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May 20, 2016

Sompo Japan Nipponkoa Holdings, Inc.

Summary of Consolidated Financial Results for the fiscal year ended March 31, 2016
[Under Japanese GAAP]

Company Name: Sompo Japan Nipponkoa Holdings, Inc.
Listed on: Tokyo Stock Exchange
Securities Code: 8630
URL: http://www.sompo-hd.com/
Representative: Kengo Sakurada, President & CEO
Scheduled date to hold general meeting of stockholders: June 27, 2016
Scheduled date to file Securities Report: June 29, 2016
Scheduled date to start payment of dividends: June 28, 2016
Supplementary information for financial statements: Yes
Schedule for investor meeting: Yes (intended for institutional investors and analysts)

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

1. Consolidated Financial Results for the fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)

(1) Consolidated Results of Operations

Note) Percentages are changes from previous fiscal year.

	Ordinary income		Ordinary profit		Net income attributable to shareholders of the parent	
	millions of yen	%	millions of yen	%	millions of yen	%
Fiscal year ended March 31, 2016	3,256,186	(0.8)	216,853	4.1	159,581	194.0
Fiscal year ended March 31, 2015	3,282,343	9.1	208,309	85.3	54,276	22.9

Note) Comprehensive income: Fiscal year ended March 31, 2016 (116,689) million yen — %
Fiscal year ended March 31, 2015 469,485 million yen 213.1 %

	Net income per share	Diluted net income per share	Return on equity	Ordinary profit to total assets	Ordinary profit to ordinary income
	yen	yen	%	%	%
Fiscal year ended March 31, 2016	394.21	393.66	9.2	2.1	6.7
Fiscal year ended March 31, 2015	132.85	132.61	3.4	2.1	6.3

Reference) Investment gains and losses on the equity method: Fiscal year ended March 31, 2016 270 million yen
Fiscal year ended March 31, 2015 175 million yen

(2) Consolidated Financial Conditions

	Total assets	Net assets	Equity ratio	Net assets per share
	millions of yen	millions of yen	%	yen
As of March 31, 2016	10,186,746	1,652,839	16.1	4,064.83
As of March 31, 2015	10,253,431	1,829,852	17.8	4,464.24

Reference) Equity capital: As of March 31, 2016 1,642,854 million yen
As of March 31, 2015 1,821,582 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the period
	millions of yen	millions of yen	millions of yen	millions of yen
Fiscal year ended March 31, 2016	266,432	(169,243)	(56,838)	576,791
Fiscal year ended March 31, 2015	152,771	(74,377)	(172,221)	545,192

2. Dividends

	Dividends per share					Total annual dividends	Dividend payout ratio (Consolidated)	Dividends on net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Annual			
	yen	yen	yen	yen	yen	millions of yen	%	%
Fiscal year ended March 31, 2015	—	30.00	—	40.00	70.00	28,561	52.7	1.8
Fiscal year ended March 31, 2016	—	40.00	—	40.00	80.00	32,332	20.3	1.9
Fiscal year ending March 31, 2017 (Forecast)	—	40.00	—	40.00	80.00		23.1	

3. Forecasts of Consolidated Financial Results for the fiscal year ending March 31, 2017 (April 1, 2016 to March 31, 2017)

Note) Percentages are changes from previous fiscal year.

	Ordinary profit		Net income attributable to shareholders of the parent		Net income per share
	millions of yen	%	millions of yen	%	yen
Full year	206,000	(5.0)	140,000	(12.3)	346.39

(Notes)

(1) Changes in significant subsidiaries during the fiscal year ended March 31, 2016 (changes in specified subsidiaries resulting in changes in the scope of consolidation): None

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

①Changes in accounting policies due to revisions to accounting standards, etc.: Yes

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

③Changes in accounting estimations: None

④Retrospective restatements: None

Note) Please refer to "4. (6) Changes in Accounting Policies, Changes in Accounting Estimations, and Retrospective Restatements" on page 16 for details.

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

①Total shares outstanding including treasury stock:

As of March 31, 2016	415,352,294	shares
As of March 31, 2015	415,352,294	shares

②Treasury stock:

As of March 31, 2016	11,189,780	shares
As of March 31, 2015	7,314,446	shares

③Average number of shares outstanding:

For the fiscal year ended March 31, 2016	404,804,925	shares
For the fiscal year ended March 31, 2015	408,545,891	shares

(Expression of implementation status of audit procedures)

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

(Notes for using forecasted information, etc.)

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

For assumptions underlying the forecasts of financial results and notes for using the forecasts of financial results, please refer to "1. (1) Analysis of Results of Operations (Outlook for the fiscal year ending March 31, 2017)" on page 2.

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1. Results of Operations

(1) Analysis of Results of Operations

(Results of Operations)

During the fiscal year ended March 31, 2016, although the global economy continued to gradually recover as a whole, primarily in developed countries, some signs of weakness were showed, such as a slowdown in emerging countries. The Japanese economy remained on a moderate recovery path due mainly to improving employment and income levels, but some activity remained weak, including sluggish personal consumption. The property and casualty ("P&C") insurance industry showed signs of improvement in the business environment, mainly due to product and premium rate revisions, despite the impact of natural disasters in Japan, such as typhoons.

Under these circumstances, the consolidated financial results of operations of the Sompo Japan Nipponkoa Group ("SOMPO HOLDINGS") for the fiscal year ended March 31, 2016 were as follows:

Ordinary income decreased by 26.1 billion yen to 3,256.1 billion yen compared to the previous fiscal year, the components of which were underwriting income of 3,021.0 billion yen, investment income of 203.2 billion yen and other ordinary income of 31.8 billion yen. Meanwhile, ordinary expenses decreased by 34.7 billion yen to 3,039.3 billion yen compared to the previous fiscal year, the components of which were underwriting expenses of 2,526.6 billion yen, investment expenses of 28.2 billion yen, operating, general and administrative expenses of 465.0 billion yen and other ordinary expenses of 19.3 billion yen.

As a result of the foregoing, Sompo Japan Nipponkoa Holdings, Inc. (the "Company") reported ordinary profit, calculated as ordinary income minus ordinary expenses, of 216.8 billion yen, an increase of 8.5 billion yen from the previous fiscal year. The Company posted net income attributable to shareholders of the parent, after extraordinary items, net of income taxes and others, of 159.5 billion yen, an increase of 105.3 billion yen from the previous fiscal year.

Business results for each of SOMPO HOLDINGS' reporting segments were as follows:

(a) Domestic P&C insurance business

In the domestic P&C insurance business, net premiums written amounted to 2,259.5 billion yen, an increase of 41.7 billion yen from the previous fiscal year, due to increased net premiums written in fire, automobile and other lines of insurance. The domestic P&C insurance business posted net income attributable to shareholders of the parent of 132.4 billion yen, an increase of 100.9 billion yen from the previous fiscal year. This increase was due mainly to the recording of costs related to the merger of Sompo Japan Insurance Inc. and NIPPONKOA Insurance Company, Limited as extraordinary losses in the previous fiscal year.

(b) Domestic life insurance business

In the domestic life insurance business, life insurance premiums written amounted to 293.6 billion yen, an increase of 20.7 billion yen from the previous fiscal year. The domestic life insurance business posted net income attributable to shareholders of the parent of 10.8 billion yen, an increase of 3.8 billion yen from the previous fiscal year.

(c) Overseas insurance business

In the overseas insurance business, net premiums written amounted to 292.6 billion yen, an increase of 2.3 billion yen from the previous fiscal year. The overseas insurance business posted net income attributable to shareholders of the parent of 16.0 billion yen, an increase of 2.0 billion yen from the previous fiscal year.

(Outlook for the fiscal year ending March 31, 2017)

For the fiscal year ending March 31, 2017, the Company is forecasting consolidated ordinary profit of 206.0 billion yen, and net income attributable to shareholders of the parent of 140.0 billion yen, based on the following assumptions:

- Assumptions for net premiums written are based on the Company's own projections based on extrapolation from past trends and other factors.
- The Company is forecasting 38.0 billion yen for net claims paid due to natural disasters that occur in the fiscal year

ending March 31, 2017, taking into account past trends and other factors.

・The Company assumes no major change in market interest rates, exchange rates and stock prices from their levels at March 31, 2016.

The above forecasts were prepared based on information available as of the date of this release. Accordingly, actual results may differ materially from projections depending on various factors.

(2) Analysis of Financial Condition

Total assets as of March 31, 2016 amounted to 10,186.7 billion yen on a consolidated basis, a decrease of 66.6 billion yen from March 31, 2015, due mainly to a decrease in unrealized gains and losses on securities available for sale.

Cash flows for the fiscal year ended March 31, 2016 were as follows:

Cash flows from operating activities resulted in a net inflow of 266.4 billion yen, an increase of 113.6 billion yen from the previous fiscal year, due mainly to an increase in net premiums written and a decrease in net claims paid.

Cash flows from investing activities resulted in a net outflow of 169.2 billion yen, a decrease of 94.8 billion yen from the previous fiscal year, due mainly to a decrease in proceeds from sales and redemption of securities.

Cash flows from financing activities resulted in a net outflow of 56.8 billion yen, an increase of 115.3 billion yen from the previous fiscal year, due mainly to a decrease in payments for redemption of corporate bonds.

As a result, cash and cash equivalents at the end of the period were 576.7 billion yen, an increase of 31.5 billion yen from the end of the previous fiscal year.

Equity and fair-value equity ratios were as follows:

	As of March 31, 2012	As of March 31, 2013	As of March 31, 2014	As of March 31, 2015	As of March 31, 2016
Equity ratio	11.2%	13.9%	14.5%	17.8%	16.1%
Fair-value equity ratio	8.6%	8.9%	11.5%	14.9%	12.6%

Notes: 1. Equity ratio: equity capital / total assets x 100

2. Fair-value equity ratio: market capitalization / total assets x 100

3. SOMPO HOLDINGS does not publish its "ratio of cash flow to interest-bearing debt" or "interest coverage ratio," based on the belief that these indicators are not appropriate measures of SOMPO HOLDINGS' actual financial position because its core business is insurance operations.

(3) Basic Profit Distribution Policy and Dividends for the Fiscal Year Ended March 31, 2016 and the Fiscal Year Ending March 31, 2017

The Company's basic profit distribution policy is to return profits to shareholders primarily by paying a stable dividend, supplemented by the option of share buybacks where warranted by the Company's capital conditions. At the same time, it strives to enhance capital efficiency through investments in growing business fields while ensuring financial soundness.

The Company plans to pay year-end cash dividends per share of 40 yen to shareholders for the fiscal year ended March 31, 2016, taking into account a comprehensive range of factors including its basic policy on returning profits to shareholders and operating results for the fiscal year under review. Combined with the interim cash dividends per share, the Company plans to pay annual dividends per share of 80 yen.

In line with its basic policy on returning profits to shareholders, the Company plans to pay interim cash dividends per share of 40 yen and year-end cash dividends per share of 40 yen for the fiscal year ending March 31, 2017. As a result, annual dividends per share are expected to be 80 yen.

2. Management Policies

(1) Basic Management Policies

SOMPO HOLDINGS is committed to the following Group Management Philosophy, Group Action Guidelines, Group Vision and Group Basic Management Policies.

(Group Management Philosophy)

We will at all times carefully consider the interests of our customers when making decisions that shape our business. We will strive to contribute to the security, health, and wellbeing of our customers and society as a whole by providing insurance and related services of the highest quality possible.

(Group Action Guidelines)

To provide the highest possible quality of service to our customers we will:

1. treat each and every customer with sincerity, and act in the knowledge that our every action as an individual shapes our entire reputation as a company;
2. act with initiative, set ourselves the highest goals, and always learn from our actions;
3. strive to be both prompt and clear in our dealings and activities; and,
4. act with the utmost integrity.

(Group Vision)

Our goal is to always be the best customer service provider both at home and abroad.

(Group Basic Management Policies)

1. Pursuit of Service Quality

   We will constantly aim for the highest possible quality in all our business processes in order to become the best service provider for our customers.
2. Enhancement of Corporate Value through Sustained Growth

   We will endeavor to realize our Group Vision by strategically investing business resources in growth areas to enhance our earnings and corporate value.
3. Pursuit of Business Efficiency

   We will maximize our strengths through group-wide collaboration in all areas in order to promote efficiency in our operations and stability in our operational base.
4. Highly Transparent Governance Systems

   In acknowledgement of our social responsibility and obligations as an insurance and financial services business, we will base our operations on highly transparent governance, effective risk management, and compliance systems.
5. Fulfillment of Our Social Responsibilities

   We use our corporate strengths to address social issues concerning the environment, health and medical care and, by engaging in constructive dialogue, strive to fulfill our social responsibilities and contribute to the realization of a social sustainability.
6. Creation of a Vibrant Workplace

   We will strive to create a dynamic and open organizational environment wherein we as individuals and together as a corporate group may thrive and grow together.

(2) Financial Targets

SOMPO HOLDINGS was targeting adjusted consolidated profit in the range of 180 through 210 billion yen (Note 1) for the fiscal year ended March 31, 2016, and adjusted consolidated ROE of 7% or more (Note 2) as SOMPO HOLDINGS' numerical targets. For the fiscal year ended March 31, 2016, the actual adjusted consolidated profit amounted to 215.5

billion yen, and the actual adjusted consolidated ROE was 7.8%. The breakdown is as follows.

(Billions of yen)

	Fiscal year ended March 31, 2016 (Actual)	Fiscal year ended March 31, 2016 (Plan)
Domestic P&C Insurance Business	110.8	70.0 － 80.0
Domestic Life Insurance Business	83.4	100.0 － 110.0
Overseas Insurance Business	19.3	14.0 － 20.0
Financial and Other Services Business	1.8	2.0 － 3.0
Total	215.5	180.0 － 210.0
Adjusted consolidated ROE	7.8%	7% or more

(Notes)

1. The calculation method for adjusted profit is as follows.

Business Types	Definition of Business in the Calculation of Adjusted Profit	Calculation Method for Adjusted Profit
Domestic P&C Insurance Business	Total of Sompo Japan Nipponkoa Insurance Inc., SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED and Sonpo 24 Insurance Company Limited (on a non-consolidated basis)	Net income + 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 factors
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
Financial and Other Services Business	Financial services businesses, Healthcare businesses and other services	Net income

2. The calculation method for adjusted consolidated ROE is as follows.

<Adjusted consolidated ROE calculation method>

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 denominators are the average of the fiscal-year beginning and ending balances.

(3) Medium- and Long-term Corporate Management Strategies and Pressing Issues Ahead

The environment surrounding SOMPO HOLDINGS is expected to experience disruptive and drastic changes, including Japan's declining population and rapid aging of society, as well as large-scale natural disasters becoming the norm, along with an exponential increase in technological advancement and related changes in customer behavior. In order to achieve sustainable growth, SOMPO HOLDINGS must identify these changes as quickly as possible, and address them flexibly and rapidly.

By attaining sustainable growth amid these changes in the environment, the Company will realize its Group Management Philosophy, which seeks to contribute to the security, health, and wellbeing of our customers and society as a whole by providing insurance and other services of the highest quality possible. To this end, the Company has formulated a new Medium-Term Management Plan running through the fiscal year ending March 31, 2021 as a new growth strategy, with plans to disclose the plan in May 2016.

Under the new Medium-Term Management Plan, we will seek to evolve into a Group that is able to respond firmly and with agility to disruptive changes in the environment, based on the growth cycle achieved in the previous Medium-Term Management Plan.

3. Basic Approach to Selection of Accounting Standard

SOMPO HOLDINGS is considering the adoption of International Financial Reporting Standards (IFRS). As part of this process, SOMPO HOLDINGS is implementing measures such as examining internal guidelines and establishing an internal framework.

SOMPO HOLDINGS intends to decide on the adoption period taking into consideration factors such as the latest trends surrounding IFRS 4 Insurance Contracts, which is now being deliberated by the International Accounting Standards Board.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016
Assets:		
Cash and deposits	523,465	550,571
Receivables under resale agreements	71,985	77,998
Monetary receivables bought	14,234	11,383
Money trusts	111,293	114,770
Securities	7,682,930	7,408,124
Loans	604,058	609,808
Tangible fixed assets:	343,322	404,675
Land	180,226	174,173
Buildings	126,407	134,110
Leased assets	5,225	66,595
Construction in progress	3,825	1,826
Other tangible fixed assets	27,637	27,969
Intangible fixed assets:	100,230	146,589
Software	7,973	8,308
Goodwill	83,636	113,976
Other intangible fixed assets	8,620	24,304
Other assets	795,963	858,938
Net defined benefit asset	315	719
Deferred tax assets	11,560	8,639
Allowance for possible credit losses	(5,928)	(5,474)
Total assets	10,253,431	10,186,746
Liabilities:		
Underwriting funds:	7,579,309	7,644,560
Reserve for outstanding losses and claims	1,264,221	1,244,361
Underwriting reserves	6,315,087	6,400,198
Corporate bonds	135,958	133,675
Other liabilities	416,340	501,276
Net defined benefit liability	96,854	124,124
Reserve for retirement benefits to directors	64	114
Reserve for bonus payments	24,567	27,575
Reserve for bonus payments to directors	216	180
Reserves under the special laws:	53,553	62,487
Reserve for price fluctuation	53,553	62,487
Deferred tax liabilities	116,713	39,911
Total liabilities	8,423,578	8,533,906

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016
Net assets:		
Shareholders' equity:		
Common stock	100,045	100,045
Capital surplus	438,306	411,086
Retained earnings	222,682	364,888
Treasury stock	(19,067)	(36,975)
Total shareholders' equity	741,967	839,045
Accumulated other comprehensive income:		
Unrealized gains and losses on securities available for sale	1,048,718	825,912
Deferred gains and losses on hedges	8,085	10,510
Foreign currency translation adjustments	26,046	(7,965)
Remeasurements of defined benefit plans	(3,235)	(24,648)
Total accumulated other comprehensive income	1,079,614	803,808
Stock acquisition rights	1,550	1,486
Non-controlling interests	6,720	8,498
Total net assets	1,829,852	1,652,839
Total liabilities and net assets	10,253,431	10,186,746

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Consolidated Statement of Income

(Millions of yen)

	Fiscal year ended March 31, 2015 (April 1, 2014 to March 31, 2015)	Fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)
Ordinary income:	3,282,343	3,256,186
Underwriting income:	3,043,075	3,021,030
Net premiums written	2,508,031	2,552,193
Deposits of premiums by policyholders	144,213	120,312
Interest and dividend income on deposits of premiums, etc.	46,126	45,897
Life insurance premiums written	277,208	297,696
Reversal of reserve for outstanding losses and claims	55,789	1,599
Other underwriting income	11,705	3,330
Investment income:	213,680	203,257
Interest and dividend income	161,246	163,248
Investment gains on money trusts	6,304	5,838
Investment gains on trading securities	6,649	3,195
Gains on sales of securities	66,865	64,804
Gains on redemption of securities	1,072	373
Gains on derivatives	—	4,385
Investment gains on special account	3,261	—
Other investment income	14,407	7,309
Transfer of interest and dividend income on deposits of premiums, etc.	(46,126)	(45,897)
Other ordinary income:	25,588	31,898
Investment gains on the equity method	175	270
Other ordinary income	25,412	31,628
Ordinary expenses:	3,074,034	3,039,332
Underwriting expenses:	2,581,292	2,526,649
Net claims paid	1,531,221	1,461,666
Loss adjustment expenses	135,161	134,363
Net commissions and brokerage fees	476,876	489,674
Maturity refunds to policyholders	293,114	244,766
Dividends to policyholders	105	79
Life insurance claims paid and other payments	78,594	80,216
Provision for underwriting reserves	61,626	108,087
Other underwriting expenses	4,591	7,793
Investment expenses:	17,288	28,212
Investment losses on money trusts	163	123
Losses on sales of securities	1,468	961
Impairment losses on securities	1,434	19,799
Losses on redemption of securities	82	90
Losses on derivatives	11,512	—
Investment losses on special account	—	822
Other investment expenses	2,627	6,414
Operating, general and administrative expenses	465,019	465,091
Other ordinary expenses:	10,434	19,379
Interest paid	6,067	5,707
Provision for allowance for possible credit losses	167	224
Losses on bad debt	9	24
Other ordinary expenses	4,190	13,422
Ordinary profit	208,309	216,853

(Millions of yen)

	Fiscal year ended March 31, 2015 (April 1, 2014 to March 31, 2015)	Fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)
Extraordinary gains:	1,476	14,551
Gains on disposal of fixed assets	1,334	14,490
Gains on negative goodwill	0	—
Other extraordinary gains	140	60
Extraordinary losses:	105,258	20,075
Losses on disposal of fixed assets	1,645	4,530
Impairment losses	5,517	—
Provision for reserves under the special laws:	9,782	8,933
Provision for reserve for price fluctuation	9,782	8,933
Other extraordinary losses	88,314	6,611
Net income before income taxes	104,527	211,330
Income taxes	14,569	16,989
Deferred income taxes	34,892	34,081
Total income taxes	49,461	51,071
Net income	55,066	160,258
Net income attributable to non-controlling interests	790	677
Net income attributable to shareholders of the parent	54,276	159,581

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2015 (April 1, 2014 to March 31, 2015)	Fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)
Net income	55,066	160,258
Other comprehensive income:		
Unrealized gains and losses on securities available for sale	388,657	(222,958)
Deferred gains and losses on hedges	880	2,425
Foreign currency translation adjustments	31,084	(34,835)
Remeasurements of defined benefit plans	(6,353)	(21,379)
Share of other comprehensive income of affiliates accounted for under the equity method	149	(200)
Total other comprehensive income	414,419	(276,948)
Comprehensive income	469,485	(116,689)
(Comprehensive income attributable to)		
Comprehensive income attributable to shareholders of the parent	468,399	(116,059)
Comprehensive income attributable to non-controlling interests	1,086	(630)

(3) Consolidated Statement of Changes in Net Assets

Fiscal year ended March 31, 2015 (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		4,665
Restated balance	100,045	438,536	192,753	(9,825)	721,511
Changes during the period:					
Dividends			(24,578)		(24,578)
Net income attributable to shareholders of the parent			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 attributable to shareholders of the parent								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

Fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)

(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	438,306	222,682	(19,067)	741,967
Cumulative effects of changes in accounting policies		(27,041)	15,624		(11,417)
Restated balance	100,045	411,265	238,306	(19,067)	730,550
Changes during the period:					
Dividends			(32,487)		(32,487)
Net income attributable to shareholders of the parent			159,581		159,581
Acquisition of treasury stock				(18,555)	(18,555)
Disposal of treasury stock		(162)		647	485
Changes in the scope of consolidation			(511)		(511)
Changes in interest of the parent related to transactions with non-controlling interests		(16)			(16)
Net changes in items other than shareholders' equity					
Total changes during the period	–	(179)	126,581	(17,907)	108,494
Balance at the end of the period	100,045	411,086	364,888	(36,975)	839,045

	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	1,048,718	8,085	26,046	(3,235)	1,079,614	1,550	6,720	1,829,852
Cumulative effects of changes in accounting policies			(139)		(139)		1	(11,555)
Restated balance	1,048,718	8,085	25,906	(3,235)	1,079,474	1,550	6,721	1,818,297
Changes during the period:								
Dividends								(32,487)
Net income attributable to shareholders of the parent								159,581
Acquisition of treasury stock								(18,555)
Disposal of treasury stock								485
Changes in the scope of consolidation								(511)
Changes in interest of the parent related to transactions with non-controlling interests								(16)
Net changes in items other than shareholders' equity	(222,806)	2,425	(33,871)	(21,413)	(275,665)	(63)	1,777	(273,951)
Total changes during the period	(222,806)	2,425	(33,871)	(21,413)	(275,665)	(63)	1,777	(165,457)
Balance at the end of the period	825,912	10,510	(7,965)	(24,648)	803,808	1,486	8,498	1,652,839

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2015 (April 1, 2014 to March 31, 2015)	Fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)
Cash flows from operating activities:		
Net income before income taxes and non-controlling interests	104,527	211,330
Depreciation	21,628	20,780
Impairment losses	5,517	—
Amortization of goodwill	5,697	4,462
Gains on negative goodwill	(0)	—
Increase (decrease) in reserve for outstanding losses and claims	(3,668)	7,053
Increase (decrease) in underwriting reserves	61,820	103,966
Increase (decrease) in allowance for possible credit losses	561	69
Increase (decrease) in net defined benefit liability	(1,190)	(2,766)
Increase (decrease) in reserve for retirement benefits to directors	5	5
Increase (decrease) in reserve for bonus payments	2,148	1,963
Increase (decrease) in reserve for bonus payments to directors	30	(36)
Increase (decrease) in reserve for price fluctuation	9,782	8,933
Interest and dividend income	(161,246)	(163,248)
Losses (gains) on investment in securities	(64,939)	(44,326)
Interest expenses	6,067	5,707
Foreign exchange losses (gains)	(6,791)	(9,747)
Losses (gains) related to tangible fixed assets	310	(9,960)
Losses (gains) related to loans	0	9
Investment losses (gains) on the equity method	(175)	(270)
Decrease (increase) in other assets (other than investing and financing activities)	3,366	(21,815)
Increase (decrease) in other liabilities (other than investing and financing activities)	14,350	5,182
Others	11,591	4,450
Subtotal	9,392	121,746
Interest and dividend received	163,383	167,291
Interest paid	(8,059)	(4,988)
Income taxes paid	(11,945)	(17,616)
Cash flows from operating activities	152,771	266,432

(Millions of yen)

	Fiscal year ended March 31, 2015 (April 1, 2014 to March 31, 2015)	Fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)
Cash flows from investing activities:		
Net decrease (increase) in deposits	15,024	(7,626)
Proceeds from sales and redemption of monetary receivables bought	2,715	2,866
Increase in money trusts	(71,203)	(17,690)
Decrease in money trusts	51,993	3,804
Purchase of securities	(1,019,888)	(1,064,410)
Proceeds from sales and redemption of securities	1,127,299	1,006,174
Loans made	(151,740)	(172,186)
Collection of loans	140,259	147,718
Others	(54,921)	1,009
Total of investment transactions	39,538	(100,339)
Total of operating activities and investment transactions as above	192,309	166,092
Acquisition of tangible fixed assets	(19,403)	(15,483)
Proceeds from sales of tangible fixed assets	3,566	25,350
Acquisition of stocks of subsidiaries resulting in changes in the scope of consolidation	(97,412)	(61,808)
Proceeds from sales of stocks of subsidiaries resulting in changes in the scope of consolidation	2,664	—
Payments for sales of stocks of subsidiaries resulting in changes in the scope of consolidation	(919)	—
Others	(2,410)	(16,962)
Cash flows from investing activities	(74,377)	(169,243)
Cash flows from financing activities:		
Redemption of corporate bonds	(134,396)	(2,293)
Proceeds from sales of treasury stock	2	64
Acquisition of treasury stock	(10,050)	(18,555)
Dividends paid	(24,598)	(32,456)
Dividends paid to non-controlling shareholders	(2)	—
Acquisition of stocks of subsidiaries that do not result in changes in the scope of consolidation	—	(48)
Others	(3,175)	(3,549)
Cash flows from financing activities	(172,221)	(56,838)
Effect of exchange rate changes on cash and cash equivalents	8,679	(9,222)
Increase (decrease) in cash and cash equivalents	(85,148)	31,128
Cash and cash equivalents at the beginning of the period	632,160	545,192
Increase in cash and cash equivalents resulting from newly consolidated subsidiaries	—	470
Decrease in cash and cash equivalents resulting from exclusion of consolidated subsidiaries	(3,438)	—
Increase in cash and cash equivalents resulting from merger	1,619	—
Cash and cash equivalents at the end of the period	545,192	576,791

(5) Notes on Going-Concern Assumption

None.

(6) Changes in Accounting Policies, Changes in Accounting Estimations, and Retrospective Restatements

(Changes in accounting policies)

The Company has applied the “Accounting Standard for Business Combinations” (Accounting Standards Board of Japan Statement No. 21, September 13, 2013, the “Business Combinations Accounting Standard”), the “Accounting Standard for Consolidated Financial Statements” (Accounting Standards Board of Japan Statement No. 22, September 13, 2013, the “Consolidation Accounting Standard”) and the “Accounting Standard for Business Divestitures” (Accounting Standards Board of Japan Statement No. 7, September 13, 2013, the “Business Divestitures Accounting Standard”) effective from the fiscal year ended March 31, 2016. Under these accounting standards, the Company has implemented new accounting methods where differences due to changes in the Company’s ownership interests in subsidiaries continuously under control are accounted for as capital surplus and where acquisition-related costs are accounted for as expenses for the fiscal year when the costs incurred. Regarding business combinations occurring at or after the beginning of the fiscal year ended March 31, 2016, the Company has also implemented a new accounting method where the reviewed allocation of acquisition costs due to the finalization of the provisional accounting treatment are reflected in the consolidated financial statements for the accounting period in which business combination occurs. In addition, the Company changed the presentation of net income and other related items, and minority interests are now presented as non-controlling interests. The consolidated financial statements for the previous fiscal year have been reclassified in order to reflect these changes in the presentation.

In accordance with the transitional accounting treatments prescribed in paragraph 58-2 (3) of the Business Combinations Accounting Standard, paragraph 44-5 (3) of the Consolidation Accounting Standard and paragraph 57-4 (3) of the Business Divestitures Accounting Standard, the cumulative effect up to the beginning of the fiscal year ended March 31, 2016 by applying retroactively those new accounting standards to all the past years was added, or subtracted from, capital surplus and retained earnings.

The effects of those accounting standards on the beginning of the fiscal year ended March 31, 2016 were a decreased in goodwill of 12,160 million yen and capital surplus of 27,041 million yen and an increased in retained earnings of 15,624 million yen. As a result, ordinary profit and net income before income taxes for the fiscal year ended March 31, 2016 increased by 964 million yen each.

In the consolidated statement of cash flows for the fiscal year ended March 31, 2016, cash flow regarding acquisition or sales of stocks of subsidiaries that do not result in changes in the scope of consolidation has been classified into cash flows from financing activities. Cash flow regarding expenses arising from acquisition of stocks of subsidiaries resulting in changes in the scope of consolidation or expenses arising from acquisition or sales of stocks of subsidiaries that do not result in changes in the scope of consolidation has been classified into cash flows from operating activities.

Due mainly to reflection of cumulative effects in net assets at the beginning of the fiscal year ended March 31, 2016, capital surplus at the beginning of the period in consolidated statement of changes in net assets decreased by 27,041 million yen and retained earnings at the beginning of the period increased by 15,624 million yen.

The impact on per share information is stated in the relevant section.

(7) Additional Information

(Impact of changes in the corporate tax rate)

“Act on Partial Amendment to the Income Tax Act, etc.” (Act No. 15, 2016) was passed by the Diet on March 29, 2016, which stipulates a reduction in the corporate tax rate to be enforced from the fiscal year beginning on or after April 1, 2016.

Accordingly, the effective statutory income tax rate to calculate deferred tax assets and liabilities has been changed from previous 28.8%. The rate for temporary differences expected to be reversed in the fiscal year beginning on April

1, 2016 and April 1, 2017 is 28.2%, whereas the rate for temporary differences expected to be reversed in the fiscal year beginning April 1, 2018 onwards is 27.9%.
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 2,108 million yen, underwriting reserves decreased by 547 million yen, deferred income taxes increased by 7,575 million yen and net income attributable to shareholders of the parent decreased by 7,029 million yen.

(8) Notes to the Consolidated Financial Statements

(Segment information)

[Segment information]

1. Summary of reportable segments

The reportable segment of Sompo Japan Nipponkoa Holdings, Inc. (“the Company”) is the component of the Sompo Japan Nipponkoa Group, for which discrete financial information is available and whose operating results are periodically reviewed by the board of directors to make decisions about resources to be allocated to the segment and assess its performance.

The respective group companies of the Company determine their comprehensive strategies for their operations as independent management unit and roll out their operations under the group-wide management policy of the Company.

Therefore, the Company is composed of business segments, which consist of the respective group companies as minimum component. “Domestic P&C insurance business,” “Domestic life insurance business” and “Overseas insurance business” are determined as the reportable segments. The Company, nursing care and healthcare business, asset management business and defined-contribution pension business and other services that are not covered by the reportable segments are included in “Others.” The major companies which constitute the reportable segments and “Others” are described below.

“Domestic P&C insurance business” consists mainly of underwriting of property and casualty insurance, investment, and related activities in Japan. “Domestic life insurance business” consists mainly of underwriting of life insurance and investment activities in Japan, “Overseas insurance business” consists mainly of underwriting of property and casualty insurance and investment activities overseas.

	Major companies
Reportable segments	
Domestic P&C insurance business	Sompo Japan Nipponkoa Insurance Inc. SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED Sonpo 24 Insurance Company Limited
Domestic life insurance business	Sompo Japan Nipponkoa Himawari Life Insurance, Inc.
Overseas insurance business	Sompo Japan Insurance Company of America Sompo Canopius AG Sompo Japan Sigorta Anonim Sirketi Yasuda Maritima Seguros S. A.
Others	Sompo Japan Nipponkoa Holdings, Inc. Message Co., Ltd. (Note 1) Sompo Care Next Inc. (Note 2) Healthcare Frontier Japan Inc. Sompo Japan Nipponkoa Asset Management Co., Ltd. Sompo Japan Nipponkoa DC Securities Inc.

Notes)

1. Message Co., Ltd. and its 9 group companies are included in the scope of consolidation during the fiscal year ended March 31, 2016 because they became consolidated subsidiaries through the acquisition of shares. As the deemed acquisition date is March 31, 2016, result of operations are not included in the segment information.
2. Sompo Care Next Inc. is included in the scope of consolidation during the fiscal year ended March 31, 2016 because it became consolidated subsidiaries through the acquisition of shares. Result of operations of Sompo Care Next Inc. from January 1, 2016 to

March 31, 2016 are included in the segment information.

2. Calculation methods for the amount of sales, income or loss, assets and other items by each reportable segment

The accounting methods of reportable business segments are those used in the preparation of the consolidated financial statements. Income or loss attributable to the reportable segments is the amounts based on net income attributable to shareholders of the parent in the consolidated statement of income.
Income from internal transactions among segments is based on the price of transactions among third parties and others.

(Application of accounting standard for business combinations)

As described in “(6) Changes in Accounting Policies, Changes in Accounting Estimations, and Retrospective Restatements,” the Company has implemented new accounting methods where differences due to changes in the Company’s ownership interests in subsidiaries continuously under control are accounted for as capital surplus and where acquisition-related costs are accounted for as expenses for the fiscal year when the costs incurred.
Accordingly, regarding segment income for the fiscal year ended March 31, 2016, “Domestic P&C insurance business” segment increased 9 million yen, “Domestic life insurance business” segment increased 1,262 million yen and “Overseas insurance business” segment increased 206 million yen, respectively, and “Others” segment decreased 487 million yen, compared with the amounts calculated under the previous method.

3. Information related to the amount of sales, income or loss, assets and other items by each reportable segment

Fiscal year ended March 31, 2015 (April 1, 2014 to March 31, 2015)

(Millions of yen)

	Reportable segments				Others (Note 2)	Total	Adjustments (Note 3)	Amount on the consolidated financial statements (Note 4)
	Domestic P&C insurance business	Domestic life insurance business	Overseas insurance business	Total				
Sales (Note 1):								
Sales from transactions with external customers	2,217,825	272,945	294,469	2,785,240	11,904	2,797,144	485,199	3,282,343
Sales from internal transactions or transfers among segments	—	—	—	—	4,767	4,767	(4,767)	—
Total	2,217,825	272,945	294,469	2,785,240	16,671	2,801,911	480,432	3,282,343
Segment income (loss)	31,521	6,992	14,007	52,520	1,755	54,276	—	54,276
Segment assets	7,007,807	2,288,824	943,369	10,240,001	13,430	10,253,431	—	10,253,431
Other items:								
Depreciation	17,619	1,373	2,537	21,530	97	21,628	—	21,628
Amortization of goodwill	132	1,872	3,692	5,697	—	5,697	—	5,697
Interest and dividend income	109,676	37,748	14,602	162,026	21	162,047	(800)	161,246
Interest paid	5,346	65	658	6,070	17	6,087	(20)	6,067
Investment gains (losses) on the equity method	60	—	115	175	—	175	—	175
Extraordinary gains:	1,198	—	136	1,335	140	1,476	—	1,476
Gains on negative goodwill	—	—	0	0	—	0	—	0
Extraordinary losses (Note 5):	102,976	1,819	403	105,200	58	105,258	—	105,258
Impairment losses	5,517	—	—	5,517	—	5,517	—	5,517
Income tax expenses	41,919	6,340	506	48,766	695	49,461	—	49,461
Investment in affiliates accounted for under the equity method	1,089	—	1,324	2,414	—	2,414	—	2,414
Increase in tangible and intangible fixed assets	18,648	226	33,993	52,869	148	53,017	—	53,017

Notes)

1. Sales amounts represent the following:

Domestic P&C insurance business:	Net premiums written
Domestic life insurance business:	Life insurance premiums written
Overseas insurance business:	Net premiums written and life insurance premiums written
“Others” and amount on the consolidated financial statements:	Ordinary income

2. “Others” is business segments which are not included in reportable segments. It includes the Company (insurance holding company) healthcare business, asset management business and defined-contribution pension business.

3. Adjustments of sales are as follows.

Ordinary income related to domestic P&C insurance business, domestic life insurance business and overseas insurance business excluding net premiums written and life insurance premiums written:	485,199	million yen
Elimination of internal transactions among segments:	(4,767)	million yen

4. Segment income (loss) is adjusted to net income attributable to shareholders of the parent in the consolidated statement of income.

5. Extraordinary losses for domestic P&C insurance business include 87,106 million yen of merger cost.

Fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)

(Millions of yen)

	Reportable segments				Others (Note 2)	Total	Adjustments (Note 3)	Amount on the consolidated financial statements (Note 4)
	Domestic P&C insurance business	Domestic life insurance business	Overseas insurance business	Total				
Sales (Note 1):								
Sales from transactions with external customers	2,259,590	293,695	296,604	2,849,890	21,454	2,871,344	384,841	3,256,186
Sales from internal transactions or transfers among segments	—	—	—	—	6,774	6,744	(6,774)	—
Total	2,259,590	293,695	296,604	2,849,890	28,228	2,878,118	378,067	3,256,186
Segment income (loss)	132,496	10,874	16,046	159,417	163	159,581	—	159,581
Segment assets	6,647,546	2,439,535	880,626	9,967,708	219,038	10,186,746	—	10,186,746
Other items:								
Depreciation	16,757	472	2,365	19,596	1,184	20,780	—	20,780
Amortization of goodwill	121	609	3,356	4,087	375	4,462	—	4,462
Interest and dividend income	109,033	40,058	14,959	164,051	34	164,086	(838)	163,248
Interest paid	4,254	78	721	5,053	690	5,743	(36)	5,707
Investment gains (losses) on the equity method	65	—	204	270	—	270	—	270
Extraordinary gains (Note 5)	13,963	—	327	14,290	260	14,551	—	14,551
Extraordinary losses (Note 6)	18,926	898	21	19,846	228	20,075	—	20,075
Income tax expenses	40,676	5,728	3,917	50,321	749	51,071	—	51,071
Investment in affiliates accounted for under the equity method	1,149	—	1,335	2,484	—	2,484	—	2,484
Increase in tangible and intangible fixed assets	31,817	813	4,199	36,830	57,071	93,902	—	93,902

Notes)

1. Sales amounts represent the following:

   Domestic P&C insurance business: Net premiums written

   Domestic life insurance business: Life insurance premiums written

   Overseas insurance business: Net premiums written and life insurance premiums written

   “Others” and amount on the consolidated financial statements: Ordinary income

2. “Others” is business segments which are not included in reportable segments. It includes the Company (insurance holding company) nursing care and healthcare business, asset management business and defined-contribution pension business.

3. Adjustments of sales are as follows.

   Ordinary income related to domestic P&C insurance business, domestic life insurance business and overseas insurance business excluding net premiums written and life insurance premiums written: 384,841 million yen

   Elimination of internal transactions among segments: (6,774) million yen

4. Segment income (loss) is adjusted to net income attributable to shareholders of the parent in the consolidated statement of income.

5. Extraordinary gains for domestic P&C insurance business include 13,963 million yen of gains on disposal of fixed assets.

6. Extraordinary losses for domestic P&C insurance business include 8,046 million yen of provision for reserve for price fluctuation, and 6,439 million yen of the special premium to be paid out in conjunction with Special Measures for Life Plan Support.

[Related information]

Fiscal year ended March 31, 2015 (April 1, 2014 to March 31, 2015)

1. Information by products and services

(Millions of yen)

	Fire and allied insurance	Marine insurance	Personal accident insurance	Voluntary automobile insurance	Compulsory automobile liability insurance	Others	Total
Net premiums written	396,516	83,102	195,249	1,178,030	305,869	349,263	2,508,031

(Millions of yen)

	Individual Insurance	Individual annuities	Group insurance	Group annuities	Total
Life insurance premiums written	253,404	8,408	15,396	—	277,208

2. Information by geographic area

(1) Sales

(Millions of yen)

Japan	Overseas	Total
2,377,714	407,525	2,785,240

Notes)

1. Sales represent amounts of net premiums written and life insurance premiums written.
2. Geographic area is classified into “Japan” or “Overseas” in line with the classification used for management purpose mainly based on locations of customers.

(2) Tangible fixed assets

Geographic information is omitted because tangible fixed assets located in Japan constitute more than 90 percent of tangible fixed assets in the consolidated balance sheet.

3. Information by major customers

None.

Fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)

1. Information by products and services

(Millions of yen)

	Fire and allied insurance	Marine insurance	Personal accident insurance	Voluntary automobile insurance	Compulsory automobile liability insurance	Others	Total
Net premiums written	407,817	85,905	194,287	1,197,795	307,233	359,154	2,552,193

(Millions of yen)

	Individual Insurance	Individual annuities	Group insurance	Group annuities	Total
Life insurance premiums written	275,148	7,408	15,139	—	297,696

2. Information by geographic area

(1) Sales

(Millions of yen)

Japan	Overseas	Total
2,453,027	396,863	2,849,890

Notes)

1. Sales represent amounts of net premiums written and life insurance premiums written.
2. Geographic area is classified into “Japan” or “Overseas” in line with the classification used for management purpose mainly based on locations of customers.

(2) Tangible fixed assets

Geographic information is omitted because tangible fixed assets located in Japan constitute more than 90 percent of tangible fixed assets in the consolidated balance sheet.

3. Information by major customers

None.

[Information related to impairment losses on fixed assets by reportable segments]

Fiscal year ended March 31, 2015 (April 1, 2014 to March 31, 2015)

(Millions of yen)

	Reportable segments				Others	Unallocated amounts and eliminations	Total
	Domestic P&C insurance business	Domestic life insurance business	Overseas insurance business	Total			
Impairment losses	5,517	—	—	5,517	—	—	5,517

Fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)

None.

[Information related to amortization of goodwill and balance of goodwill by reportable segments]

Fiscal year ended March 31, 2015 (April 1, 2014 to March 31, 2015)

(Millions of yen)

	Reportable segments				Others	Unallocated amounts and eliminations	Total
	Domestic P&C insurance business	Domestic life insurance business	Overseas insurance business	Total			
Amortization for the fiscal year ended March 31, 2015	132	1,872	3,692	5,697	—	—	5,697
Balance as of March 31, 2015	307	11,864	71,464	83,636	—	—	83,636

Fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)

(Millions of yen)

	Reportable segments				Others (Note)	Unallocated amounts and eliminations	Total
	Domestic P&C insurance business	Domestic life insurance business	Overseas insurance business	Total			
Amortization for the fiscal year ended March 31, 2016	121	609	3,356	4,087	375	—	4,462
Balance as of March 31, 2016	349	3,045	55,367	58,762	55,213	—	113,976

Note) Amounts of “Others” represent nursing care and healthcare business only.

[Information related to gains on negative goodwill by reportable segments]

Fiscal year ended March 31, 2015 (April 1, 2014 to March 31, 2015)

(Millions of yen)

	Reportable segments				Others	Unallocated amounts and eliminations	Total
	Domestic P&C insurance business	Domestic life insurance business	Overseas insurance business	Total			
Gains on negative goodwill	—	—	0	0	—	—	0

Fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)

None.

(Securities)

1. Trading Securities

(Millions of yen)

	As of March 31, 2015		As of March 31, 2016	
	Carrying amount	Unrealized gains and losses recognized in statement of income	Carrying amount	Unrealized gains and losses recognized in statement of income
Trading securities	284,672	3,909	270,966	(3,078)

2. Bonds held to maturity

(Millions of yen)

		As of March 31, 2015			As of March 31, 2016		
		Carrying amount	Fair value	Unrealized gains and losses	Carrying amount	Fair value	Unrealized gains and losses
Securities whose fair value exceeds their carrying amount	Domestic bonds	1,236,030	1,424,142	188,112	1,219,943	1,555,133	335,190
	Foreign securities	7,155	7,214	59	602	615	12
	Subtotal	1,243,185	1,431,357	188,172	1,220,545	1,555,749	335,203
Securities whose fair value does not exceed their carrying amount	Domestic bonds	—	—	—	—	—	—
	Foreign securities	3,452	3,411	(41)	2,933	2,876	(57)
	Subtotal	3,452	3,411	(41)	2,933	2,876	(57)
Total		1,246,637	1,434,768	188,131	1,223,479	1,558,625	335,145

3. Policy reserve matching bonds

(Millions of yen)

		As of March 31, 2015			As of March 31, 2016		
		Carrying amount	Fair value	Unrealized gains and losses	Carrying amount	Fair value	Unrealized gains and losses
Securities whose fair value exceeds their carrying amount	Domestic bonds	70,358	73,364	3,005	143,026	168,786	25,760
Securities whose fair value does not exceed their carrying amount	Domestic bonds	5,139	5,114	(24)	—	—	—
Total		75,497	78,479	2,981	143,026	168,786	25,760

4. Securities available for sale

(Millions of yen)

		As of March 31, 2015			As of March 31, 2016		
		Carrying amount	Cost	Unrealized gains and losses	Carrying amount	Cost	Unrealized gains and losses
Securities whose carrying amount exceeds their cost	Domestic bonds	2,329,103	2,178,105	150,997	2,414,908	2,172,318	242,589
	Domestic stocks	1,741,289	686,530	1,054,758	1,280,884	526,518	754,365
	Foreign securities	1,634,361	1,398,116	236,244	1,422,451	1,260,710	161,741
	Others	35,506	29,656	5,850	42,495	37,836	4,658
	Subtotal	5,740,261	4,292,408	1,447,852	5,160,739	3,997,384	1,163,354
Securities whose carrying amount does not exceed their cost	Domestic bonds	47,169	47,360	(191)	14,959	15,065	(105)
	Domestic stocks	27,709	29,508	(1,798)	132,327	143,118	(10,791)
	Foreign securities	177,929	183,151	(5,222)	370,898	387,410	(16,511)
	Others	32,012	32,509	(497)	42,584	42,925	(341)
	Subtotal	284,820	292,530	(7,709)	560,769	588,518	(27,749)
Total		6,025,081	4,584,939	1,440,142	5,721,508	4,585,903	1,135,604

Notes)

As of March 31, 2015	As of March 31, 2016
1. Securities available for sale which are considered extremely difficult to figure out their fair value are not included in the above table.	1. Same as on the left
2. Certificate of deposit classified as cash and deposits and beneficial interests in the loan trusts classified as monetary receivables bought in the consolidated balance sheet are included in "Others" above.	2. Same as on the left

5. Securities available for sale sold

(Millions of yen)

	Fiscal year ended March 31, 2015 (April 1, 2014 to March 31, 2015)			Fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)		
	Proceeds from sales	Gains on sales	Losses on sales	Proceeds from sales	Gains on sales	Losses on sales
Domestic bonds	212,303	3,036	85	126,711	2,440	180
Domestic stocks	90,889	44,633	159	76,978	45,694	222
Foreign securities	185,872	16,224	903	207,002	14,914	542
Others	0	923	225	0	1,227	0
Total	489,065	64,817	1,374	410,692	64,276	945

6. Securities for which impairment losses are recognized

Fiscal year ended March 31, 2015 (April 1, 2014 to March 31, 2015)	Fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)
For the fiscal year ended March 31, 2015, impairment losses on securities available for sale (excluding securities available for sale which are considered extremely difficult to figure out their fair value) amount to 842 million yen (domestic stocks: 534 million yen, foreign securities: 307 million yen), and impairment losses on securities available for sale which are considered extremely difficult to figure out their fair value amount to 118 million yen (domestic stocks only). Basically, Sompo Japan Nipponkoa Holdings, Inc. and its domestic consolidated subsidiaries recognize impairment losses on securities if fair value at the end of the fiscal year declines by 30% or more from their cost.	For the fiscal year ended March 31, 2016, impairment losses on securities available for sale (excluding securities available for sale which are considered extremely difficult to figure out their fair value) amount to 19,532 million yen (domestic stocks: 15,326 million yen, foreign securities: 1,250 million yen, others: 2,954 million yen), and impairment losses on securities available for sale which are considered extremely difficult to figure out their fair value amount to 255 million yen (domestic stocks only). Basically, Sompo Japan Nipponkoa Holdings, Inc. and its domestic consolidated subsidiaries recognize impairment losses on securities if fair value at the end of the fiscal year declines by 30% or more from their cost.

(Per share information)

	Fiscal year ended March 31, 2015 (April 1, 2014 to March 31, 2015)	Fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)
Net assets per share	4,464.24 yen	4,064.83 yen
Net income per share	132.85 yen	394.21 yen
Diluted net income per share	132.61 yen	393.66 yen

Notes)

1. Calculation of net income per share and diluted net income per share is based on the following figures.

(Millions of yen)

	Fiscal year ended March 31, 2015 (April 1, 2014 to March 31, 2015)	Fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)
Net income per share		
Net income attributable to shareholders of the parent	54,276	159,581
Amount not attributable to common stockholders	—	—
Net income attributable to shareholders of the parent to common stocks	54,276	159,581
Average number of common stocks outstanding	408,545 thousand shares	404,804 thousand shares
Diluted net income per share		
Adjustment of net income attributable to shareholders of the parent	—	—
Increase of common stocks:	714 thousand shares	572 thousand shares
Stock acquisition rights	714 thousand shares	572 thousand shares

2. Calculation of net assets per share is based on the following figures.

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016
Total net assets	1,829,852	1,652,839
Amount to be deducted from total net assets:	8,270	9,985
Stock acquisition rights	1,550	1,486
Non-controlling interests	6,720	8,498
Net assets attributable to common stocks	1,821,582	1,642,854
Number of common stocks used for calculation of net assets per share	408,037 thousand shares	404,162 thousand shares

3. As described in (Changes in accounting policies) of "(6) Changes in Accounting Policies, Changes in Accounting Estimations, and Retrospective Restatements," Sompo Japan Nipponkoa Holdings, Inc. (the "Company") has applied the accounting standard for business combinations, etc. and the Company is in accordance with transitional accounting as stipulated in paragraph 58-2 (3) of the "Business Combinations Accounting Standard," paragraph 44-5 (3) of the "Consolidation Accounting Standard" and paragraph 57-4 (3) of the "Business Divestitures Accounting Standard."
   As a result, net assets per share of common stock at the beginning of the fiscal year ended March 31, 2016 decreased by 28.32 yen, net income per share of common stock increased 2.45 yen and diluted net income per share increased 2.44 yen, respectively.

(Significant subsequent events)

Acquisition of treasury stock

Sompo Japan Nipponkoa Holdings, Inc. (“the Company”) passed a resolution setting out details of the Company’s stock buybacks to be conducted in accord with Article 156 of the Companies Act applied pursuant to Article 165, paragraph 3, of that Act at the Company’s Board of Directors meeting on May 20, 2016. Details of the resolution are as follows.

1. Reason for stock buybacks

While maintaining financial soundness and improving capital efficiency by investing on growing fields, etc., the Company has a shareholder return policy of paying stable dividends, with the option of stock buybacks depending on capital conditions. Regarding medium-term management plan which was concluded in fiscal year ended March 31, 2016, the Company has set a medium-term target of the shareholder return for the total payout ratio of 50 percent of adjusted consolidated profit (excluding the domestic life insurance business). In accordance with this policy, the Company will conduct stock buybacks as a part of the shareholder return for the financial results of fiscal year ended March 31, 2016.

2. Details of stock buybacks

(a)	Class of shares	Common stock of the Company
(b)	Potential total number	16,750,000 shares (upper limit)
(c)	Total price	33,500,000,000 yen (upper limit)
(d)	Period	May 23, 2016 — November 17, 2016

5. Other

(1) Summary of Results of Operations (Consolidated)

(Millions of yen)

	Fiscal year ended March 31, 2015 (April 1, 2014 to March 31, 2015)	Fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)	Increase (Decrease)	Rate of change
				%
Ordinary income and expenses:				
Underwriting income:	3,043,075	3,021,030	(22,044)	(0.7)
Net premiums written	2,508,031	2,552,193	44,162	1.8
Deposits of premiums by policyholders	144,213	120,312	(23,900)	(16.6)
Life insurance premiums written	277,208	297,696	20,487	7.4
Reversal of reserve for outstanding losses and claims	55,789	1,599	(54,189)	(97.1)
Underwriting expenses:	2,581,292	2,526,649	(54,643)	(2.1)
Net claims paid	1,531,221	1,461,666	(69,554)	(4.5)
Loss adjustment expenses	135,161	134,363	(798)	(0.6)
Net commissions and brokerage fees	476,876	489,674	12,798	2.7
Maturity refunds to policyholders	293,114	244,766	(48,347)	(16.5)
Life insurance claims paid and other payments	78,594	80,216	1,621	2.1
Provision for underwriting reserves	61,626	108,087	46,460	75.4
Investment income:	213,680	203,257	(10,423)	(4.9)
Interest and dividend income	161,246	163,248	2,001	1.2
Gains on sales of securities	66,865	64,804	(2,060)	(3.1)
Investment expenses:	17,288	28,212	10,923	63.2
Losses on sales of securities	1,468	961	(506)	(34.5)
Impairment losses on securities	1,434	19,799	18,365	1,280.3
Operating, general and administrative expenses	465,019	465,091	72	0.0
Other ordinary income and expenses:	15,154	12,518	(2,635)	(17.4)
Investment gains on the equity method	175	270	94	54.1
Ordinary profit	208,309	216,853	8,543	4.1
Extraordinary gains and losses:				
Extraordinary gains	1,476	14,551	13,075	885.4
Extraordinary losses	105,258	20,075	(85,183)	(80.9)
Extraordinary gains and losses	(103,781)	(5,523)	98,258	―
Net income before income taxes and non-controlling interests	104,527	211,330	106,802	102.2
Income taxes	14,569	16,989	2,420	16.6
Deferred income taxes	34,892	34,081	(810)	(2.3)
Total income taxes	49,461	51,071	1,609	3.3
Net income	55,066	160,258	105,192	191.0
Net income attributable to non-controlling interests	790	677	(112)	(14.2)
Net income attributable to shareholders of the parent	54,276	159,581	105,305	194.0

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

Direct premiums written (including deposits of premiums by policyholders)

(Millions of yen)

Business line	Fiscal year ended March 31, 2015 (April 1, 2014 to March 31, 2015)			Fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
		%	%		%	%
Fire and allied insurance	485,286	17.4	11.7	495,770	17.6	2.2
Marine insurance	89,043	3.2	22.9	89,383	3.2	0.4
Personal accident insurance	302,679	10.8	5.2	285,927	10.2	(5.5)
Voluntary automobile insurance	1,177,575	42.2	6.2	1,199,227	42.7	1.8
Compulsory automobile liability insurance	324,060	11.6	(0.6)	316,107	11.3	(2.5)
Others	413,496	14.8	15.8	423,147	15.1	2.3
Total	2,792,142	100.0	8.0	2,809,564	100.0	0.6
Deposits of premiums by policyholders	144,213	5.2	2.3	120,312	4.3	(16.6)

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

Net premiums written

(Millions of yen)

Business line	Fiscal year ended March 31, 2015 (April 1, 2014 to March 31, 2015)			Fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
		%	%		%	%
Fire and allied insurance	396,516	15.8	27.3	407,817	16.0	2.9
Marine insurance	83,102	3.3	41.9	85,905	3.4	3.4
Personal accident insurance	195,249	7.8	2.4	194,287	7.6	(0.5)
Voluntary automobile insurance	1,178,030	47.0	6.3	1,197,795	46.9	1.7
Compulsory automobile liability insurance	305,869	12.2	2.3	307,233	12.0	0.4
Others	349,263	13.9	15.9	359,154	14.1	2.8
Total	2,508,031	100.0	10.5	2,552,193	100.0	1.8

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

Net claims paid

(Millions of yen)

Business line	Fiscal year ended March 31, 2015 (April 1, 2014 to March 31, 2015)			Fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
		%	%		%	%
Fire and allied insurance	271,685	17.7	47.1	251,172	17.2	(7.6)
Marine insurance	46,853	3.1	49.2	48,401	3.3	3.3
Personal accident insurance	116,753	7.6	11.4	105,649	7.2	(9.5)
Voluntary automobile insurance	671,759	43.9	7.2	639,232	43.7	(4.8)
Compulsory automobile liability insurance	226,331	14.8	(1.1)	226,799	15.5	0.2
Others	197,837	12.9	21.5	190,410	13.0	(3.8)
Total	1,531,221	100.0	14.3	1,461,666	100.0	(4.5)

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

(3) Risk-monitored Loans (Consolidated)

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016	Change
Loans to borrowers in bankruptcy	70	50	(20)
Overdue loans	572	404	(167)
Loans overdue for three months or more	15	10	(5)
Restructured loans	60	—	(60)
Total	719	465	(254)
Percent of total loans	0.1%	0.1%	(0.0)%

(Reference)

Total loans	604,058	609,808	5,750

Note) The definitions of each loan are as follows.

(1) Loans to borrowers in bankruptcy

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.

(2) Overdue loans

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.

(3) Loans overdue for three months or more

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.

(4) Restructured loans

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.