SOMPO HOLDINGS

UNOFFICIAL TRANSLATION

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Summary of Consolidated Financial Results for the fiscal year ended March 31, 2016

Supplementary Information

May 20, 2016

Sompo Japan Nipponkoa Holdings, Inc.

（ Securities Code : 8630 ）

Summary of Consolidated Financial Results for the fiscal year ended March 31, 2016

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1. Overview of Consolidated Financial Results for the fiscal year ended March 31, 2016

Sompo Japan Nipponkoa Holdings, Inc.

Overview of Consolidated Financial Results for the fiscal year ended March 31, 2016

(Yen in hundred millions, %)

		Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016	Increase (Decrease)	Rate of change
Ordinary income:	①	32,823	32,561	(261)	(0.8)
Net premiums written:	②	25,080	25,521	441	1.8
Sompo Japan Nipponkoa Insurance Inc.	③	21,813	22,184	371	1.7
Overseas consolidated subsidiaries	④	2,902	2,926	23	0.8
Others	⑤	365	411	46	12.7
Life insurance premiums written	⑥	2,772	2,976	204	7.4
Ordinary profit:	⑦	2,083	2,168	85	4.1
Sompo Japan Nipponkoa Insurance Inc.	⑧	1,951	1,780	(170)	(8.7)
Net income attributable to shareholders of the parent:	⑨	542	1,595	1,053	194.0
Sompo Japan Nipponkoa Insurance Inc.	⑩	450	1,262	812	180.3
Sompo Japan Nipponkoa Himawari Life Insurance, Inc.	⑪	97	116	18	19.4
Overseas consolidated subsidiaries	⑫	194	205	10	5.5
Others and consolidation adjustment, etc.	⑬	(199)	11	211	—

Notes)

1. As for the amount of “Sompo Japan Nipponkoa Insurance Inc.” in the above table, amount for the fiscal year ended March 31, 2015 represents the amounts, which include the results of NIPPONKOA Insurance Company, Limited for the five months ended August 31, 2014, corresponding to the combined results for the fiscal year ended March 31, 2016. The same applies hereafter.
2. In establishing Sompo Japan Nipponkoa Holdings, Inc., the purchase method was applied to account for the business combination. "Consolidation adjustment, etc." in the above table includes amounts of adjustments following the application of the purchase method.

Impact of the lowered corporate income tax rate (Fiscal year ended March 31, 2016)

(Yen in hundred millions)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016	Increase (Decrease)
Impact on net income (loss) attributable to shareholders of the parent	(181)	(70)	111
Sompo Japan Nipponkoa Insurance Inc.	(196)	(78)	118
Sompo Japan Nipponkoa Himawari Life Insurance, Inc.	(17)	(6)	10
Others and consolidation adjustment, etc.	32	14	(18)

Note) "Consolidation adjustment, etc." includes the amount of impact following the application of the purchase method.

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)

Overview of Financial Results for the fiscal year ended March 31, 2016

Summary of Results of Operations

(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 and expenses:					
Direct premiums written (including deposits of premiums by policyholders)	①	2,421,208	2,446,833	25,625	1.1 %
Direct premiums written	②	2,277,179	2,326,616	49,437	2.2
(+) Net premiums written	③	2,181,302	2,218,425	37,122	1.7
(−) Net claims paid	④	1,305,471	1,287,493	(17,978)	(1.4)
(−) Loss adjustment expenses	⑤	125,323	125,400	76	0.1
(−) Net commissions and brokerage fees	⑥	392,778	398,265	5,486	1.4
(+) Deposits of premiums by policyholders	⑦	144,029	120,217	(23,812)	(16.5)
(+) Interest and dividend income on deposits of premiums, etc.	⑧	46,075	45,841	(233)	(0.5)
(−) Maturity refunds and dividends to policyholders	⑨	292,493	244,383	(48,110)	(16.4)
(−) Provision for (reversal of) reserve for outstanding losses and claims	⑩	(17,684)	(9,860)	7,823	—
(−) Provision for (reversal of) underwriting reserves	⑪	(73,634)	(47,094)	26,540	—
(+) Other underwriting income and expenses	⑫	4,620	(4,594)	(9,214)	(199.4)
Gross underwriting margin	⑬	351,279	381,302	30,023	8.5
Operating, general and administrative expenses related to underwriting	⑭	300,868	302,494	1,626	0.5
Other income and expenses	⑮	(5,178)	(524)	4,654	—
Underwriting profit	⑯	45,232	78,284	33,051	73.1
Investment income and expenses:					
(+) Interest and dividend income	⑰	113,855	109,938	(3,917)	(3.4)
(+) Investment gains and losses on money trusts	⑱	6,090	5,673	(416)	(6.8)
(+) Gains and losses on sales of securities	⑲	70,950	60,584	(10,365)	(14.6)
(−) Impairment losses on securities	⑳	919	28,784	27,865	3,030.9
(+) Transfer of interest and dividend income on deposits of premiums, etc.	㉑	(46,075)	(45,841)	233	—
(+) Gains and losses on derivatives	㉒	(4,561)	5,649	10,210	—
(+) Other investment income and expenses	㉓	12,260	1,296	(10,963)	(89.4)
Gross investment margin	㉔	151,599	108,514	(43,084)	(28.4)
(−) Operating, general and administrative expenses	㉕	313,579	315,188	1,608	0.5
(+) Other ordinary income and expenses	㉖	5,836	3,457	(2,378)	(40.8)
Ordinary profit	㉗	195,134	178,086	(17,048)	(8.7)
Extraordinary gains and losses:					
(+) Extraordinary gains	㉘	1,198	12,640	11,441	954.3
(−) Extraordinary losses	㉙	102,950	19,093	(83,856)	(81.5)
Extraordinary gains and losses	㉚	(101,751)	(6,452)	95,298	—
Net income before income taxes	㉛	93,383	171,633	78,250	83.8
(−) Income taxes	㉜	4,237	6,614	2,376	56.1
(−) Deferred income taxes	㉝	44,086	38,729	(5,357)	(12.2)
Total income taxes	㉞	48,323	45,343	(2,980)	(6.2)
Net income	㉟	45,059	126,289	81,230	180.3

Underwriting result:					
(+) Net premiums written	㊱	2,181,302	2,218,425	37,122	1.7
(−) Net claims paid	㊲	1,305,471	1,287,493	(17,978)	(1.4)
(−) Loss adjustment expenses	㊳	125,323	125,400	76	0.1
(−) Net operating expenses:	㊴	693,647	700,759	7,112	1.0
Net commissions and brokerage fees	㊵	392,778	398,265	5,486	1.4
Operating, general and administrative expenses related to underwriting	㊶	300,868	302,494	1,626	0.5
Underwriting result	㊷	56,860	104,771	47,911	84.3
Ratios:					
Net loss ratio (%)	㊸	65.6	63.7	(1.9)	
Net operating expenses ratio (%)	㊹	31.8	31.6	(0.2)	
Combined ratio (%)	㊺	97.4	95.3	(2.1)	
Return on investments (income base) (%)	㊻	2.19	2.13	(0.06)	
Return on investments (realized base) (%)	㊼	3.77	2.94	(0.83)	

Reference) Total return based on the fair value: Fiscal year ended March 31, 2015 10.66 %
Fiscal year ended March 31, 2016 (2.90) %

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)

Premiums Written and Claims Paid by Business Lines

Direct premiums written (excluding deposits of premiums by policyholders)

(Millions of yen)

Business line	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	354,075	15.5	4.8	374,928	16.1	5.9
Marine insurance	51,881	2.3	1.3	51,072	2.2	(1.6)
Personal accident insurance	184,182	8.1	1.2	185,288	8.0	0.6
Voluntary automobile insurance	1,042,755	45.8	3.0	1,070,807	46.0	2.7
Compulsory automobile liability insurance	324,060	14.2	(0.6)	316,107	13.6	(2.5)
Others	320,223	14.1	6.0	328,411	14.1	2.6
Total	2,277,179	100.0	3.0	2,326,616	100.0	2.2
Deposits of premiums by policyholders	144,029	——	2.4	120,217	——	(16.5)

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	323,230	14.8	14.0	330,603	14.9	2.3
Marine insurance	52,547	2.4	15.1	51,203	2.3	(2.6)
Personal accident insurance	185,268	8.5	0.1	184,231	8.3	(0.6)
Voluntary automobile insurance	1,043,759	47.9	2.9	1,070,169	48.2	2.5
Compulsory automobile liability insurance	305,203	14.0	2.3	306,580	13.8	0.5
Others	271,293	12.4	6.2	275,636	12.4	1.6
Total	2,181,302	100.0	4.8	2,218,425	100.0	1.7

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	Rate of change	Net loss ratio	Amount	Rate of change	Net loss ratio
		%	%		%	%
Fire and allied insurance	224,113	26.0	70.9	218,518	(2.5)	67.5
Marine insurance	28,769	12.9	58.0	32,733	13.8	67.1
Personal accident insurance	101,873	0.0	59.2	100,507	(1.3)	58.1
Voluntary automobile insurance	581,297	1.0	63.4	567,681	(2.3)	60.7
Compulsory automobile liability insurance	225,646	(1.1)	80.6	226,127	0.2	80.3
Others	143,769	13.0	56.7	141,925	(1.3)	55.1
Total	1,305,471	5.6	65.6	1,287,493	(1.4)	63.7

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)

Net Incurred Loss during the period due to Natural Disasters in Japan

(Millions of yen)

	Fiscal year ended March 31, 2015			Fiscal year ended March 31, 2016		
	Net claims paid	Reserve for outstanding losses and claims	Net incurred loss	Net claims paid	Reserve for outstanding losses and claims	Net incurred loss
Fire and allied insurance	24,331	4,366	28,698	69,461	7,406	76,868
Voluntary automobile insurance	3,022	46	3,069	5,310	54	5,365
Other than the above	1,109	358	1,467	1,757	288	2,045
Total	28,464	4,770	33,234	76,529	7,749	84,279

Note) Net incurred loss = Net claims paid + Reserve for outstanding losses and claims
Reserve for outstanding losses and claims represents amounts deducting reinsurance recoverable on unpaid loss from reserve for outstanding losses and claims of direct insurance and assumed reinsurance.

Breakdown of Operating, General and Administrative Expenses and Loss Adjustment Expenses

(Millions of yen)

	Fiscal year ended March 31, 2015			Fiscal year ended March 31, 2016		
	Amount	Increase (Decrease)	Rate of change	Amount	Increase (Decrease)	Rate of change
			%			%
Personnel expenses	239,738	(7,485)	(3.0)	236,786	(2,951)	(1.2)
Non-personnel expenses	180,290	(3,001)	(1.6)	184,890	4,599	2.6
Others (taxes and contributions)	18,874	(563)	(2.9)	18,912	37	0.2
Total	438,903	(11,050)	(2.5)	440,589	1,685	0.4

Reserve for Outstanding Losses and Claims

(Millions of yen)

	Fiscal year ended March 31, 2015		Fiscal year ended March 31, 2016	
	Balance	Change	Balance	Change
Fire and allied insurance	128,395	(23,230)	124,016	(2,535)
Marine insurance	29,118	8,116	30,098	1,635
Personal accident insurance	69,725	(6,566)	68,549	(1,169)
Voluntary automobile insurance	413,025	(12,309)	405,460	(7,542)
Compulsory automobile liability insurance	89,835	1,987	89,040	(794)
Others	198,412	14,318	195,809	545
Total	928,513	(17,684)	912,975	(9,860)

Notes)
1. Part of overseas assumed reinsurance contracts have been transferred during the fiscal year ended March 31, 2016. The change during the fiscal year ended March 31, 2016 excludes the decrease in reserve for outstanding losses and claims related to the transfer.
   Reserve for outstanding losses and claims related to the transfer is 5,678 million yen. The components of this amount are 1,843 million yen of fire and allied insurance, 655 million yen of marine insurance, 6 million yen of personal accident insurance, 23 million yen of voluntary automobile insurance and 3,149 million yen of others.
2. Part of overseas insurance contracts have been transferred during the fiscal year ended March 31, 2015. The change during the fiscal year ended March 31, 2015 excludes the decrease in reserve for outstanding losses and claims related to the transfer.
   Reserve for outstanding losses and claims related to the transfer is 14,623 million yen. The components of this amount are 808 million yen of fire and allied insurance, 186 million yen of marine insurance, 540 million yen of voluntary automobile insurance and 13,088 million yen of others.

Ordinary Underwriting Reserves

(Millions of yen)

	Fiscal year ended March 31, 2015		Fiscal year ended March 31, 2016	
	Balance	Change	Balance	Change
Fire and allied insurance	760,009	22,275	777,409	17,399
Marine insurance	17,409	3,000	19,270	1,860
Personal accident insurance	120,878	1,150	122,033	1,155
Voluntary automobile insurance	302,872	10,886	307,939	5,066
Compulsory automobile liability insurance	403,817	1,285	415,432	11,615
Others	297,457	11,462	308,465	11,008
Total	1,902,444	50,061	1,950,550	48,105

Notes)
1. This table excludes reserve for maturity refunds and reserve for dividends to policyholders of savings-type insurance and includes underwriting reserves of earthquake insurance and compulsory automobile liability insurance.
2. Part of overseas insurance contracts have been transferred during the fiscal year ended March 31, 2015. The change during the fiscal year ended March 31, 2015 excludes the decrease in ordinary underwriting reserves related to the transfer.
   Ordinary underwriting reserves related to the transfer is 5,079 million yen. The components of this amount are 929 million yen of fire and allied insurance, 218 million yen of marine insurance, 454 million yen of voluntary automobile insurance and 3,476 million yen of others.

Catastrophic Loss Reserve

(Millions of yen)

	Fiscal year ended March 31, 2015				Fiscal year ended March 31, 2016			
	Reversal	Provision	Balance	Balance ratio	Reversal	Provision	Balance	Balance ratio
				%				%
Fire and allied insurance	60,034	44,691	183,857	57.0	52,150	45,945	177,653	53.9
Marine insurance	1,185	2,780	49,985	95.1	5,623	2,633	46,995	91.8
Personal accident insurance	11,501	5,814	74,753	40.3	9,941	5,825	70,636	38.3
Voluntary automobile insurance	61,583	62,614	64,903	6.2	35,884	34,340	63,359	5.9
Others	6,858	14,024	177,351	65.4	1,755	14,105	189,701	68.8
Total	141,164	129,925	550,851	29.4	105,355	102,850	548,346	28.7

Note) Balance ratio = Balance of catastrophic loss reserve / Net premiums written (excluding earthquake insurance and compulsory automobile liability insurance) × 100

2. Forecasts for the fiscal year ending March 31, 2017 (April 1, 2016 to March 31, 2017)

Sompo Japan Nipponkoa Holdings, Inc. (Consolidated)

(Yen in hundred millions, %)

	Fiscal year ended March 31, 2016 Result	Fiscal year ending March 31, 2017 Forecast	Increase (Decrease)	Rate of change
Net premiums written	25,521	25,730	208	0.8
Life insurance premiums written	2,976	3,070	93	3.1
Ordinary profit	2,168	2,060	(108)	(5.0)
Net income attributable to shareholders of the parent:	1,595	1,400	(195)	(12.3)
Sompo Japan Nipponkoa Insurance Inc.	1,262	1,400	137	10.9
Sompo Japan Nipponkoa Himawari Life Insurance, Inc.	116	65	(51)	(44.0)
Overseas consolidated subsidiaries	205	142	(62)	(30.6)
Nursing care and healthcare consolidated subsidiaries	(5)	(7)	(1)	—
Others and consolidation adjustment, etc.	16	(200)	(216)	—
Dividends per share (annual)	80 yen	80 yen	— yen	——

Note) In establishing Sompo Japan Nipponkoa Holdings, Inc., the purchase method was applied to account for the business combination.
"Consolidation adjustment, etc." in the above table includes amounts of adjustments following the application of the purchase method.

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)

(Yen in hundred millions, %)

	Fiscal year ended March 31, 2016 Result	Fiscal year ending March 31, 2017 Forecast	Increase (Decrease)	Rate of change
Net premiums written	22,184	21,893	(290)	(1.3)
(Excluding earthquake insurance and compulsory automobile liability insurance)	19,108	18,862	(245)	(1.3)
Net loss ratio	63.7	62.6	(1.1)	——
(Excluding earthquake insurance and compulsory automobile liability insurance)	61.1	59.3	(1.8)	——
Net operating expenses ratio	31.6	32.3	0.7	——
(Excluding earthquake insurance and compulsory automobile liability insurance)	33.4	34.1	0.7	——
Combined ratio	95.3	94.8	(0.5)	——
(Excluding earthquake insurance and compulsory automobile liability insurance)	94.5	93.4	(1.1)	——
Underwriting profit	782	865	82	10.6
Gross investment margin	1,085	1,215	130	12.0
Ordinary profit	1,780	1,965	184	10.3
Net income	1,262	1,400	137	10.9

3. Overview of Business Results of Principal Consolidated Subsidiaries

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)

Balance Sheet

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits:	320,987	319,616	(1,370)
Cash	3	4	0
Deposits	320,983	319,612	(1,371)
Receivables under resale agreements	71,985	77,998	6,013
Monetary receivables bought	14,234	11,383	(2,850)
Money trusts	111,162	114,639	3,477
Securities:	5,340,339	4,920,555	(419,783)
Government bonds	1,164,671	1,164,346	(324)
Municipal bonds	15,573	8,242	(7,330)
Corporate bonds	506,772	533,961	27,189
Domestic stocks	1,854,715	1,489,572	(365,142)
Foreign securities	1,765,528	1,679,044	(86,484)
Other securities	33,078	45,387	12,309
Loans:	586,639	679,023	92,384
Policy loans	10,271	9,382	(888)
Ordinary loans	576,367	669,640	93,272
Tangible fixed assets:	310,995	294,882	(16,112)
Land	154,142	144,924	(9,218)
Buildings	126,062	120,408	(5,654)
Leased assets	4,690	3,258	(1,432)
Construction in progress	1,267	1,757	489
Other tangible fixed assets	24,830	24,532	(297)
Intangible fixed assets:	598	17,147	16,549
Other intangible fixed assets	598	17,147	16,549
Other assets:	580,684	611,468	30,783
Premiums receivable	1,049	2,950	1,901
Agency accounts receivable	153,512	169,945	16,433
Foreign agency accounts receivable	52,487	47,736	(4,751)
Coinsurance accounts receivable	9,850	14,019	4,168
Reinsurance accounts receivable	102,816	102,467	(349)
Foreign reinsurance accounts receivable	80,744	73,631	(7,112)
Proxy service receivable	872	627	(244)
Accounts receivable	28,559	28,944	384
Accrued income	10,974	10,694	(279)
Advance deposits	22,732	16,590	(6,141)
Earthquake insurance deposits	12,795	13,577	782
Suspense payments	76,078	76,012	(66)
Deposits paid for future transactions	4,068	12,794	8,725
Derivative assets	24,139	41,473	17,334
Other assets	1	1	—
Prepaid pension cost	692	889	196
Allowance for possible credit losses	(3,713)	(3,363)	350
Allowance for possible investment losses	(8,369)	(8,018)	351
Total assets	7,326,234	7,036,222	(290,012)

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)

Balance Sheet

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016	Increase (Decrease)
	Amount	Amount	
Liabilities:			
Underwriting funds:	4,989,335	4,926,703	(62,632)
Reserve for outstanding losses and claims	928,513	912,975	(15,538)
Underwriting reserves	4,060,822	4,013,727	(47,094)
Corporate bonds	133,560	133,560	—
Other liabilities:	347,743	454,688	106,944
Coinsurance accounts payable	5,430	4,828	(601)
Reinsurance accounts payable	92,656	87,069	(5,586)
Foreign reinsurance accounts payable	31,569	32,896	1,327
Borrowings	4,635	4,652	16
Income taxes payable	6,367	6,656	288
Deposits received	4,483	4,525	41
Unearned income	405	391	(13)
Accounts payable	103,094	216,471	113,377
Suspense receipts	81,690	90,253	8,563
Derivative liabilities	10,749	1,747	(9,001)
Lease obligations	4,632	3,124	(1,508)
Asset retirement obligations	2,028	2,070	41
Reserve for retirement benefits	89,223	85,748	(3,474)
Reserve for bonus payments	19,223	18,092	(1,130)
Reserve for bonus payments to directors	109	88	(21)
Reserves under the special laws:	50,134	58,169	8,035
Reserve for price fluctuation	50,134	58,169	8,035
Deferred tax liabilities	104,251	34,289	(69,961)
Total liabilities	5,733,581	5,711,340	(22,240)
Net assets:			
Shareholders' equity:			
Common stock	70,000	70,000	—
Capital surplus:	121,180	93,878	(27,302)
Capital reserves	70,000	70,000	—
Other capital surplus	51,180	23,878	(27,302)
Retained earnings:	291,394	293,184	1,789
Other retained earnings:	291,394	293,184	1,789
Reserve for advanced depreciation	4,361	4,308	(53)
General reserve	83,300	83,300	—
Retained earnings carried forward	203,732	205,576	1,843
Total shareholders' equity	482,575	457,062	(25,512)
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	1,101,992	857,308	(244,684)
Deferred gains and losses on hedges	8,085	10,510	2,425
Total valuation and translation adjustments	1,110,078	867,818	(242,259)
Total net assets	1,592,653	1,324,881	(267,772)
Total liabilities and net assets	7,326,234	7,036,222	(290,012)

Sompo Japan Nipponkoa Insurance Inc. (Non-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)	Increase (Decrease)	Rate of change
	Amount	Amount		
				%
Ordinary income:	2,644,316	2,599,820	(44,496)	(1.7)
Underwriting income:	2,470,489	2,442,914	(27,575)	(1.1)
Net premiums written	2,181,302	2,218,425	37,122	1.7
Deposits of premiums by policyholders	144,029	120,217	(23,812)	(16.5)
Interest and dividend income on deposits of premiums, etc.	46,075	45,841	(233)	(0.5)
Reversal of reserve for outstanding losses and claims	17,684	9,860	(7,823)	(44.2)
Reversal of underwriting reserves	73,634	47,094	(26,540)	(36.0)
Foreign exchange gains	3,029	—	(3,029)	(100.0)
Other underwriting income	4,733	1,475	(3,258)	(68.8)
Investment income:	160,468	145,570	(14,897)	(9.3)
Interest and dividend income	113,855	109,938	(3,917)	(3.4)
Investment gains on money trusts	6,260	5,830	(430)	(6.9)
Investment gains on trading securities	—	3	3	—
Gains on sales of securities	71,730	62,279	(9,451)	(13.2)
Gains on redemption of securities	772	334	(438)	(56.8)
Gains on derivatives	—	5,649	5,649	—
Foreign exchange gains	13,583	5,500	(8,082)	(59.5)
Other investment income	341	1,877	1,535	449.1
Transfer of interest and dividend income on deposits of premiums, etc.	(46,075)	(45,841)	233	—
Other ordinary income	13,358	11,335	(2,023)	(15.1)
Ordinary expenses:	2,449,182	2,421,734	(27,447)	(1.1)
Underwriting expenses:	2,119,210	2,061,611	(57,598)	(2.7)
Net claims paid	1,305,471	1,287,493	(17,978)	(1.4)
Loss adjustment expenses	125,323	125,400	76	0.1
Net commissions and brokerage fees	392,778	398,265	5,486	1.4
Maturity refunds to policyholders	292,388	244,303	(48,084)	(16.4)
Dividends to policyholders	105	79	(25)	(24.2)
Foreign exchange losses	—	3,116	3,116	—
Other underwriting expenses	3,143	2,952	(190)	(6.1)
Investment expenses:	8,869	37,056	28,186	317.8
Investment losses on money trusts	170	156	(13)	(7.8)
Losses on sales of securities	780	1,694	914	117.1
Impairment losses on securities	919	28,784	27,865	3,030.9
Losses on redemption of securities	82	90	7	9.6
Losses on derivatives	4,561	—	(4,561)	(100.0)
Other investment expenses	2,355	6,329	3,973	168.7
Operating, general and administrative expenses	313,579	315,188	1,608	0.5
Other ordinary expenses:	7,522	7,877	355	4.7
Interest paid	5,758	4,968	(790)	(13.7)
Provision for allowance for possible credit losses	84	—	(84)	(100.0)
Losses on bad debt	6	19	12	202.6
Other ordinary expenses	1,673	2,890	1,217	72.7
Ordinary profit	195,134	178,086	(17,048)	(8.7)

Sompo Japan Nipponkoa Insurance Inc. (Non-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)	Increase (Decrease)	Rate of change
	Amount	Amount		
Extraordinary gains:	1,198	12,640	11,441	954.3
Gains on disposal of fixed assets	1,198	12,640	11,441	954.3
Extraordinary losses:	102,950	19,093	(83,856)	(81.5)
Losses on disposal of fixed assets	1,221	4,618	3,397	278.2
Impairment losses	5,517	—	(5,517)	(100.0)
Provision for reserves under the special laws:	9,105	8,035	(1,070)	(11.8)
Provision for reserve for price fluctuation	9,105	8,035	(1,070)	(11.8)
Other extraordinary losses	87,106	6,439	(80,666)	(92.6)
Net income before income taxes	93,383	171,633	78,250	83.8
Income taxes	4,237	6,614	2,376	56.1
Deferred income taxes	44,086	38,729	(5,357)	(12.2)
Total income taxes	48,323	45,343	(2,980)	(6.2)
Net income	45,059	126,289	81,230	180.3

Underwriting result:					
Net premiums written	(+)	2,181,302	2,218,425	37,122	1.7
Net claims paid	(−)	1,305,471	1,287,493	(17,978)	(1.4)
Loss adjustment expenses	(−)	125,323	125,400	76	0.1
Net operating expenses:	(−)	693,647	700,759	7,112	1.0
Net commissions and brokerage fees		392,778	398,265	5,486	1.4
Operating, general and administrative expenses related to underwriting		300,868	302,494	1,626	0.5
Underwriting result		56,860	104,771	47,911	84.3
Underwriting profit		45,232	78,284	33,051	73.1
Ratios:					
Net loss ratio	(%)	65.6	63.7	(1.9)	
Net operating expenses ratio	(%)	31.8	31.6	(0.2)	
Combined ratio	(%)	97.4	95.3	(2.1)	

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)

Premiums Written and Claims Paid by Business Lines

Direct premiums written (excluding deposits of premiums by policyholders)

(Millions of yen)

Business line	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	354,075	15.5	4.8	374,928	16.1	5.9
Marine insurance	51,881	2.3	1.3	51,072	2.2	(1.6)
Personal accident insurance	184,182	8.1	1.2	185,288	8.0	0.6
Voluntary automobile insurance	1,042,755	45.8	3.0	1,070,807	46.0	2.7
Compulsory automobile liability insurance	324,060	14.2	(0.6)	316,107	13.6	(2.5)
Others	320,223	14.1	6.0	328,411	14.1	2.6
Total	2,277,179	100.0	3.0	2,326,616	100.0	2.2
Deposits of premiums by policyholders	144,029	——	2.4	120,217	——	(16.5)

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	323,230	14.8	14.0	330,603	14.9	2.3
Marine insurance	52,547	2.4	15.1	51,203	2.3	(2.6)
Personal accident insurance	185,268	8.5	0.1	184,231	8.3	(0.6)
Voluntary automobile insurance	1,043,759	47.9	2.9	1,070,169	48.2	2.5
Compulsory automobile liability insurance	305,203	14.0	2.3	306,580	13.8	0.5
Others	271,293	12.4	6.2	275,636	12.4	1.6
Total	2,181,302	100.0	4.8	2,218,425	100.0	1.7

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	Rate of change	Net loss ratio	Amount	Rate of change	Net loss ratio
		%	%		%	%
Fire and allied insurance	224,113	26.0	70.9	218,518	(2.5)	67.5
Marine insurance	28,769	12.9	58.0	32,733	13.8	67.1
Personal accident insurance	101,873	0.0	59.2	100,507	(1.3)	58.1
Voluntary automobile insurance	581,297	1.0	63.4	567,681	(2.3)	60.7
Compulsory automobile liability insurance	225,646	(1.1)	80.6	226,127	0.2	80.3
Others	143,769	13.0	56.7	141,925	(1.3)	55.1
Total	1,305,471	5.6	65.6	1,287,493	(1.4)	63.7

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)

Non-consolidated Solvency Margin Ratio

(Millions of yen)

		As of March 31, 2015	As of March 31, 2016
(A) Total Non-consolidated Solvency Margin		2,683,345	2,363,853
	Capital and funds, etc.	482,575	456,986
	Reserve for price fluctuation	50,134	58,169
	Contingency reserve	611	611
	Catastrophic loss reserve	565,587	563,738
	General allowance for possible credit losses	203	208
	Unrealized gains and losses on securities, deferred gains and losses on hedges (before tax effect deductions)	1,367,903	1,057,747
	Unrealized gains and losses on land	35,852	42,989
	Excess amount of reserve for maturity refunds	—	—
	Subordinated debt, etc.	133,560	133,560
	Excess amount of reserve for maturity refunds and subordinated debt, etc. which are excluded from total solvency margin	—	—
	Deductions	81,916	74,158
	Others	128,834	124,000
(B) Total Non-consolidated Risks $\sqrt{(R_1+R_2)^2+(R_3+R_4)^2}+R_5+R_6$		749,202	648,203
	Underwriting risk (R_1)	176,741	183,289
	Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_2)	—	—
	Guaranteed interest rate risk (R_3)	23,256	22,035
	Investment risk (R_4)	512,131	440,046
	Business management risk (R_5)	17,598	15,617
	Major catastrophe risk (R_6)	167,796	135,479
(C) Non-consolidated Solvency Margin Ratio [(A) / {(B) × 1/2}] × 100		716.3 %	729.3 %

Notes)

1. The above amounts and figures are calculated based on provisions of Articles 86 and 87 of the Ordinance for Enforcement of the Insurance Business Act and Public Notice No. 50 of the Ministry of Finance (1996).
2. The ratio of the fiscal year ended March 31, 2015 are calculated based on the provision which is not reflected the revised contents of the Cabinet Office Ordinance No. 16 (2016) and Financial Services Agency Public Notice No. 10 (2016). Therefore, "Unrealized gains and losses on securities, deferred gains and losses on hedges (before tax effect deductions) " of ((A) Total Non-consolidated Solvency Margin) as of March 31, 2015 represents the amount of unrealized gains and losses on securities (before tax effect deductions).

SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED (Non-consolidated)

Balance Sheet

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits:	2,380	2,329	(51)
Cash	0	0	0
Deposits	2,380	2,329	(51)
Securities:	35,725	40,139	4,414
Government bonds	13,878	12,582	(1,295)
Municipal bonds	2,675	2,153	(521)
Corporate bonds	4,722	4,582	(140)
Domestic stocks	30	19	(10)
Foreign securities	20	11	(8)
Other securities	14,398	20,790	6,391
Loans:	2	1	(0)
Policy loans	2	1	(0)
Tangible fixed assets:	193	183	(9)
Buildings	50	49	(0)
Leased assets	136	127	(8)
Other tangible fixed assets	6	6	(0)
Intangible fixed assets:	3,199	2,966	(232)
Software	3,184	2,962	(221)
Leased assets	9	—	(9)
Other intangible fixed assets	4	3	(0)
Other assets:	3,207	3,652	444
Premiums receivable	1,114	1,485	370
Agency accounts receivable	54	59	5
Coinsurance accounts receivable	12	13	0
Reinsurance accounts receivable	247	80	(167)
Foreign reinsurance accounts receivable	64	65	0
Accounts receivable	487	562	75
Accrued income	47	44	(3)
Advance deposits	303	295	(7)
Suspense payments	875	1,045	169
Allowance for possible credit losses	(2)	(1)	0
Total assets	44,706	49,272	4,566

SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED (Non-consolidated)

Balance Sheet

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016	Increase (Decrease)
	Amount	Amount	
Liabilities:			
Underwriting funds:	30,610	34,919	4,308
Reserve for outstanding losses and claims	7,630	10,132	2,502
Underwriting reserves	22,980	24,786	1,806
Other liabilities:	2,116	2,869	753
Coinsurance accounts payable	37	40	2
Reinsurance accounts payable	230	217	(12)
Foreign reinsurance accounts payable	202	179	(23)
Income taxes payable	75	98	22
Deposits received	2	7	5
Accounts payable	1,230	1,670	439
Suspense receipts	185	525	339
Lease obligations	151	130	(21)
Reserve for retirement benefits to directors	44	49	5
Reserve for bonus payments	228	247	19
Reserves under the special laws:	28	36	8
Reserve for price fluctuation	28	36	8
Deferred tax liabilities	160	155	(4)
Total liabilities	33,187	38,277	5,090
Net assets:			
Shareholders' equity:			
Common stock	23,610	26,610	3,000
Capital surplus:	21,847	24,847	2,999
Capital reserves	21,847	24,847	2,999
Other capital surplus	0	0	—
Retained earnings:	(34,424)	(40,954)	(6,529)
Other retained earnings:	(34,424)	(40,954)	(6,529)
Retained earnings carried forward	(34,424)	(40,954)	(6,529)
Total shareholders' equity	11,033	10,503	(529)
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	485	491	5
Total valuation and translation adjustments	485	491	5
Total net assets	11,519	10,995	(524)
Total liabilities and net assets	44,706	49,272	4,566

SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED (Non-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)	Increase (Decrease)	Rate of change
	Amount	Amount		
				%
Ordinary income:	22,783	27,818	5,034	22.1
Underwriting income:	22,595	27,579	4,984	22.1
Net premiums written	22,359	27,439	5,080	22.7
Deposits of premiums by policyholders	183	95	(88)	(48.2)
Interest and dividend income on deposits of premiums, etc.	40	43	2	7.1
Foreign exchange gains	0	0	(0)	(18.2)
Other underwriting income	11	1	(9)	(86.3)
Investment income:	153	106	(46)	(30.4)
Interest and dividend income	125	111	(13)	(11.0)
Gains on sales of securities	35	20	(15)	(43.1)
Gains on redemption of securities	13	―	(13)	(100.0)
Other investment income	19	18	(1)	(6.3)
Transfer of interest and dividend income on deposits of premiums, etc.	(40)	(43)	(2)	―
Other ordinary income	34	131	96	276.5
Ordinary expenses:	30,171	34,327	4,156	13.8
Underwriting expenses:	19,151	23,286	4,134	21.6
Net claims paid	12,350	15,490	3,140	25.4
Loss adjustment expenses	1,849	2,177	327	17.7
Net commissions and brokerage fees	849	842	(7)	(0.9)
Maturity refunds to policyholders	725	463	(262)	(36.2)
Provision for reserve for outstanding losses and claims	912	2,502	1,589	174.2
Provision for underwriting reserves	2,459	1,806	(652)	(26.5)
Other underwriting expenses	4	4	(0)	(2.8)
Investment expenses:	4	3	(0)	(22.0)
Other investment expenses	4	3	(0)	(22.0)
Operating, general and administrative expenses	10,978	11,001	23	0.2
Other ordinary expenses:	37	36	(1)	(2.9)
Interest paid	6	4	(2)	(35.4)
Provision for allowance for possible credit losses	1	―	(1)	(100.0)
Other ordinary expenses	29	32	3	10.6
Ordinary loss	(7,388)	(6,509)	878	―
Extraordinary losses:	10	9	(0)	(3.6)
Losses on disposal of fixed assets	2	0	(1)	(66.7)
Impairment losses	0	0	0	15.1
Provision for reserves under the special laws:	7	8	0	11.4
Provision for reserve for price fluctuation	7	8	0	11.4
Net loss before income taxes	(7,398)	(6,519)	878	―
Income taxes	8	10	1	20.8
Total income taxes	8	10	1	20.8
Net loss	(7,406)	(6,529)	877	―

Underwriting result:					
Net premiums written	(+)	22,359	27,439	5,080	22.7
Net claims paid	(−)	12,350	15,490	3,140	25.4
Loss adjustment expenses	(−)	1,849	2,177	327	17.7
Net operating expenses:	(−)	11,808	11,825	17	0.1
Net commissions and brokerage fees		849	842	(7)	(0.9)
Operating, general and administrative expenses related to underwriting		10,958	10,983	24	0.2
Underwriting result		(3,649)	(2,054)	1,594	―
Underwriting profit (loss)		(7,513)	(6,678)	834	―
Ratios:					
Net loss ratio	(%)	63.5	64.4	0.9	
Net operating expenses ratio	(%)	52.8	43.1	(9.7)	
Combined ratio	(%)	116.3	107.5	(8.8)	

SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED (Non-consolidated)

Premiums Written and Claims Paid by Business Lines

Direct premiums written (excluding deposits of premiums by policyholders)

(Millions of yen)

Business line	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	1,911	7.8	(23.1)	1,649	5.6	(13.7)
Marine insurance	—	—	—	—	—	—
Personal accident insurance	4,026	16.5	(2.5)	3,838	13.0	(4.7)
Voluntary automobile insurance	17,404	71.2	30.6	22,754	77.3	30.7
Compulsory automobile liability insurance	(0)	(0.0)	—	(0)	(0.0)	—
Others	1,088	4.5	9.8	1,189	4.0	9.3
Total	24,430	100.0	16.7	29,432	100.0	20.5
Deposits of premiums by policyholders	183	——	(28.7)	95	——	(48.2)

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	1,050	4.7	(38.2)	691	2.5	(34.1)
Marine insurance	6	0.0	(77.6)	(0)	(0.0)	(104.9)
Personal accident insurance	2,574	11.5	(1.6)	2,582	9.4	0.3
Voluntary automobile insurance	17,225	77.0	30.4	22,562	82.2	31.0
Compulsory automobile liability insurance	412	1.8	4.6	413	1.5	0.3
Others	1,091	4.9	9.1	1,189	4.3	9.0
Total	22,359	100.0	18.0	27,439	100.0	22.7

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	Rate of change	Net loss ratio	Amount	Rate of change	Net loss ratio
		%	%		%	%
Fire and allied insurance	719	70.0	73.3	457	(36.5)	71.7
Marine insurance	13	(73.2)	208.7	3	(73.6)	—
Personal accident insurance	1,627	(18.3)	72.8	1,451	(10.8)	65.0
Voluntary automobile insurance	9,387	19.1	62.9	12,934	37.8	65.4
Compulsory automobile liability insurance	429	(10.0)	106.9	416	(3.2)	103.4
Others	171	1.5	24.1	227	32.5	25.7
Total	12,350	12.3	63.5	15,490	25.4	64.4

SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED (Non-consolidated)

Non-consolidated Solvency Margin Ratio

(Millions of yen)

		As of March 31, 2015	As of March 31, 2016
(A) Total Non-consolidated Solvency Margin		14,872	14,702
	Capital and funds, etc.	11,033	10,503
	Reserve for price fluctuation	28	36
	Contingency reserve	11	11
	Catastrophic loss reserve	3,213	3,563
	General allowance for possible credit losses	—	—
	Unrealized gains and losses on securities, deferred gains and losses on hedges (before tax effect deductions)	581	582
	Unrealized gains and losses on land	—	—
	Excess amount of reserve for maturity refunds	—	—
	Subordinated debt, etc.	—	—
	Excess amount of reserve for maturity refunds and subordinated debt, etc. which are excluded from total solvency margin	—	—
	Deductions	—	—
	Others	4	4
(B) Total Non-consolidated Risks $\sqrt{(R_1+R_2)^2+(R_3+R_4)^2}+R_5+R_6$		3,328	4,051
	Underwriting risk (R_1)	2,123	2,801
	Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_2)	—	—
	Guaranteed interest rate risk (R_3)	27	25
	Investment risk (R_4)	935	1,081
	Business management risk (R_5)	118	144
	Major catastrophe risk (R_6)	878	895
(C) Non-consolidated Solvency Margin Ratio [(A) / {(B) × 1/2}] × 100		893.6 %	725.8 %

Notes)

1. The above amounts and figures are calculated based on provisions of Articles 86 and 87 of the Ordinance for Enforcement of the Insurance Business Act and Public Notice No. 50 of the Ministry of Finance (1996).
2. The ratio of the fiscal year ended March 31, 2015 are calculated based on the provision which is not reflected the revised contents of the Cabinet Office Ordinance No. 16 (2016) and Financial Services Agency Public Notice No. 10 (2016). Therefore, "Unrealized gains and losses on securities, deferred gains and losses on hedges (before tax effect deductions) " of ((A) Total Non-consolidated Solvency Margin) as of March 31, 2015 represents the amount of unrealized gains and losses on securities (before tax effect deductions).

Sonpo 24 Insurance Company Limited (Non-consolidated)

Balance Sheet

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits:	4,950	5,385	435
Deposits	4,950	5,385	435
Securities:	15,727	16,204	476
Government bonds	15,627	16,104	476
Other securities	100	100	—
Tangible fixed assets:	318	248	(70)
Buildings	18	21	3
Other tangible fixed assets	300	226	(73)
Other assets:	1,126	909	(216)
Accounts receivable	881	660	(221)
Accrued income	6	5	(0)
Advance deposits	171	171	0
Suspense payments	67	72	5
Total assets	22,123	22,748	624
Liabilities:			
Underwriting funds:	14,494	14,233	(261)
Reserve for outstanding losses and claims	5,993	5,877	(116)
Underwriting reserves	8,501	8,356	(145)
Other liabilities:	2,257	2,227	(29)
Reinsurance accounts payable	2	3	0
Income taxes payable	41	137	95
Deposits received	8	8	(0)
Accounts payable	1,323	1,008	(314)
Suspense receipts	880	1,069	188
Reserve for retirement benefits	217	244	27
Reserve for bonus payments	96	101	4
Reserves under the special laws:	36	40	3
Reserve for price fluctuation	36	40	3
Deferred tax liabilities	5	11	5
Total liabilities	17,108	16,858	(249)
Net assets:			
Shareholders' equity:			
Common stock	19,000	19,000	—
Capital surplus:	19,000	19,000	—
Capital reserves	19,000	19,000	—
Retained earnings:	(32,998)	(32,139)	858
Other retained earnings:	(32,998)	(32,139)	858
Retained earnings carried forward	(32,998)	(32,139)	858
Total shareholders' equity	5,001	5,860	858
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	13	29	15
Total valuation and translation adjustments	13	29	15
Total net assets	5,015	5,890	874
Total liabilities and net assets	22,123	22,748	624

Sonpo 24 Insurance Company Limited (Non-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)	Increase (Decrease)	Rate of change
	Amount	Amount		
				%
Ordinary income:	14,193	14,006	(187)	(1.3)
Underwriting income:	14,174	14,000	(173)	(1.2)
Net premiums written	14,163	13,725	(437)	(3.1)
Interest and dividend income on deposits of premiums, etc.	10	12	2	19.3
Reversal of reserve for outstanding losses and claims	—	116	116	—
Reversal of underwriting reserves	—	145	145	—
Other underwriting income	0	0	(0)	(95.5)
Investment income:	19	4	(14)	(75.9)
Interest and dividend income	29	17	(12)	(42.2)
Transfer of interest and dividend income on deposits of premiums, etc.	(10)	(12)	(2)	—
Other ordinary income	0	1	0	142.6
Ordinary expenses:	15,139	13,035	(2,104)	(13.9)
Underwriting expenses:	11,316	9,257	(2,058)	(18.2)
Net claims paid	8,090	7,315	(774)	(9.6)
Loss adjustment expenses	1,048	1,066	17	1.6
Net commissions and brokerage fees	914	875	(38)	(4.2)
Provision for reserve for outstanding losses and claims	1,080	—	(1,080)	(100.0)
Provision for underwriting reserves	181	—	(181)	(100.0)
Other underwriting expenses	0	0	(0)	(21.9)
Operating, general and administrative expenses	3,823	3,777	(45)	(1.2)
Other ordinary expenses:	0	0	0	0.9
Other ordinary expenses	0	0	0	0.9
Ordinary profit (loss)	(945)	970	1,916	—
Extraordinary losses:	8	10	1	20.8
Losses on disposal of fixed assets	5	7	1	31.0
Provision for reserves under the special laws:	3	3	0	2.9
Provision for reserve for price fluctuation	3	3	0	2.9
Net income (loss) before income taxes	(954)	960	1,914	—
Income taxes	3	101	97	2,567.8
Total income taxes	3	101	97	2,567.8
Net income (loss)	(958)	858	1,817	—

Underwriting result:					
Net premiums written	(+)	14,163	13,725	(437)	(3.1)
Net claims paid	(−)	8,090	7,315	(774)	(9.6)
Loss adjustment expenses	(−)	1,048	1,066	17	1.6
Net operating expenses:	(−)	4,734	4,649	(84)	(1.8)
Net commissions and brokerage fees		914	875	(38)	(4.2)
Operating, general and administrative expenses related to underwriting		3,820	3,774	(46)	(1.2)
Underwriting result		289	694	405	140.1
Underwriting profit (loss)		(961)	968	1,930	—
Ratios:					
Net loss ratio	(%)	64.5	61.1	(3.5)	
Net operating expenses ratio	(%)	33.4	33.9	0.4	
Combined ratio	(%)	98.0	94.9	(3.0)	

Sonpo 24 Insurance Company Limited (Non-consolidated)

Premiums Written and Claims Paid by Business Lines

Direct premiums written (excluding deposits of premiums by policyholders)

(Millions of yen)

Business line	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	—	—	—	—	—	—
Marine insurance	—	—	—	—	—	—
Personal accident insurance	—	—	—	—	—	—
Voluntary automobile insurance	14,002	100.0	2.6	13,575	100.0	(3.0)
Compulsory automobile liability insurance	—	—	—	—	—	—
Others	—	—	—	—	—	—
Total	14,002	100.0	2.6	13,575	100.0	(3.0)
Deposits of premiums by policyholders	—	——	—	—	——	—

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	—	—	—	—	—	—
Marine insurance	—	—	—	—	—	—
Personal accident insurance	—	—	—	—	—	—
Voluntary automobile insurance	13,908	98.2	2.7	13,486	98.3	(3.0)
Compulsory automobile liability insurance	254	1.8	0.9	239	1.7	(5.8)
Others	—	—	—	—	—	—
Total	14,163	100.0	2.6	13,725	100.0	(3.1)

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	Rate of change	Net loss ratio	Amount	Rate of change	Net loss ratio
		%	%		%	%
Fire and allied insurance	—	—	—	—	—	—
Marine insurance	—	—	—	—	—	—
Personal accident insurance	—	—	—	—	—	—
Voluntary automobile insurance	7,834	2.1	63.9	7,059	(9.9)	60.3
Compulsory automobile liability insurance	255	3.0	100.3	256	0.4	106.9
Others	—	—	—	—	—	—
Total	8,090	2.1	64.5	7,315	(9.6)	61.1

Sonpo 24 Insurance Company Limited (Non-consolidated)

Non-consolidated Solvency Margin Ratio

(Millions of yen)

		As of March 31, 2015	As of March 31, 2016
(A) Total Non-consolidated Solvency Margin		5,502	6,518
	Capital and funds, etc.	5,001	5,860
	Reserve for price fluctuation	36	40
	Contingency reserve	—	—
	Catastrophic loss reserve	446	581
	General allowance for possible credit losses	—	—
	Unrealized gains and losses on securities, deferred gains and losses on hedges (before tax effect deductions)	17	36
	Unrealized gains and losses on land	—	—
	Excess amount of reserve for maturity refunds	—	—
	Subordinated debt, etc.	—	—
	Excess amount of reserve for maturity refunds and subordinated debt, etc. which are excluded from total solvency margin	—	—
	Deductions	—	—
	Others	—	—
(B) Total Non-consolidated Risks $\sqrt{(R_1+R_2)^2+(R_3+R_4)^2}+R_5+R_6$		2,100	2,035
	Underwriting risk (R_1)	1,857	1,789
	Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_2)	—	—
	Guaranteed interest rate risk (R_3)	—	—
	Investment risk (R_4)	365	380
	Business management risk (R_5)	70	69
	Major catastrophe risk (R_6)	136	136
(C) Non-consolidated Solvency Margin Ratio [(A) / {(B) × 1/2}] × 100		523.9 %	640.6 %

Notes)

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

2. The ratio of the fiscal year ended March 31, 2015 are calculated based on the provision which is not reflected the revised contents of the Cabinet Office Ordinance No. 16 (2016) and Financial Services Agency Public Notice No. 10 (2016). Therefore, "Unrealized gains and losses on securities, deferred gains and losses on hedges (before tax effect deductions) " of ((A) Total Non-consolidated Solvency Margin) as of March 31, 2015 represents the amount of unrealized gains and losses on securities (before tax effect deductions).

Sompo Japan Nipponkoa Himawari Life Insurance, Inc. (Non-consolidated)

Balance Sheet

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits:	34,021	44,938	10,916
Cash	3	2	(1)
Deposits	34,017	44,935	10,918
Securities:	2,157,819	2,305,223	147,403
Government bonds	1,593,387	1,688,558	95,171
Municipal bonds	59,762	56,354	(3,408)
Corporate bonds	317,734	313,126	(4,607)
Domestic stocks	7,886	6,996	(890)
Foreign securities	179,048	240,186	61,137
Loans:	36,414	37,406	992
Policy loans	36,414	37,406	992
Tangible fixed assets:	1,065	1,490	424
Buildings	540	463	(76)
Leased assets	391	851	460
Other tangible fixed assets	133	175	41
Intangible fixed assets:	95	—	(95)
Software	95	—	(95)
Agency accounts receivable	115	120	4
Reinsurance accounts receivable	1,423	1,222	(201)
Other assets:	42,201	47,691	5,490
Accounts receivable	29,006	31,143	2,137
Prepaid expenses	1,481	1,535	54
Accrued income	6,127	6,687	560
Advance deposits	2,821	2,769	(51)
Derivative assets	995	2,631	1,635
Suspense payments	1,716	2,866	1,150
Other assets	53	56	3
Deferred tax assets	5,032	—	(5,032)
Allowance for possible credit losses	(41)	(37)	3
Total assets	2,278,147	2,438,055	159,907

Sompo Japan Nipponkoa Himawari Life Insurance, Inc. (Non-consolidated)

Balance Sheet

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016	Increase (Decrease)
	Amount	Amount	
Liabilities:			
Policy reserves:	2,119,354	2,257,402	138,047
Reserve for outstanding claims	34,091	37,254	3,162
Policy reserves	2,080,338	2,214,871	134,532
Reserve for dividends to policyholders	4,923	5,275	352
Agency accounts payable	4,340	4,607	266
Reinsurance accounts payable	1,047	974	(72)
Other liabilities:	18,957	12,498	(6,459)
Income taxes payable	3,890	2,560	(1,330)
Accounts payable	5,563	88	(5,475)
Accrued expenses	7,098	7,014	(83)
Deposits received	132	831	698
Derivative liabilities	1,072	489	(583)
Lease obligations	464	972	507
Suspense receipts	735	541	(193)
Reserve for bonus payments to directors	49	42	(7)
Reserve for retirement benefits	2,417	2,803	385
Reserves under the special laws:	3,353	4,240	887
Reserve for price fluctuation	3,353	4,240	887
Deferred tax liabilities	—	1,796	1,796
Total liabilities	2,149,521	2,284,365	134,844
Net assets:			
Shareholders' equity:			
Common stock	17,250	17,250	—
Capital surplus:	24,500	19,500	(5,000)
Capital reserves	11,100	12,100	1,000
Other capital surplus	13,400	7,400	(6,000)
Retained earnings:	38,571	50,187	11,616
Other retained earnings:	38,571	50,187	11,616
Reserve under Article 10 of the Supplementary Provisions of Ordinance for Enforcement of the Insurance Business Act	325	325	—
Retained earnings carried forward	38,246	49,862	11,616
Total shareholders' equity	80,321	86,937	6,616
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	48,304	66,751	18,447
Total valuation and translation adjustments	48,304	66,751	18,447
Total net assets	128,626	153,689	25,063
Total liabilities and net assets	2,278,147	2,438,055	159,907

Sompo Japan Nipponkoa Himawari Life Insurance, Inc. (Non-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)	Increase (Decrease)	Rate of change
	Amount	Amount		
				%
Ordinary income:	426,197	441,799	15,601	3.7
Insurance premiums and other:	380,741	396,448	15,707	4.1
Insurance premiums	376,867	393,164	16,297	4.3
Reinsurance income	3,873	3,283	(590)	(15.2)
Investment income:	43,373	43,490	117	0.3
Interest and dividend income and other:	38,028	40,209	2,181	5.7
Interest and dividends on securities	36,871	39,090	2,218	6.0
Interest on loans	1,149	1,113	(36)	(3.2)
Other interest and dividends	7	6	(1)	(18.7)
Gains on sales of securities	2,081	3,231	1,149	55.2
Foreign exchange gains	0	50	49	8,557.9
Reversal of allowance for possible credit losses	0	—	(0)	(100.0)
Other investment income	0	—	(0)	(100.0)
Investment gains on special account	3,261	—	(3,261)	(100.0)
Other ordinary income:	2,083	1,860	(223)	(10.7)
Fund receipt for annuity rider	645	403	(241)	(37.4)
Fund receipt for claim deposit payments	1,432	1,449	16	1.2
Other ordinary income	5	7	1	22.7
Ordinary expenses:	403,603	419,233	15,630	3.9
Insurance claims and other:	184,849	180,817	(4,032)	(2.2)
Insurance claims	33,733	31,180	(2,552)	(7.6)
Annuity payments	10,081	11,467	1,386	13.7
Insurance benefits	36,201	38,698	2,497	6.9
Surrender benefits	98,040	93,038	(5,002)	(5.1)
Other refunds	2,467	2,279	(188)	(7.6)
Reinsurance premiums	4,325	4,152	(172)	(4.0)
Provision for policy reserves and other:	123,408	137,695	14,287	11.6
Provision for reserve for outstanding claims	2,241	3,162	920	41.1
Provision for policy reserves	121,166	134,532	13,365	11.0
Provision for interest portion of reserve for dividends to policyholders	0	0	0	39.3
Investment expenses:	488	2,073	1,584	324.3
Interest paid	65	78	13	20.3
Losses on sales of securities	133	572	439	330.1
Losses on derivatives	250	545	295	117.9
Provision for allowance for possible credit losses	—	0	0	—
Other investment expenses	40	54	14	36.4
Investment losses on special account	—	822	822	—
Operating expenses	90,309	94,773	4,464	4.9
Other ordinary expenses:	4,547	3,873	(673)	(14.8)
Claim deposit payments	1,030	1,100	70	6.8
Taxes	1,732	1,892	160	9.2
Depreciation	1,363	472	(890)	(65.3)
Provision for reserve for retirement benefits	397	385	(12)	(3.0)
Other ordinary expenses	22	22	(0)	(3.7)
Ordinary profit	22,594	22,565	(28)	(0.1)
Extraordinary losses:	1,819	898	(920)	(50.6)
Losses on disposal of fixed assets and other	2	11	9	388.3
Provision for reserves under the special laws:	665	887	221	33.2
Provision for reserve for price fluctuation	665	887	221	33.2
Other extraordinary losses	1,151	—	(1,151)	(100.0)
Provision for reserve for dividends to policyholders	4,276	4,275	(0)	(0.0)
Net income before income taxes	16,498	17,391	892	5.4
Income taxes	6,228	5,366	(862)	(13.8)
Deferred income taxes	541	408	(132)	(24.5)
Total income taxes	6,770	5,775	(995)	(14.7)
Net income	9,727	11,616	1,888	19.4

Sompo Japan Nipponkoa Himawari Life Insurance, Inc. (Non-consolidated)

Major Business Results

Total amount of policies in force

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

	As of March 31, 2015				As of March 31, 2016			
	Number		Amount		Number		Amount	
		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year
Individual insurance	3,414	106.3	207,685	104.0	3,658	107.1	213,748	102.9
Individual annuities	69	98.7	2,745	97.6	68	99.2	2,673	97.4
Group insurance	——	——	31,143	99.1	——	——	28,289	90.8
Group annuities	——	——	—	—	——	——	—	—

Note) Amounts of "Individual annuities" represent the sums of annuity fund at the beginning of annuity payment of contracts before the beginning of annuity payment and policy reserves for the contracts after the beginning of annuity payment.

Total amount of new policies

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

	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)			
	Number		Amount		Number		Amount	
		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year
Individual insurance	436	128.8	23,835	90.7	464	106.4	22,347	93.8
Individual annuities	0	60.0	51	68.4	1	113.1	55	108.4
Group insurance	——	——	168	40.9	——	——	352	209.2
Group annuities	——	——	—	—	——	——	—	—

Note) Amounts of "Individual annuities" represent amounts of annuity fund at the beginning of annuity payment.

Annualized premiums

Policies in force

(Millions of yen, %)

	As of March 31, 2015		As of March 31, 2016	
		% of previous fiscal year		% of previous fiscal year
Individual insurance	298,890	102.8	313,803	105.0
Individual annuities	18,574	105.4	19,055	102.6
Total	317,465	102.9	332,859	104.8
Medical and survival benefits	119,057	104.9	129,561	108.8

New policies

(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)	
		% of previous fiscal year		% of previous fiscal year
Individual insurance	35,419	117.3	40,101	113.2
Individual annuities	191	65.7	208	108.9
Total	35,611	116.8	40,309	113.2
Medical and survival benefits	17,001	141.4	20,418	120.1

Notes)

1. Annualized premiums are calculated by using multipliers for various premium payment terms to the premium per payment. In single premium contracts, the amount is calculated by dividing the premium by the duration of the policy.
2. Annualized premiums for medical and survival benefits include (a) premium related to medical benefits such as hospitalization and surgery benefits, (b) premium related to survival benefits such as specific illness and nursing benefits, and (c) premium related to premium waiver benefits, in which disability cause is excluded but causes such as specific illness and nursing care are included.

Sompo Japan Nipponkoa Himawari Life Insurance, Inc. (Non-consolidated)

Non-consolidated Solvency Margin Ratio

(Millions of yen)

		As of March 31, 2015	As of March 31, 2016
(A) Total Non-consolidated Solvency Margin		298,297	342,590
	Capital, etc.	80,321	86,937
	Reserve for price fluctuation	3,353	4,240
	Contingency reserve	26,715	28,221
	General allowance for possible credit losses	7	1
	Unrealized gains and losses on securities (before tax effect deductions) (90% of gain or 100% of loss), deferred gains and losses on hedges (before tax effect deductions) (90% of gain or 100% of loss)	61,059	83,439
	Unrealized gains and losses on land (85% of gain or 100% of loss)	—	—
	Excess amount of continued Zillmerized reserve	132,485	137,836
	Subordinated debt, etc.	—	—
	Excess amount of continued Zillmerized reserve and subordinated debt, etc. which are excluded from total solvency margin	(21,670)	(18,020)
	Brought in capital, etc.	—	—
	Deductions	—	—
	Others	16,025	19,933
(B) Total Non-consolidated Risks $\sqrt{(R_1+R_8)^2+(R_2+R_3+R_7)^2}+R_4$		35,589	38,678
	Underwriting risk (R_1)	13,178	13,347
	Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_8)	6,978	7,794
	Guaranteed interest rate risk (R_2)	8,259	8,335
	Guaranteed minimum benefit risk (R_7)	358	366
	Investment risk (R_3)	19,533	22,430
	Business management risk (R_4)	966	1,045
(C) Non-consolidated Solvency Margin Ratio [(A) / {(B) × 1/2}] × 100		1,676.3 %	1,771.4 %

Notes)

1. The above amounts and figures are calculated based on provisions of Articles 86 and 87 of the Ordinance for Enforcement of the Insurance Business Act and Public Notice No. 50 of the Ministry of Finance (1996).
2. Guaranteed minimum benefit risk is calculated by using the standard method.
3. The ratio of the fiscal year ended March 31, 2015 are calculated based on the provision which is not reflected the revised contents of the Cabinet Office Ordinance No. 16 (2016) and Financial Services Agency Public Notice No. 10 (2016). Therefore, "Unrealized gains and losses on securities (before tax effect deductions) (90% of gain or 100% of loss), deferred gains and losses on hedges (before tax effect deductions) (90% of gain or 100% of loss) " of ((A) Total Non-consolidated Solvency Margin) as of March 31, 2015 represents the amount of unrealized gains and losses on securities (90% of gain or 100% of loss).

Supplementary Explanation

< Calculation of returns >

The calculation methods of “Return on investments (income base)”, “Return on investments (realized base)” and “Total return based on the fair value” are as follows.

1. Return on investments (income base)

The results of investment activities are shown from the point of view of income earned (interest and dividend income earned).

Numerator is based on interest and dividend income related to investment assets. Denominator is based on cost of investment assets.

Numerator = Interest and dividend income (including amounts which correspond to interest and dividend income of investment gains and losses on money trusts)

Denominator = Average balances of investment assets based on the cost or the amortized cost

2. Return on investments (realized base)

The results of investment activities are shown from the point of view of the contribution to periodic gains and losses of the period (statement of income).

Numerator is based on realized gains and losses. Denominator is based on cost of investment assets.

Numerator = Investment income + Interest and dividend income on deposits of premiums, etc. - Investment expenses

Denominator = Average balances of investment assets based on the cost or the amortized cost

3. Total return based on the fair value (reference)

The return on investment based on fair value is shown.

Numerator is based on realized gains and losses and changes in unrealized gains and losses on investment assets.

Denominator is based on fair value of investment assets.

Numerator = (Investment income + Interest and dividend income on deposits of premiums, etc. - Investment expenses) + (Unrealized gains and losses at the end of this period* - Unrealized gains and losses at the end of the previous period*) + Increase or decrease in deferred gains and losses on hedges

Denominator = Average balances of investment assets based on the cost or the amortized cost + Unrealized gains and losses at the end of the previous period* + Unrealized gains and losses on trading securities at the end of the previous period

* Unrealized gains and losses relate to securities available for sale, monetary receivables bought and money trusts classified as other than trading purposes or held to maturity. The amount is based on before tax effect deductions.

< Calculation of ratios, etc. >

- Underwriting profit = Underwriting income - Underwriting expenses - Operating, general and administrative expenses related to underwriting + Other income and expenses*

  *Other income and expenses include, but not limited to, income tax expenses for compulsory automobile liability insurance.
- Net loss ratio = (Net claims paid + Loss adjustment expenses) / Net premiums written × 100
- Net operating expenses ratio = (Net commissions and brokerage fees + Operating, general and administrative expenses related to underwriting) / Net premiums written × 100
- Combined ratio = Net loss ratio + Net operating expenses ratio

< Non-consolidated solvency margin ratio >

• In addition to reserves to cover payments for claims, benefits and maturity refunds, etc., it is necessary for insurance companies to maintain sufficient solvency in order to cover against risks which exceed their normal estimates, i.e. occurrence of major catastrophes, fluctuation in mortality rate due to significant changes in key environmental factors and big decline in value of assets held by insurance companies.

•(C) Non-consolidated Solvency Margin Ratio, which is calculated in accordance with the Insurance Business Act, etc. is the ratio of "solvency margin of insurance companies by means of their capital, reserves, etc." ((A) Total Non-consolidated Solvency Margin) to "risks which exceed their normal estimates" ((B) Total Non-consolidated Risks).

• "Risks which exceed their normal estimates" are composed of risks described below.

<1> Underwriting risk, Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance:

Risks of rate of occurrence of insurance claims, etc. in excess of normal estimates (excluding risks relating to major catastrophes)

<2> Guaranteed interest rate risk:

Risks of invested assets failing to yield assumed interest rates due to the aggravation of investment conditions

<3> Investment risk:

Risks of securities and other assets held fluctuating in prices in excess of normal estimates

<4> Business management risk:

Risks beyond normal estimates arising from business management that do not fall under other categories

<5> Major catastrophe risk:

Risks of the occurrence of major catastrophic losses in excess of normal estimates (risks such as the Great Kanto Earthquake or Isewan Typhoon)

<6> Guaranteed minimum benefit risk:

Risks of special account assets fluctuating in prices in excess of normal estimates

• "Solvency margin of insurance companies by means of their capital, reserves, etc." (total non-consolidated solvency margin) is the sum of total net assets (excluding planned outflows), certain reserves (reserve for price fluctuation, contingency reserve and catastrophic loss reserve, etc.) and parts of unrealized gains and losses on land, etc.

• Solvency margin ratio is one of the indicators for the regulatory authorities to monitor financial soundness of insurance companies. Solvency margin ratio exceeding 200% would indicate adequate capability to meet payments of possible insurance claims and others.

4. Supplementary Data about Financial Results for the fiscal year ended March 31, 2016 at Press Conference

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)

(1) Key figures

(Yen in hundred millions)

	Fiscal year ended March 31, 2015 (A)	Six months ended September 30, 2015 (B)	Fiscal year ended March 31, 2016 (C)	Increase (Decrease) (C) - (A)	Increase (Decrease) (C) - (B)
① Net premiums written	21,813	11,406	22,184	371	——
Rate of change	4.8 %	3.9 %	1.7 %	(3.1)%	(2.2)%
② Total assets	73,262	71,629	70,362	(2,900)	(1,266)
③ Loss ratio	65.6 %	59.3 %	63.7 %	(1.9)%	4.4 %
④ Operating expenses ratio	31.8 %	31.7 %	31.6 %	(0.2)%	(0.1)%
⑤ Combined ratio	97.4 %	91.0 %	95.3 %	(2.1)%	4.3 %
Underwriting result ratio	2.6 %	9.0 %	4.7 %	2.1 %	(4.3)%
⑥ Voluntary automobile insurance					
・Net premiums written	10,437	5,301	10,701	264	——
Rate of change	2.9 %	2.8 %	2.5 %	(0.4)%	(0.3)%
・Underwriting result ratio	5.2 %	9.3 %	8.2 %	3.0 %	(1.2)%
・Loss ratio	63.4 %	59.2 %	60.7 %	(2.7)%	1.5 %
・Operating expenses ratio	31.4 %	31.4 %	31.1 %	(0.3)%	(0.3)%
⑦ Fire and allied insurance					
・Net premiums written	3,232	1,755	3,306	73	——
Rate of change	14.0 %	16.6 %	2.3 %	(11.7)%	(14.3)%
・Underwriting result ratio	(11.0)%	2.5 %	(7.1)%	3.8 %	(9.6)%
・Loss ratio	70.9 %	57.2 %	67.5 %	(3.4)%	10.3 %
・Operating expenses ratio	40.1 %	40.3 %	39.6 %	(0.4)%	(0.7)%
⑧ Number of employees	27,144	26,647	26,380	(764)	(267)
⑨ Number of agencies	64,371	63,516	62,238	(2,133)	(1,278)

<Reference> Consolidated figures of Sompo Japan Nipponkoa Holdings, Inc.

(Yen in hundred millions)

	Fiscal year ended March 31, 2015 (A)	Six months ended September 30, 2015 (B)	Fiscal year ended March 31, 2016 (C)	Increase (Decrease) (C) - (A)	Increase (Decrease) (C) - (B)
① Ordinary income	32,823	16,757	32,561	(261)	——
② Net premiums written	25,080	13,305	25,521	441	——
Rate of change	10.5%	6.9%	1.8%	(8.8)%	(5.2)%
③ Life insurance premiums written	2,772	1,436	2,976	204	——
Rate of change	(0.0)%	6.9%	7.4%	7.4%	0.5 %
④ Ordinary profit	2,083	435	2,168	85	——
⑤ Net income attributable to shareholders of the parent	542	285	1,595	1,053	——

Notes)

1. Loss ratio = (Net claims paid + Loss adjustment expenses) / Net premiums written × 100
2. Operating expenses ratio = (Net commissions and brokerage fees + Operating, general and administrative expenses related to underwriting) / Net premiums written × 100
3. Combined ratio = Loss ratio + Operating expenses ratio
4. Underwriting result ratio = 100 - Combined ratio
5. Items with % within "Increase (Decrease)" represent change from the fiscal year ended March 31, 2015 and the six months ended September 30, 2015, respectively.

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)

(2) Other figures

① Non-performing assets

Risk-monitored loans

(Yen in hundred millions)

	As of March 31, 2015	As of September 30, 2015	As of March 31, 2016
Loans to borrowers in bankruptcy	0	0	0
Overdue loans	5	5	4
Loans overdue for three months or more	0	0	0
Restructured loans	0	–	–
Total	7	6	4
Percent of total loans	0.1%	0.1%	0.1%

(Reference) Total loans	5,866	5,793	6,790

Results of self-assessment

(Yen in hundred millions)

	As of March 31, 2015	As of September 30, 2015	As of March 31, 2016
No category	72,928	71,295	70,100
Category II	335	336	263
Category III	99	96	93
Category IV	32	206	175
Subtotal (Category II-IV)	467	639	532
Total	73,396	71,934	70,633

Note) The above figures represent amounts before write-off (before recognition of impairment losses). Impairment losses on securities are included in "Category IV."

② Impairment losses on securities

(Yen in hundred millions)

	Fiscal year ended March 31, 2015	Six months ended September 30, 2015	Fiscal year ended March 31, 2016
Domestic bonds	–	–	–
Domestic stocks	1	173	214
Foreign securities	3	1	44
Others	4	–	29
Total	9	174	287

Note) Besides the above, impairment losses on trust assets (securities) in money trusts other than trading purposes or held to maturity amount to 3 hundred million yen for the fiscal year ended March 31, 2015, 12 hundred million yen for the six months ended September 30, 2015 and 11 hundred million yen for the fiscal year ended March 31, 2016.
These amounts are recognized in “Investment gains on money trusts” and “Investment losses on money trusts” in the statement of income.

Applied rules of impairment loss recognition

Basically, Sompo Japan Nipponkoa recognizes impairment losses on securities if fair value declines by 30% or more from book value.

③ Impairment losses on fixed assets

(Yen in hundred millions)

	Fiscal year ended March 31, 2015	Six months ended September 30, 2015	Fiscal year ended March 31, 2016
Land	43	–	–
Buildings	11	–	–
Others	–	–	–
Total	55	–	–

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)

④ Unrealized gains and losses on securities

(Yen in hundred millions)

	As of March 31, 2015	As of September 30, 2015	As of March 31, 2016
Domestic bonds	1,038	1,039	1,664
Domestic stocks	11,979	10,420	8,750
Foreign securities	2,068	1,632	1,296
Others	49	29	39
Total	15,136	13,122	11,750

Notes)

1. Unrealized gains and losses on monetary receivables bought are included in "Others" above.
2. Besides the above, unrealized gains and losses on trust assets (securities) in money trusts other than trading purposes or held to maturity amount to 142 hundred million yen as of March 31, 2015, (14) hundred million yen as of September 30, 2015 and (9) hundred million yen as of March 31, 2016.

⑤ Claims during the period due to natural disasters in Japan

(Yen in hundred millions)

		Fiscal year ended March 31, 2015	Six months ended September 30, 2015	Fiscal year ended March 31, 2016
Direct claims paid	a	295	222	775
Net claims paid	b	284	219	765
Unpaid claims	c	47	343	77
Net incurred loss	b + c	332	563	842

Notes)

1. This table represents paid and unpaid claims during the period due to natural disasters in Japan.
2. Amounts of unpaid claims are calculated by deducting reinsurance recoverable on unpaid loss.

⑥ Catastrophic loss reserve

(Yen in hundred millions, %)

Business line	Fiscal year ended March 31, 2015			Six months ended September 30, 2015			Fiscal year ended March 31, 2016		
	Balance	Balance ratio	Provision	Balance	Balance ratio	Provision	Balance	Balance ratio	Provision
Fire and allied insurance	1,838	57.0	446	2,085	59.6	247	1,776	53.9	459
Marine insurance	499	95.1	27	513	98.4	13	469	91.8	26
Personal accident insurance	747	40.3	58	770	38.5	31	706	38.3	58
Voluntary automobile insurance	649	6.2	626	708	6.7	170	633	5.9	343
Others	1,773	65.4	140	1,840	61.1	77	1,897	68.8	141
Total	5,508	29.4	1,299	5,918	30.1	540	5,483	28.7	1,028

Notes)

1. Balance ratio = Balance of catastrophic loss reserve / Net premiums written (excluding household earthquake insurance and compulsory automobile liability insurance) × 100
   As for the six months ended September 30, 2015, net premiums written (excluding household earthquake insurance and compulsory automobile liability insurance) are doubled for the calculation of balance ratio.
2. Provision represents gross amounts before deducting reversal.

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)

⑦ Reinsurance assumed

(Yen in hundred millions)

Business line	Fiscal year ended March 31, 2015		Fiscal year ended March 31, 2016	
	Reinsurance premiums assumed	Reinsurance claims assumed	Reinsurance premiums assumed	Reinsurance claims assumed
Fire and allied insurance	852	369	786	421
Marine insurance	134	74	130	166
Personal accident insurance	43	30	24	20
Voluntary automobile insurance	31	40	19	18
Compulsory automobile liability insurance	2,265	2,256	2,295	2,261
Others	174	54	208	81
Total	3,502	2,825	3,465	2,968

⑧ Reinsurance ceded

(Yen in hundred millions)

Business line	Fiscal year ended March 31, 2015		Fiscal year ended March 31, 2016	
	Reinsurance premiums ceded	Reinsurance claims ceded	Reinsurance premiums ceded	Reinsurance claims ceded
Fire and allied insurance	1,161	346	1,230	168
Marine insurance	127	106	128	108
Personal accident insurance	32	18	35	16
Voluntary automobile insurance	21	5	26	6
Compulsory automobile liability insurance	2,453	2,513	2,390	2,514
Others	663	283	736	387
Total	4,460	3,273	4,547	3,200