business combination

October 21, 2014

(c) Legal form of business combination

Maritima Seguros S.A. (consolidated subsidiary of Sompo Japan Nipponkoa Holdings, Inc., surviving company) merged with Yasuda Seguros S.A. (consolidated subsidiary of Sompo Japan Nipponkoa Holdings, Inc., merged company).

(d) Name of the entity after business combination

Yasuda Maritima Seguros S.A.

(e) Other matters concerning the transactions

The insurance business in Brazil has been expanding an average 12% per year for 10 years. The market expansion has been supported by continuing economic growth in Brazil, and economic growth in Brazil is expected to continue in the foreseeable future.

The Sompo Japan Nipponkoa Group has been operating its insurance business in Brazil for more than 50 years through Yasuda Seguros S.A. (founded in 1958). The Sompo Japan Nipponkoa Group has been working on increasing the volume of gross premium, expanding our knowledge base, and improving its business through Maritima Seguros S.A. (acquired share in 2009, acquired management rights in 2013), since the Sompo Japan Nipponkoa Group recognizes Brazil as our important region for global business development.

The merger of Maritima Seguros S.A., having strength in personal line, and Yasuda Seguros S.A., having strength in corporate line, will enable them to provide their services reciprocally.

(2) Summary of accounting treatment

The transactions are accounted for at appropriate book value as common control transactions in accordance with the “Accounting Standard for Business Combinations” (Accounting Standards Board of Japan Statement No. 21, December

26, 2008) and the “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (Accounting Standards Board of Japan Guidance No. 10, December 26, 2008).

Attachment (11)

Non-consolidated Statement of Changes in Net Assets

For the fiscal year 2014 (April 1, 2014 to March 31, 2015)

(Millions of yen)

	Shareholders' equity						Stock acquisition rights	Total net assets
	Common stock	Capital surplus		Retained earnings	Treasury stock	Total shareholders' equity		
		Capital reserves	Other capital surplus	Other retained earnings Retained earnings carried forward				
Balance at the beginning of the period	100,045	25,045	751,795	27,313	(9,825)	894,375	1,851	896,226
Changes during the period:								
Dividends				(24,578)		(24,578)		(24,578)
Net income				33,070		33,070		33,070
Acquisition of treasury stock					(10,050)	(10,050)		(10,050)
Disposal of treasury stock			(230)		808	577		577
Net changes in items other than shareholders` equity							(300)	(300)
Total changes during the period	–	–	(230)	8,491	(9,242)	(980)	(300)	(1,281)
Balance at the end of the period	100,045	25,045	751,565	35,804	(19,067)	893,394	1,550	894,944

Attachment (12)

Notes to the financial statements

Notes on significant accounting policies

1. Valuation policies and methods for securities
Stocks of subsidiaries and affiliates are carried at cost based on the moving-average method.

2. Depreciation methods of fixed assets
Depreciation of tangible fixed assets is calculated by using the declining-balance method, except for buildings (excluding fixtures attached to buildings) whose depreciation is calculated by using the straight-line method.

Useful lives of major tangible fixed assets are as follows.

Buildings	8 to 38 years
Furniture and equipment	4 to 15 years

3. Accounting policies for reserves
(1) Reserve for bonus payments
In order to provide for employees' bonus payments, reserve for bonus payments is recorded, based on the estimated amounts to be paid at the end of the period.
(2) Reserve for bonus payments to directors
In order to provide for directors' bonus payments, reserve for bonus payments to directors is recorded, based on the estimated amounts to be paid at the end of the period.

4. Accounting methods for consumption taxes
The Company accounts for consumption taxes by using the tax-excluded method.

Notes to the balance sheet

1. Accumulated depreciation of tangible fixed assets amounts to 143 million yen.

2. Monetary claims and monetary debts owed by or to subsidiaries and affiliates (excluding the amount presented separately in the balance sheet)

Short-term monetary claims	43,486 million yen
Long-term monetary claims	39 million yen
Short-term monetary debts	227 million yen

Note to the statement of income

1. Transactions with subsidiaries and affiliates

Results of operating transactions	
Operating income	36,568 million yen
Operating expenses	256 million yen
Results of non-operating transactions	21 million yen

2. Others in extraordinary losses is a cost related to a change in the corporate name.

Note to the statement of changes in net assets

Type and number of treasury stock at the end of the period

Common stock	7,314,446 shares

Note on tax effect accounting

Major components of deferred tax assets are as follows.

Deferred tax assets:	
Deemed dividends	5,597 million yen
Reserve for bonus payments	59 million yen
Stock options	37 million yen
Others	8 million yen
Subtotal	5,703 million yen
Valuation allowance	(5,637) million yen
Total deferred tax assets	66 million yen
Net deferred tax assets	66 million yen

Revision to the amount of deferred tax assets regarding a change of tax rate for the corporate tax, etc. is as follows.

“Act on Partial Amendment to the Income Tax Act, etc.” (Act No. 9, 2015) was promulgated on March 31, 2015, and accordingly, a reduction in the corporate tax rate, etc. has been enforced from the fiscal year beginning on or after April 1, 2015.

Accordingly, the effective statutory income tax rate has generally been changed from 35.6% used previously, to 33.1%. The effective statutory income tax rate was used to calculate deferred tax assets for temporary differences expected to be reversed in the fiscal year beginning on or after April 1, 2015.

As a result of this change in the corporate tax rate, deferred tax assets decreased by 5 million yen and net income decreased by 5 million yen.

Note on per share information

Net assets per share	2,189.49 yen
Net income per share	80.94 yen