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Securities code: 8630

June 2, 2017

Notice to Stockholders

Sompo Holdings, Inc.
1-26-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo
Kengo Sakurada, Group CEO, Representative Director, President and Executive Officer

Notice of Convocation of the 7th General Meeting of Stockholders

Thank you all for your continued patronage.

The 7th General Meeting of Stockholders of Sompo Holdings, Inc. (the "Company" or "we") will be held as shown below and your attendance is cordially requested.

If you are unable to attend on this date, you may exercise your voting rights either in writing (the Voting Rights Exercise Form) or via the Internet. In this case, please review the "Reference Documents for General Meeting of Stockholders" (from page 6 to page 39), and exercise your voting rights in accordance with the "Instructions concerning the Exercising of Voting Rights" (from page 4 to page 5).

Details of the Meeting

1. Date and Time: June 26, 2017 (Monday) at 10 a.m.

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

3. Purpose of the Meeting of Stockholders:

Matters to be Reported

1. The business report, the consolidated financial statements and the audit reports by the accounting auditors and the Audit & Supervisory Board for Fiscal Year 2016 (April 1, 2016 to March 31, 2017)

2. The financial statements for Fiscal Year 2016 (April 1, 2016 to March 31, 2017)

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Matters to be Resolved

Proposal No. 1	Disposition of Retained Earnings
Proposal No. 2	Appointment of Twelve Directors
Proposal No. 3	Appointment of Two Audit & Supervisory Board Members
Proposal No. 4	Revision of the Amounts of Director Remuneration, etc.
Proposal No. 5	Revisions Pertaining to Amounts and Details of Stock Compensation Plan

4. Matters related to Exercise of Voting Rights:

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

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

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

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

-- End

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

1. Matters Relating to Stock Acquisition Rights in the Business Report
2. Consolidated Statement of Changes in Net Assets;
3. Notes to Consolidated Financial Statements;
4. Non-consolidated Statement of Changes in Net Assets; and
5. Notes to Non-consolidated Financial Statements.

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

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

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Instructions concerning the Exercising of Voting Rights

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

General Meeting of Stockholders	**Attending the General Meeting of Stockholders** Please bring and submit the enclosed Voting Rights Exercise Form to the reception desk of the meeting. You are cordially requested to bring this notice of convocation.
Mail	**Mailing Document (the Voting Rights Exercise Form)** Please mark your approval or disapproval with respect to each proposal on the enclosed Voting Rights Exercise Form, and return it **so that it is received by us by 5 p.m. on June 23, 2017 (Friday).**
Internet	**Via Internet** Please go to the website for exercising voting rights shown below, enter the "Voting Rights Exercise Code" and the "Password", which you will find on the right side sheet of your Voting Rights Exercise Form, and indicate your approval or disapproval with respect to each proposal in accordance with the instructions on the screen **by 5 p.m. on June 23, 2017 (Friday).** 【Website for exercising voting rights】 **http://www.it-soukai.com/ (Japanese only)**

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Points to Note:

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

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

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

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

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

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

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

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

【To Institutional Investors】

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

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Reference Documents for General Meeting of Stockholders

Proposals and Reference Matters Thereof

Proposal 1: Disposition of Retained Earnings

While maintaining financial soundness and improving capital efficiency by investing in growth fields, the Company has a basic policy of paying stable dividends, with the option of share buybacks according to capital condition. During the Company's mid-term management plan started in the fiscal year 2016, the Company's medium-term target for total payout ratio (see Note 1) is at a level of 50% of adjusted consolidated profit (see Note 2).
With respect to the year-end dividend of this period, the Company proposes, taking into consideration matters such as financial conditions and the future operating environment, as follows.

Matters concerning year-end dividend:

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

   Amount per share of common stock of the Company: 50 yen
   Total amount: 19,700,568,800 yen
   As a result of this, the amount of annual dividend of the current period will be 90 yen per share, inclusive of the amount of interim dividend of 40 yen per share.

2. Effective Date of dividend of retained earnings:

   June 27, 2017

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Notes:

1. Total payout ratio is an indicator of the weight of stockholder returns in the profit of each period and is calculated using the following formula.
   Total payout ratio = (total dividend + total stock buybacks (for stockholder returns)) / adjusted consolidated profit
2. The adjusted consolidated profit is the total amount of profit on an adjusted base of the Group. The calculation method for the adjusted profit for each business segment is as follows.
   For the fiscal year ended March 31, 2017, adjusted consolidated profit was 183.2 billion yen and adjusted consolidated ROE was 7.6%.

* The calculation methods for adjusted profit for each business segment, adjusted consolidated profit and adjusted consolidated ROE are as follows.

		Method of Calculation
Adjusted profit by business segment	Domestic P&C Insurance Business*1	Net income for the period ＋Provisions for catastrophic loss reserve (after tax) ＋Provisions for reserve for price fluctuation (after tax) －Gains/losses on sales of securities and impairment losses on securities (after tax) －Special factors (e.g. dividend from subsidiaries)
	Domestic Life Insurance Business	Net income for the period ＋Provisions of contingency reserve (after tax) ＋Provisions for reserve for price fluctuation (after tax) ＋Adjustment of underwriting reserve (after tax) ＋Deferral of acquisition cost (after tax) －Depreciation of acquisition cost (after tax)
	Nursing Care & Healthcare Business, etc.*2	Net income for the period
	Overseas Insurance Business	Net income for the period (including major non-consolidated subsidiaries)
Adjusted consolidated profit		Total of above adjusted profits
Adjusted consolidated net assets		Consolidated net assets (excluding domestic life insurance subsidiary's net assets)＋Catastrophic loss reserve in domestic P&C insurance (after tax)＋Reserve for price fluctuation in domestic P&C insurance (after tax)＋Domestic life insurance adjusted net assets*3
Adjusted consolidated ROE		Adjusted consolidated profit ÷ Adjusted consolidated net assets (All values in the denominator are the average of the fiscal-year opening and closing balances.)

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*1 Total of Sompo Japan Nipponkoa Insurance Inc., SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED, Sonpo 24 Insurance Company Limited, Sompo Japan Nipponkoa Insurance Services Inc., and Sompo Japan Nipponkoa DC Securities Inc.

*2 Total of Sompo Care Message Inc., Sompo Care Next Inc., Cedar Co., Ltd., Sompo Risk Management & Health Care Inc., SOMPO JAPAN NIPPONKOA ASSET MANAGEMENT CO., LTD., Prime Assistance Inc., Sompo Warranty Inc., and FRESHHOUSE Co., Ltd.

*3 Adjusted net assets of domestic life insurance business = Net assets of domestic life insurance business (J-GAAP)＋Contingency reserve (after tax) ＋Reserve for price fluctuation (after tax)＋Adjustment of underwriting reserve (after tax)＋Non-depreciated acquisition cost (after tax)

3. A resolution was reached at the Board of Directors held on May 19, 2107, to acquire treasury stock between May 22, 2017 and November 16, 2017 at a total amount not to exceed 56.9 billion yen (including 0.7 billion yen of substitute treasury stock to be delivered at the time of exercise of stock acquisition rights) or no more than 18,966,666 shares.

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Proposal 2: Appointment of Twelve Directors

With regard to the thirteen directors of the Company who were elected at the General Meeting of Stockholders held on June 27, 2016, Mr. Shoji Ito has resigned as of March 31, 2017, and the term of office of the remaining twelve directors will expire at the end of this General Meeting of Stockholders. Accordingly, approvals for the appointment of twelve directors are requested.

The candidates for the positions of directors are listed below:

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Candidate No.	Name	Current Position and Responsibilities at the Company	Others
1	Kengo Sakurada	Group CEO, Representative Director, President and Executive Officer Overall management of the Group's operations (CEO)	Reappointment
2	Shinji Tsuji	Group CFO, Representative Director, Deputy President and Executive Officer Chief executive of the Group's finance area	Reappointment
3	Shigeru Ehara	Overseas Insurance Business owner, Representative Director, Senior Managing Executive Officer Chief executive of the Overseas Insurance Business and overall management of East Asia region	Reappointment
4	Masato Fujikura	Group CRO, Director, Managing Executive Officer Chief executive of the Group's risk management area	Reappointment
5	Koichi Yoshikawa	Group CACO, Director, Managing Executive Officer Chief executive of the Group's internal control and internal audit area	Reappointment
6	Mikio Okumura	Nursing Care & Healthcare Business owner, Director, Managing Executive Officer Chief executive of Nursing Care & Healthcare Business	Reappointment
7	Keiji Nishizawa	Domestic P&C Insurance Business owner, Director Chief executive of Domestic P&C Insurance Business	Reappointment
8	Kaoru Takahashi	Domestic Life Insurance Business owner, Director Chief executive of Domestic Life Insurance Business	Reappointment
9	Sawako Nohara	Director	Reappointment Outside Director Candidate Independent Outside Director
10	Isao Endo	Director	Reappointment Outside Director Candidate Independent Outside Director
11	Tamami Murata	Director	Reappointment Outside Director Candidate Independent Outside Director
12	Scott Trevor Davis	Director	Reappointment Outside Director Candidate Independent Outside Director

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Candidate for directors (twelve individuals)

Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities, Significant Positions Concurrently Held and Others	Number of Shares of the Company Owned by Candidate
1	Kengo Sakurada (Feb. 11, 1956) Reappointment	<Summarized Resume, Position> Apr. 1978 Joined The Yasuda Fire & Marine Insurance Co., Ltd. Jul. 2005 Executive Officer, General Manager, Financial Institutions Department of Sompo Japan Insurance Inc. (“Sompo Japan”) Apr. 2007 Managing Executive Officer of Sompo Japan Jun. 2007 Director, Managing Executive Officer of Sompo Japan Apr. 2010 Director, Managing Executive Officer of the Company Jul. 2010 Director, Executive Officer of the Company Representative Director, President and Chief Executive Officer of Sompo Japan Jun. 2011 Director of the Company Apr. 2012 Representative Director, President and Executive Officer of the Company Sep. 2014 Representative Director, Chairman and Executive Officer of Sompo Japan Nipponkoa Insurance Inc. (“Sompo Japan Nipponkoa”) Apr. 2015 Representative Director, Chairman of Sompo Japan Nipponkoa Jul. 2015 Group CEO, Representative Director, President and Executive Officer of the Company (current position) Director, Chairman of Sompo Japan Nipponkoa Apr. 2016 Director of Sompo Japan Nipponkoa (current position) <Responsibilities in the Company> Overall management of the Group’s operations (CEO) <Significant positions concurrently held> Director of Sompo Japan Nipponkoa <Number of years in office as director> 7 years <Record of attendance at meetings of the Board of Directors in Fiscal 2016> 14 out of 14 (100%) <Reasons for selection as a candidate for director> In addition to his experience in business integration, business alliance, corporate planning, sales and systems in the P&C insurance business, Mr. Kengo Sakurada has global experience at international financial institutions. He took office as Representative Director and President of Sompo Japan in 2010, as Representative Director and President of the Company in 2012, and as Group CEO (Chief Executive Officer) of the Company in 2015. Mr. Sakurada has knowledge of overall management of insurance holding companies and global business management. With his abundant experiences and achievements, he is expected to reinforce supervisory and decision-making functions of the Board of Directors and the Company believes that his knowledge would be necessary for the future global development and advancement to new business fields. Accordingly, he was re-selected as a candidate for director.	18,141 Shares

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Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities, Significant Positions Concurrently Held and Others	Number of Shares of the Company Owned by Candidate
2	Shinji Tsuji (Dec. 10, 1956) Reappointment	<Summarized Resume, Position> Apr. 1979 Joined The Yasuda Fire & Marine Insurance Co., Ltd. Apr. 2008 Executive Officer and General Manager, Customer Service Department of Sompo Japan Insurance Inc. (“Sompo Japan”) Apr. 2009 Managing Executive Officer of Sompo Japan Jun. 2011 Director, Managing Executive Officer of the Company Apr. 2012 Director, Senior Managing Executive Officer of the Company Apr. 2014 Representative Director, Deputy President and Senior Managing Executive Officer of the Company Apr. 2016 Director of Sompo Japan Nipponkoa Himawari Life Insurance, Inc. (“Sompo Japan Nipponkoa Himawari Life”) (current position) Apr. 2017 Group CFO, Representative Director, Deputy President and Executive Officer of the Company (current position) <Responsibilities in the Company> Chief executive of the Group’s finance area <Significant positions concurrently held> Director of Sompo Japan Nipponkoa Himawari Life <Number of years in office as director> 6 years <Record of attendance at meetings of the Board of Directors in Fiscal 2016> 13 out of 14 (92%) <Reasons for selection as a candidate for director> In addition to his experience in accounting, public relations, CSR and sales in the P&C insurance business, Mr. Shinji Tsuji is responsible for corporate management of domestic group companies at the Company, and took office as Representative Director of the Company in 2014 and as Group CFO (Chief Financial Officer) of the Company in 2017. Mr. Tsuji has knowledge of corporate management and overall finance of insurance holding companies and the P&C insurance companies. With his abundant experiences and achievements, he is expected to reinforce supervisory and decision-making functions of the Board of Directors. Accordingly, he was re-selected as a candidate for director.	18,650 Shares

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Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities, Significant Positions Concurrently Held and Others	Number of Shares of the Company Owned by Candidate
3	Shigeru Ehara (Dec. 18, 1958) Reappointment	<Summarized Resume, Position> Apr. 1981 Joined The Yasuda Fire & Marine Insurance Co., Ltd. Apr. 2011 Executive Officer, General Manager, Commercial Risk Solutions Department of Sompo Japan Insurance Inc. (“Sompo Japan”) Apr. 2013 Executive Officer of the Company Director, Managing Executive Officer of Sompo Japan Managing Executive Officer of NIPPONKOA Insurance Company, Limited (“NIPPONKOA”) Jun. 2013 Director, Executive Officer of the Company Apr. 2014 Director, Managing Executive Officer, General Manager, China & East Asia Regional Headquarters of Sompo Japan Managing Executive Officer, General Manager, China & East Asia Regional Headquarters of NIPPONKOA Sep. 2014 Director, Managing Executive Officer, General Manager, China & East Asia Regional Headquarters of the Company Director, Managing Executive Officer, General Manager, China & East Asia Regional Headquarters of Sompo Japan Nipponkoa Insurance Inc. (“Sompo Japan Nipponkoa”) Dec. 2014 Director, Managing Executive Officer of the Company Director, Managing Executive Officer of Sompo Japan Nipponkoa Sep. 2015 Non-Executive Director of Sompo Canopius AG (current position) Jan. 2016 Director, Managing Executive Officer, General Manager, Global Business Planning Department of the Company Director, Managing Executive Officer, General Manager, Global Business Planning Department of Sompo Japan Nipponkoa Apr. 2016 Director, Senior Managing Executive Officer, General Manager, China & East Asia Regional Headquarters of the Company Director, Senior Managing Executive Officer, General Manager, China & East Asia Regional Headquarters of Sompo Japan Nipponkoa Nov. 2016 Representative Director, Senior Managing Executive Officer, General Manager, China & East Asia Regional Headquarters of the Company Mar. 2017 Non-Executive Director of Sompo International Holdings Ltd. (current position) Non-Executive Director of Endurance Specialty Holdings Ltd. (current position)	5,550 Shares

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Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities, Significant Positions Concurrently Held and Others	Number of Shares of the Company Owned by Candidate
		Apr. 2017 Overseas Insurance Business owner, Representative Director, Senior Managing Executive Officer of the Company (current position) Director, Senior Managing Executive Officer of Sompo Japan Nipponkoa (current position) <Responsibilities in the Company> Chief executive of the Overseas Insurance Business and overall management of East Asia region <Significant positions concurrently held> Non-Executive Director of Sompo Canopius AG Non-Executive Director of Sompo International Holdings Ltd. Non-Executive Director of Endurance Specialty Holdings Ltd. Director, Senior Managing Executive Officer of Sompo Japan Nipponkoa <Number of years in office as director> 4 years <Record of attendance at meetings of the Board of Directors in Fiscal 2016> 14 out of 14 (100%) <Reasons for selection as a candidate for director> With his experience in overseas business, product development, reinsurance, and sales in the P&C insurance business, Mr. Shigeru Ehara is responsible for M&As and growth strategy in the overseas business at the Company. He took office as Director of the Company and of Sompo Japan in 2013, as Representative Director of the Company in 2016, and as Overseas Insurance Business owner of the Company in 2017. Mr. Ehara has knowledge on overseas business and corporate product fields including reinsurance in insurance holding companies and in the P&C insurance business. With his abundant experiences and achievements, he is expected to reinforce supervisory and decision-making functions of the Board of Directors. Accordingly, he was re-selected as a candidate for director.	

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Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities, Significant Positions Concurrently Held and Others	Number of Shares of the Company Owned by Candidate
4	Masato Fujikura (Sep. 26, 1958) Reappointment	<Summarized Resume, Position> Apr. 1981 Joined The Yasuda Fire & Marine Insurance Co., Ltd. Apr. 2012 Executive Officer, General Manager, Reinsurance Department of Sompo Japan Insurance Inc. (“Sompo Japan”) Apr. 2013 Executive Officer, General Manager, Reinsurance Department of NIPPONKOA Insurance Company, Limited (“NIPPONKOA”) Apr. 2014 Managing Executive Officer, General Manager, The Americas Regional Headquarters of Sompo Japan Managing Executive Officer, General Manager, The Americas Regional Headquarters of NIPPONKOA Sep. 2014 Executive Officer, General Manager, The Americas Regional Headquarters of the Company Managing Executive Officer, General Manager, The Americas Regional Headquarters of Sompo Japan Nipponkoa Insurance Inc. (“Sompo Japan Nipponkoa”) Apr. 2015 Managing Executive Officer, General Manager, The Americas Regional Headquarters of the Company Apr. 2016 Managing Executive Officer of the Company Director, Managing Executive Officer of Sompo Japan Nipponkoa (current position) Jun. 2016 Director, Managing Executive Officer of the Company Apr. 2017 Group CRO, Director, Managing Executive Officer of the Company (current position) <Responsibilities in the Company> Chief executive of the Group’s risk management area <Significant positions concurrently held> Director, Managing Executive Officer of Sompo Japan Nipponkoa <Number of years in office as director> 1 year <Record of attendance at meetings of the Board of Directors in Fiscal 2016> 11 out of 11 (100%) <Reasons for selection as a candidate for director> With his experience in overseas business, reinsurance (risk management), finance, product development and sales in the P&C insurance business, Mr. Masato Fujikura took office as Director of Sompo Japan Nipponkoa and the Company in 2016, and as Group CRO (Chief Risk Officer) of the Company in 2017. With his abundant experiences and achievement regarding overall management in the insurance holding companies and P&C insurance business, he is expected to reinforce supervisory and decision-making functions of the Board of Directors. Accordingly, he was re-selected as a candidate for director.	3,850 Shares

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Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities, Significant Positions Concurrently Held and Others	Number of Shares of the Company Owned by Candidate
5	Koichi Yoshikawa (Feb. 23, 1963) Reappointment	<Summarized Resume, Position> Apr. 1985 Joined Koa Fire & Marine Insurance Co., Ltd. Apr. 2014 Executive Officer, General Manager, Corporate Marketing Department VII of Sompo Japan Insurance Inc. (“Sompo Japan”) Executive Officer, General Manager, Corporate Marketing Department VII of NIPPONKOA Insurance Company, Limited (“NIPPONKOA”) Sep. 2014 Executive Officer, General Manager, Corporate Marketing Department VII of Sompo Japan Nipponkoa Insurance Inc. (“Sompo Japan Nipponkoa”) Apr. 2016 Managing Executive Officer of the Company Director, Managing Executive Officer of Sompo Japan Nipponkoa (current position) Jun. 2016 Director, Managing Executive Officer of the Company Apr. 2017 Group CACO, Director, Managing Executive Officer of the Company (current position) <Responsibilities in the Company> Chief executive of the Group’s internal control and internal audit area <Significant positions concurrently held> Director, Managing Executive Officer of Sompo Japan Nipponkoa <Number of years in office as director> 1 year <Record of attendance at meetings of the Board of Directors in Fiscal 2016> 11 out of 11 (100%) <Reasons for selection as a candidate for director> With his experience in human resources and sales in the P&C insurance business and corporate planning in the life insurance business, Mr. Koichi Yoshikawa took office as Director of Sompo Japan Nipponkoa and the Company in 2016, and as Group CACO (Chief Audit and Compliance Officer) of the Company in 2017. With his abundant experiences and achievement regarding overall management in the insurance holding companies, P&C insurance business and life insurance business, he is expected to reinforce supervisory and decision-making functions of the Board of Directors. Accordingly, he was re-selected as a candidate for director.	3,900 Shares

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Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities, Significant Positions Concurrently Held and Others	Number of Shares of the Company Owned by Candidate
6	Mikio Okumura (Nov. 23, 1965) Reappointment	<Summarized Resume, Position> Apr. 1989 Joined The Yasuda Fire & Marine Insurance Co., Ltd. Apr. 2006 Joined FinTech Global Incorporated Dec. 2007 Member of the Board, Head of Investment Banking Division of FinTech Global Incorporated Apr. 2015 Executive Officer, General Manager, Corporate Planning Department Apr. 2016 Executive Officer of the Company Jun. 2016 Director, Executive Officer of the Company Jul. 2016 Representative Director and President of Sompo Care Inc. (current position) Apr. 2017 Nursing Care & Healthcare Business owner, Director, Managing Executive Officer of the Company (current position) <Responsibilities in the Company> Chief executive of Nursing Care & Healthcare Business <Significant positions concurrently held> Representative Director and President of Sompo Care Inc. <Number of years in office as director> 1 year <Record of attendance at meetings of the Board of Directors in Fiscal 2016> 11 out of 11 (100%) <Reasons for selection as a candidate for director> In addition to his experience in corporate planning in the P&C insurance business and experience in overseas business, Mr. Mikio Okumura also has experiences in operating an overseas subsidiary and an investment bank. Moreover, he has experience in corporate planning and the Nursing Care & Healthcare business. He took office as Director of the Company and Representative Director of the nursing care business management subsidiary in 2016, and as Nursing Care & Healthcare Business owner of the Company in 2017. With his abundant experiences and achievement regarding overall management in various companies including insurance holding companies, he is expected to reinforce supervisory and decision-making functions of the Board of Directors. Accordingly, he was re-selected as a candidate for director.	1,100 Shares

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Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities, Significant Positions Concurrently Held and Others	Number of Shares of the Company Owned by Candidate
7	Keiji Nishizawa (Feb. 11, 1958) Reappointment	<Summarized Resume, Position> Apr. 1980 Joined The Yasuda Fire & Marine Insurance Co., Ltd. Apr. 2008 Executive Officer, General Manager, Personal Lines Planning & Development Department of Sompo Japan Insurance Inc. (“Sompo Japan”) Apr. 2010 Managing Executive Officer of Sompo Japan Jun. 2010 Director, Managing Executive Officer of Sompo Japan Oct. 2011 Director, Managing Executive Officer, General Manager, Automobile Underwriting Department of Sompo Japan Nov. 2011 Director, Managing Executive Officer of Sompo Japan Jun. 2012 Director, Executive Officer of the Company Apr. 2013 Director, Senior Managing Executive Officer of Sompo Japan Senior Managing Executive Officer of NIPPONKOA Insurance Company, Limited (“NIPPONKOA”) Apr. 2014 Representative Director, Senior Managing Executive Officer of Sompo Japan Sep. 2014 Representative Director, Senior Managing Executive Officer of Sompo Japan Nipponkoa Insurance Inc. (“Sompo Japan Nipponkoa”) Apr. 2015 Director, Deputy President and Senior Managing Executive Officer of the Company Representative Director, Deputy President and Senior Managing Executive Officer of Sompo Japan Nipponkoa Oct. 2015 Director, Deputy President and Senior Managing Executive Officer, General Manager, New Business Development Department of the Company Jan. 2016 Director, Deputy President and Senior Managing Executive Officer of the Company Apr. 2016 Director of the Company Representative Director, President and Chief Executive Officer of Sompo Japan Nipponkoa (current position) Apr. 2017 Domestic P&C Insurance Business owner, Director of the Company (current position) <Responsibilities in the Company> Chief executive of Domestic P&C Insurance Business <Significant positions concurrently held> Representative Director, President and Chief Executive Officer of Sompo Japan Nipponkoa <Number of years in office as director> 5 years <Record of attendance at meetings of the Board of Directors in Fiscal 2016> 14 out of 14 (100%)	7,100 Shares

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Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities, Significant Positions Concurrently Held and Others	Number of Shares of the Company Owned by Candidate
		<Reasons for selection as a candidate for director> With his experience in corporate planning, human resources, product development, sales, claims service and IT systems in the P&C insurance business, Mr. Keiji Nishizawa was in charge of new business development and IT systems at the Company. He took office as Director of the Company in 2012, as Representative Director of Sompo Japan in 2014, as Representative Director and President of Sompo Japan Nipponkoa in 2016, and as Domestic P&C Insurance Business owner of the Company in 2017. Mr. Nishizawa has knowledge of overall business management in insurance holding companies and in the P&C insurance business. With his abundant experiences and achievements, he is expected to reinforce supervisory and decision-making functions of the Board of Directors. Accordingly, he was re-selected as a candidate for director.	

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Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities, Significant Positions Concurrently Held and Others	Number of Shares of the Company Owned by Candidate
8	Kaoru Takahashi (May 13, 1956) Reappointment	<Summarized Resume, Position> Apr. 1979 Joined The Yasuda Fire & Marine Insurance Co., Ltd. Apr. 2008 Executive Officer, General Manager, Human Resources Department of Sompo Japan Insurance Inc. (“Sompo Japan”) Apr. 2010 Managing Executive Officer of Sompo Japan Jun. 2010 Director, Managing Executive Officer of Sompo Japan Director of Sompo Japan Himawari Life Insurance Co., Ltd. (“Sompo Japan Himawari Life”) Apr. 2012 Representative Director, Deputy President and Senior Managing Executive Officer of Sompo Japan Apr. 2013 Deputy President and Senior Managing Executive Officer of NIPPONKOA Insurance Company, Limited (“NIPPONKOA”) Sep. 2014 Representative Director, Deputy President and Senior Managing Executive Officer of Sompo Japan Nipponkoa Insurance Inc. (“Sompo Japan Nipponkoa”) Apr. 2015 Representative Director, President and Chief Executive Officer of Sompo Japan Nipponkoa Himawari Life Insurance, Inc. (“Sompo Japan Nipponkoa Himawari Life”) (current position) Jun. 2015 Director of the Company Mar. 2016 Director of Hulic Co., Ltd. (current position) Apr. 2017 Domestic Life Insurance Business owner, Director of the Company (current position) <Responsibilities in the Company> Chief executive of Domestic Life Insurance Business <Significant positions concurrently held> Representative Director, President and Chief Executive Officer of Sompo Japan Nipponkoa Himawari Life External Director of Hulic Co., Ltd. <Number of years in office as director> 2 years <Record of attendance at meetings of the Board of Directors in Fiscal 2016> 14 out of 14 (100%) <Reasons for selection as a candidate for director> With his experience on corporate planning, human resources and sales in the P&C insurance business, Mr. Kaoru Takahashi took office as Representative Director of Sompo Japan in 2012 and as Representative Director and President of Sompo Japan Nipponkoa Himawari Life and as Director of the Company in 2015, and as Domestic Life Insurance Business owner of the Company in 2017. Mr. Takahashi has knowledge of overall business management in insurance holding companies, the P&C insurance business and life insurance business. With his abundant experiences and achievements, he is expected to reinforce supervisory and decision-making functions of the Board of Directors. Accordingly, he was re-selected as a candidate for director.	41,300 Shares

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Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities, Significant Positions Concurrently Held and Others	Number of Shares of the Company Owned by Candidate
9	Sawako Nohara (Jan. 16, 1958) Reappointment Outside Director Candidate Independent Outside Director	<Summarized Resume, Position> Dec. 1988 Joined LIFE SCIENCE LABORATORIES, LTD. Jul. 1995 Joined InfoCom Research, Inc. Apr. 1996 Senior Researcher of InfoCom Research, Inc. Jul. 1998 Head of the E-Commerce Business Development Group of InfoCom Research, Inc. Dec. 2000 Director of IPSe Marketing, Inc. Dec. 2001 Representative Director, President of IPSe Marketing, Inc. (current position) Jun. 2006 Member of the Board of NEC Corporation Nov. 2009 Project Professor, Keio University Graduate School of Media and Governance (current position) Jun. 2012 Audit & Supervisory Board Member of Sompo Japan Insurance Inc. Jun. 2013 Director (outside) of the Company (current position) Jun. 2014 Outside Board Member of Nissha Printing Co., Ltd. (current position) Outside Director of Japan Post Bank Co., Ltd. (current position) <Significant positions concurrently held> Representative Director, President of IPSe Marketing, Inc. Project Professor, Keio University Graduate School of Media and Governance Outside Board Member of Nissha Printing Co., Ltd. Outside Director of Japan Post Bank Co., Ltd. <Number of years in office as director> 4 years <Record of attendance at meetings of the Board of Directors in Fiscal 2016> 14 out of 14 (100%) <Reasons for selection as a candidate for outside director> With her abundant experience as a manager and broad knowledge related to the IT industry, as well as deep insight gained through participation in policy-making during her term as an officer in government-related committees including as a private sector member of the Industrial Competitiveness Council, Ms. Sawako Nohara has provided appropriate advice on the management of the Company from diversified and professional perspectives. At the same time, she has provided valuable advice on the initiative on women's empowerment in the workplace, which is also one of the important strategies of the Company. Accordingly, she was re-selected as a candidate for outside director.	0 Shares

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Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities, Significant Positions Concurrently Held and Others	Number of Shares of the Company Owned by Candidate
10	Isao Endo (May 8, 1956) Reappointment Outside Director Candidate Independent Outside Director	<Summarized Resume, Position> Apr. 1979 Joined Mitsubishi Electric Corporation Oct. 1988 Joined The Boston Consulting Group Inc. Oct. 1992 Joined Andersen Consulting Oct. 1996 Partner of Andersen Consulting Sep. 1997 Partner and Director of Booz Allen Hamilton May 2000 Managing Partner of Roland Berger Ltd. Apr. 2006 Chairman of Roland Berger Ltd. (current position) Professor of the Graduate School of Commerce, Waseda University May 2011 Director of Ryohin Keikaku Co., Ltd. (current position) Mar. 2013 Audit & Supervisory Board Member of Yamaha Motor Co., Ltd. Jun. 2014 Director of the Company (current position) Director of Nisshin Steel Co., Ltd. (current position) <Significant positions concurrently held> Chairman of Roland Berger Ltd. Director of Ryohin Keikaku Co., Ltd. (Outside Director) Director of Nisshin Steel Co., Ltd. (Outside Director) <Number of years in office as director> 3 years <Record of attendance at meetings of the Board of Directors in Fiscal 2016> 14 out of 14 (100%) <Reasons for selection as a candidate for outside director> With his broad insight based on his practical experience at a global consulting firm and academic knowledge as a graduate school professor, as well as abundant experience as a company manager, Mr. Isao Endo has provided appropriate advice on the management of the Company, especially through his deep and diversified perspective gained through his practical research on “Gemba Power.” Accordingly, he was re-selected as a candidate for outside director.	400 Shares

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Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities, Significant Positions Concurrently Held and Others	Number of Shares of the Company Owned by Candidate
11	Tamami Murata (Jan. 18, 1960) Reappointment Outside Director Candidate Independent Outside Director	<Summarized Resume, Position> Apr. 1988 Admitted to the Japanese Bar Aug. 2001 Attorney at law at Murata Law Office (current position) Apr. 2008 Executive Vice President of Daini Tokyo Bar Association Jun. 2014 Director of the Company (current position) <Significant positions concurrently held> Attorney at law <Number of years in office as director> 3 years <Record of attendance at meetings of the Board of Directors in Fiscal 2016> 14 out of 14 (100%) <Reasons for selection as a candidate for outside director> Ms. Tamami Murata has abundant knowledge and experience as an attorney at law and provided appropriate advice on the management of the Company with her professional viewpoints based on her knowledge and experience. At the same time, she has provided valuable advice on the initiative on women's empowerment in the workplace, which is also one of the important strategies of the Company. Despite lack of experience in participation in corporate management other than by serving as outside director, she was re-selected as a candidate for outside director due to the reasons mentioned above.	0 Shares

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Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities, Significant Positions Concurrently Held and Others	Number of Shares of the Company Owned by Candidate
12	Scott Trevor Davis (Dec. 26, 1960) Reappointment Outside Director Candidate Independent Outside Director	<Summarized Resume, Position> Apr. 2001 Professor of the International Business Administration Department, the International School of Economics and Business Administration of Reitaku University May 2004 Director of Ito-Yokado Co., Ltd. Sep. 2005 Director of Seven & I Holdings Co., Ltd. (current position) Mar. 2006 Audit & Supervisory Board Member of Nissen Co., Ltd. Apr. 2006 Professor of the Department of Global Business, College of Business, Rikkyo University (current position) Mar. 2011 Director of Bridgestone Corporation (current position) Jun. 2014 Director of the Company (current position) <Significant positions concurrently held> Director of Seven & I Holdings Co., Ltd. (Outside Director) Professor of the Department of Global Business, College of Business, Rikkyo University Director of Bridgestone Corporation (Outside Director) <Number of years in office as director> 3 years <Record of attendance at meetings of the Board of Directors in Fiscal 2016> 13 out of 14 (92%) <Reasons for selection as a candidate for outside director> Mr. Scott Trevor Davis has broad knowledge as an erudite scholar and provided appropriate advice on the management of the Company, especially through his research on strategic management and CSR at the university. Moreover, he has provided diversified advice from global perspectives. Despite lack of experience in participation in corporate management other than by serving as outside director or outside audit & supervisory board member, he was re-selected as a candidate for outside director due to the reasons mentioned above.	0 Shares

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Notes:

1. There are no special interests between each candidate and the Company.
2. Ms. Sawako Nohara, Mr. Isao Endo, Ms. Tamami Murata and Mr. Scott Trevor Davis are candidates for outside directors.
   The Company has prescribed the “Standards regarding Independence of Outside Directors / Audit & Supervisory Board Members” (from page 29 to page 32). None of the above candidates fall within any of the categories for examination listed in the above-referred standards and each candidate is considered to be independent. Each of the above candidates is an “independent director/auditor” which is specified by Tokyo Stock Exchange, Inc. as being unlikely to have a conflict of interest with general stockholders.
3. Ms. Sawako Nohara served as outside audit & supervisory board member of our subsidiary in the past.
4. Ms. Sawako Nohara will have completed four years of service as outside director of the Company at the end of this General Meeting of Stockholders. Mr. Isao Endo, Ms. Tamami Murata and Mr. Scott Trevor Davis will have completed three years of service as outside directors of the Company at the end of this General Meeting of Stockholders.
5. The Company has entered into a contract for limitation of liability, in accordance with Article 427, Paragraph 1 of the Companies Act, with Ms. Sawako Nohara, Mr. Isao Endo, Ms. Tamami Murata and Mr. Scott Trevor Davis, respectively, that limits his or her liability under Article 423, Paragraph 1 of the Companies Act to the Minimum Liability Amount stipulated in Article 425, Paragraph 1 of the Companies Act. If they are reappointed as outside directors, the Company intends to continue said contract with each of them.

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Proposal 3: Appointment of Two Audit & Supervisory Board Members

The term of office of audit & supervisory board members, Ms. Chikami Tsubaki and Mr. Haruo Kasama, will expire at the end of this General Meeting of Stockholders. Accordingly, approval for the appointment of two audit & supervisory board members is requested.
The consent of the Audit & Supervisory Board has been obtained. The candidates for the position of audit & supervisory board members are listed below:

Candidates for audit & supervisory board members (two individuals)

Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Significant Positions Concurrently Held and Others	Number of Shares of the Company Owned by Candidate
1	Hideyo Uchiyama (Mar. 30, 1953) New appointment Outside Audit & Supervisory Board Member Candidate Independent Outside Audit & Supervisory Board Member	<Summarized Resume, Position> Nov. 1975 Joined Arthur Young & Company Dec. 1979 Joined Asahi Accounting Company (now KPMG AZSA LLC) Mar. 1980 Registered as Certified Public Accountant Jul. 1999 Representative Partner of Asahi & Co. (now KPMG AZSA LLC) May 2002 Board Member of Asahi &Co. (now KPMG AZSA LLC) Jun. 2006 Executive Board Member of KPMG Azsa & Co. (now KPMG AZSA LLC) Jun. 2010 Managing Partner of KPMG Azusa & Co. (now KPMG AZSA LLC) Chairman of KPMG Japan Sep. 2011 Chairman of KPMG Asia Pacific Oct. 2013 CEO of KPMG Japan Sep. 2015 Executive Advisor of ASAHI Tax Corporation (current position) Jun. 2016 Audit & Supervisory Board Member of OMRON Corporation (current position) <Significant positions concurrently held> Executive Advisor of ASAHI Tax Corporation Audit & Supervisory Board Member of OMRON Corporation (Independent Audit & Supervisory Board Member) <Reasons for selection as a candidate for outside audit & supervisory board member> Despite lack of experience in participation in business company management other than by serving as outside audit & supervisory board member, Mr. Hideyo Uchiyama has abundant experience as a manager at one of Japan's leading auditing corporations and a global consulting firm in addition to his professional knowledge and experience as a certified public accountant. He was newly selected as a candidate for outside audit & supervisory board member because he is expected to reflect his abundant knowledge and experiences on the Company's audit.	0 Shares

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Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Significant Positions Concurrently Held and Others	Number of Shares of the Company Owned by Candidate
2	Atsuko Muraki (Dec. 28, 1955) New appointment Outside Audit & Supervisory Board Member Candidate Independent Outside Audit & Supervisory Board Member	<Summarized Resume, Position> Apr. 1978 Joined Ministry of Labour Oct. 2005 Counsellor for Policy Evaluation, Minister's Secretariat, Ministry of Health, Labour and Welfare Sep. 2006 Deputy Director-General of Equal Employment, Children and Families Bureau, Ministry of Health, Labour and Welfare Jul. 2008 Director-General of Equal Employment, Children and Families Bureau, Ministry of Health, Labour and Welfare Sep. 2010 Director-General for Policies on Cohesive Society, Cabinet Office Sep. 2012 Director-General of Social Welfare and War Victims' Relief Bureau, Ministry of Health, Labour and Welfare Jul. 2013 Vice-Minister of Health, Labour and Welfare, Ministry of Health, Labour and Welfare Jun. 2016 Member of the Board of ITOCHU Corporation (current position) <Significant positions concurrently held> Member of the Board of ITOCHU Corporation (Outside Director) <Reasons for selection as a candidate for outside audit & supervisory board member> Despite lack of experience in participation in corporate management other than by serving as an outside director, Ms. Atsuko Muraki has a high level of knowledge and abundant experience based on having held important posts such as Vice-Minister, Deputy Director-General, and Director-General of Equal Employment, Children and Families Bureau in the Ministry of Health, Labour and Welfare, as well as Director-General for Policies of the Cabinet Office. She was newly selected as a candidate for outside audit & supervisory board member because she is expected to reflect her abundant knowledge and experiences on the Company's audit.	0 Shares

Notes:

1. There are no special interests between the candidates and the Company.
2. Mr. Hideyo Uchiyama and Ms. Atsuko Muraki are candidates for outside audit & supervisory board member.
   The Company has prescribed the "Standards regarding Independence of Outside Directors / Audit & Supervisory Board Members" (from page 29 to page 32). Neither of the above candidates fall within any of the categories for examination listed in the above-referred standards and each candidate is considered to be independent. Both of the above candidates are "independent director/auditor" which is specified by Tokyo Stock Exchange, Inc. as being unlikely to have a conflict of interest with general stockholders.
3. If Mr. Hideyo Uchiyama and Ms. Atsuko Muraki are newly appointed as audit & supervisory board members, the Company intends to enter into a contract for limitation of liability, in accordance with Article 427, Paragraph 1 of the Companies Act, with both candidates, that limits his or her liability under Article 423, Paragraph 1 of the Companies Act to the Minimum Liability Amount stipulated in Article 425, Paragraph 1 of the Companies Act.

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■ Policies for Appointment of Officers

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

<Policies for Appointment of Officers>

The appointment of directors, executive officers, and audit & supervisory board members is conducted in accordance with the following policies for appointment of officers. Directors and executive officers are nominated by the Board of Directors based on discussions with the Nomination and Compensation Committee.

Furthermore, in the event that the Board of Directors’ appointment of an audit & supervisory board member is determined by resolution at the General Meeting of Stockholders, an opportunity will be provided in advance for the Board of Directors to discuss the candidate with the Audit & Supervisory Board to seek its approval.

1. Policies for Appointment of Directors and Audit & Supervisory Board Members

   The Company supervises and guides its subsidiaries, formulating management strategies for subsidiaries engaged mainly in the P&C insurance business, as well as comprehensive management strategies for the entire Group. The Company is responsible for the execution and realization of these strategies.

   From this perspective, the Board of Directors appoints directors based on familiarity with the Company’s business, ensuring a balance between experience and achievements without bias for an area of specialization. To facilitate objective decision making with respect to management issues from a diverse and independent focus and perspective, the Board of Directors includes multiple outside directors with a wide range of knowledge and experience having backgrounds in corporate management, academia, and the legal profession.

   The Audit & Supervisory Board consists of audit & supervisory board members appointed on the basis of their solid knowledge of finance and accounting and in consideration of an overall balance of backgrounds in corporate management experience and the legal profession.

   Furthermore, the appointment of directors and audit & supervisory board members is based on appointment criteria in consideration of Comprehensive Guidelines for Supervision of Insurance Companies.

   The Group formulated outside director independence criteria as a standard for the appointment of outside directors and outside audit & supervisory board members.

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

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2. Policies for Appointment of Executive Officers
   The Group formulated a “desired image for executive officers” and “Policies for appointment of executive officers” to identify the basic skills and qualifications required and define the balance between experience and achievements when appointing executive officers, and will make appointments based on these image and policies.

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

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

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

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

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

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

In the case of a candidate for outside audit & supervisory board member, the Audit & Supervisory Board will take into consideration these standards in determining whether to consent to a proposal being submitted to the General Meeting of Stockholders of the Company for the appointment of an audit & supervisory board member. Upon receiving this consent, the Board of Directors will submit the proposal for appointment to the General Meeting of Stockholders and submit notification of such outside audit & supervisory board member as an independent auditor as prescribed by each financial instruments exchange.

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(1) Personal Relationships

1) The candidate is or was an executive director (Note 1), an executive officer or an employee of the Company or its subsidiary at present or in the past 10 years (in 10 years prior to his/her appointment if the candidate was an executive director or audit & supervisory board member).
2) The candidate is a relative (Note 3) of a person who is or was an executive director, an executive officer or an important employee (Note 2) of the Company or its subsidiary at present or in the past 5 years.
3) The candidate is a director, an audit & supervisory board member, an accounting advisor, an operating officer or an executive officer of (i) a company that accepts director(s) (full-time or independent) from the Company or its subsidiary, (ii) its parent company or (iii) its subsidiary.

(2) Capital Relationships

1) The candidate is a director, an audit & supervisory board member, an accounting advisor, an operating officer, an executive officer or an employee of a company in which the Company owns 10% or more of the voting rights.
2) The candidate is a relative of a person who is a director, an audit & supervisory board member, an accounting advisor, an operating officer or an executive officer of a company in which the Company owns 10% or more of the voting rights.
3) The candidate owns or owned 10% or more of the voting rights of the Company at present or in the past five years (if the shareholder is a corporation, the candidate is or was a director, an audit & supervisory board member, an accounting advisor, an operating officer, a board member, an executive officer or an employee of the subject company, its parent company or a significant subsidiary (Note 4) of the subject company).
4) The candidate is a relative of a person who owns or owned 10% or more of the voting rights of the Company at present or in the past five years (if the shareholder is a corporation, the candidate is a relative of the person who is or was a director, an audit & supervisory board member, an accounting advisor, an operating officer, a board member or an executive officer of the subject company).

(3) Business Relationships

1) The candidate makes or made payments of 2% or more of the Company's consolidated gross annual sales (based on the current fiscal year or the average of the past three fiscal years) to the Company or its subsidiary (if the payer is a corporation, the candidate is or was an executive director, an operating officer, and executive officer or an employee of the subject company, its parent company or a significant subsidiary).
2) The candidate receives or received payments of 2% or more of the candidate's consolidated gross annual sales (based on the current fiscal year or the average of the past three fiscal years) from the Company or its subsidiary (if the recipient is a corporation, the candidate is or was an executive director, operating officer, an executive officer or an employee of

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the subject company, its parent company or a significant subsidiary).

3) The candidate is a board member (should be limited to a person who executes business) or other member who executes business of a public interest incorporated foundation, a public interest incorporated association, or a non-profit corporation, etc. who receives donations or grants exceeding 10 million yen per year based on the average of the past three fiscal years from the Company or its subsidiaries.
4) The candidate is a director, an audit & supervisory board member, an accounting advisor, an operating officer, an executive officer or an employee of (i) a financial institution, (ii) other large creditor, (iii) its parent company or (iv) a significant subsidiary, from which the Company obtains or has obtained financing (the financing is indispensable, which the Company depends on to the extent that such financing has little or no substitute) at present or in the past three years.
5) The candidate is an employee, a partner or a staff member of a certified public accountant (or a tax accountant) or an audit corporation (or a tax accounting corporation), who serves as an accounting auditor of the Company or its subsidiary, or a person who was any of the above in the past three years, and who actually is or was engaged in auditing (excluding supplementary involvement) for the Company or its subsidiary (including those who are currently retired).
6) The candidate is a relative of (i) a certified public accountant (or a tax accountant) or (ii) an employee or a partner of an audit corporation (or a tax accounting corporation), who serves as an accounting auditor of the Company or its subsidiary.
7) The candidate is a relative of a staff member of a certified public accountant (or a tax accountant) or an audit corporation (or a tax accounting corporation), who serves as an accounting auditor of the Company or its subsidiary, and who actually is engaged in auditing (excluding supplementary involvement) for the Company or its subsidiary, or a person who was an employee, a partner or a staff member of a certified public accountant (or a tax accountant) or an audit corporation (or a tax accounting corporation), who served as an accounting auditor of the Company or its subsidiary, in the past three years, and who actually was engaged in auditing (excluding supplementary involvement) for the Company or its subsidiary during the subject period of time.
8) The candidate is a consultant such as an attorney or a certified public accountant other than the above 5) who receives financial or other property benefits of 10 million yen or more per year (based on the average of the past three years) exclusive of officer's compensation, and a person who is and was an employee, a partner, an associate or a staff member of a consulting firm or other specialized advisory firm such as a legal office or an audit corporation other than the above 5), who received payments of 2% or more of the firm's consolidated gross annual sales (based on the average of the past three fiscal years) from the Company or its subsidiary.

(4) Significant Interests

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A person who can be recognized to have significant interests other than the above (1) through (3).

Notes:

1. "Executive director" means the director as set forth in each item of Article 363, Paragraph 1 of the Companies Act and other directors who executed business of the subject company (the same applies to the following).
2. "Important employee" means a person who falls under the "important employee" as set forth in Article 362, Paragraph 4, Item 3 of the Companies Act (the same applies to the following).
3. "Relative" refers to a spouse, a relative within the second degree of kinship or a relative who lives together (the same applies to the following).
4. "Significant subsidiary" refers to a subsidiary that is described as a significant subsidiary in (i) the items of e.g., "Status of Significant Parent Company and Subsidiaries" in the business reports associated with the subject company's most recent fiscal year (Article 120, Paragraph 1, Item 7 of the Ordinance for Enforcement of the Companies Act), or other materials that are generally published by the subject company (the same applies to the following).
5. The past tense as described in the above (2) 3) and 4), and (3) 1), 2) and 8) (e.g., a person who "was") refers to within the past five years.

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<Supplementary Explanation to Proposal 4 and Proposal 5>

The Company has been implementing revisions to its remuneration structure for officers in FY2016 and FY2017 in an effort to further raise awareness of its officers including directors towards the improvement of the company's performance and corporate value, and to enable recruiting and retaining superior and diverse human resources. The transparency and objectiveness of these revisions have been assured by undergoing the deliberation of the Nomination and Compensation Committee, which is chaired by an outside director and in which the majority of the members are outside directors, and by resolution of the Board of Directors. An outline of the Company's officer remuneration structure is given in the "Policies on Decisions Pertaining to Remuneration for Officers" from page 65 to page 67. The main details of the revisions, including revisions of the content of these policies, are as follows.

Proposal 4 "Revision of the Amounts of Director Remuneration, etc." and Proposal 5 "Revisions Pertaining to Amounts and Details of the Stock Compensation Plan" are proposals to revise the amounts of director remuneration, etc. in conjunction with the above revision to the remuneration structure for officers.

[Major Details of the Revisions to the Remuneration Structure for Officers]

(1) New Remuneration Structure for Officers

- In conjunction with the new establishment of the "Group Chief Officer system," which was announced on February 14, 2017, the entire remuneration structure for the Company's executive officers including Group Chief Officers (also including directors who serve concurrently as executive officers) has undergone major changes.
- The existing remuneration system for officers has been a system based on position. The new remuneration system adopts a highly individualized scheme:
  - ○ The range of remuneration to be applied to each post is set according to factors including the roles, expectations and the weight of duties required for the post.
  - ○ The amount of remuneration is determined within the range of remuneration, based on the achievements and skills of the person who will assume the relevant post.
- The adoption of a highly individualized scheme increases flexibility with respect to external recruitment of officers in order to develop an environment that makes it easier to ensure diversity of officers from the perspective of officer remuneration.
- Furthermore, the percentage accounted for by variable remuneration (performance-linked remuneration (monetary remuneration) and performance-linked stock compensation) in the total amount of officer remuneration for each post has been increased as a result of these revisions, and raised by a maximum of slightly over 10% depending on the post.

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(2) Revision of the Officer Remuneration of the Group CEO

- The Nomination and Compensation Committee held deliberations (carried out by outside directors only) regarding the amount of remuneration for the Group CEO from FY2017 onward. The Nomination and Compensation Committee deliberated on the following points when determining officer remuneration of the Group CEO.
  - ○ The amount of remuneration should be on appropriate levels taking into consideration the Group CEO's resolute decision-making in the past, his leadership in guiding the Group towards change, his demonstration of the vision to be aspired to by the Group and the management skills in implementing the necessary measures to steadily materialize such vision.
  - ○ The remuneration levels set by the Nomination and Compensation Committee should act as incentive for the Group CEO towards aiming for improvement in the Group performance and the realization of the targeted vision.
  - ○ The remuneration levels overseas as well as in Japan are to be considered, given that the CEO is the leader of a corporate group that aims to be at the top level globally on a profit basis.
  - ○ The percentage accounted for by variable remuneration (performance-linked remuneration (monetary remuneration) and performance-linked stock compensation) in the total amount of officer remuneration is set appropriately. (The percentage was increased by 8.4% as a result of these revisions.)

(3) Changes to the Performance-linked Remuneration Scheme

- In light of the Company's Mid-Term Management Plan which started in FY2016, the scheme has been changed to align with the business strategies (e.g. revision of the performance targets and transition to a remuneration scheme by business), and made into a system that presents itself as a greater incentive by reflecting the connection between performance and the initiatives taken by the officers in the officer remuneration to a greater extent.

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Proposal 4: Revision of the Amounts of Director Remuneration, etc.

The Company's amount of director remuneration, etc. paid in cash (cash remuneration) has not changed since it was set at "0.4 billion yen or less per year (including an annual amount of 0.1 billion yen or less for outside directors)" and approved by the 1st General Meeting of Stockholders held on June 27, 2011. However, due to the subsequent changes in the economic conditions, business environment, the Company's businesses and management structure, in addition to the revisions to the remuneration structure for officers outlined in the <Supplementary Explanation to Proposal 4 and Proposal 5> above, the Company proposes to revise the amount to "0.7 billion yen or less per year (including 0.1 billion yen or less per year for outside directors)." The amount of director remuneration, etc. will not include the employee salary portion of directors who serve concurrently as employees, as was the case in the past, and the individual amounts of remunerations will be entrusted to the Board of Directors. The Company also proposes to set this amount of director remuneration, etc. separately from the amount of the performance-linked stock compensation plan with respect to which the proposal of "Revisions Pertaining to Amounts and Details of Stock Compensation Plan" is made in Proposal 5.
Currently, the number of the Company's directors eligible to receive cash remuneration is twelve (including four outside directors), and if Proposal 2 is approved, the number of the Company's directors eligible to receive cash remuneration will be twelve (including four outside directors).

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Proposal 5: Revisions Pertaining to Amounts and Details of Stock Compensation Plan

1. Reason for the proposal and why the amount of remuneration, etc. is appropriate

The amounts and details of the portion of remuneration, etc. for the directors of the Company to be given from the performance-linked stock compensation plan, "Board Benefit Trust (BBT)," (the "Plan"), have not changed since being approved at the 6th General Meeting of Stockholders held on June 27, 2016 (The resolution of the said General Meeting of Stockholders shall, hereinafter, be referred to as the "existing resolution"). However, the Company, as outlined in <Supplementary Explanation to Proposal 4 and Proposal 5> above, proposes to make partial revisions in conjunction with the revision to the remuneration structure for officers.

This proposal requests approval for revisions to the amount and details of the remuneration, etc. of the Plan separately from the amount of cash remunerations, etc. put forth in Proposal 4 "Revision of the Amounts of Director Remuneration, etc."

The Plan will be implemented for the purpose of further clarifying the link between remuneration to the officers of the Company and its major group companies (the "Group") and the Company's business performance and the value of its shares, and making the Group's officers share not only the benefits of higher stock prices but also the risks of lower stock prices with stockholders, thereby encouraging them to contribute to the improvement of medium- to long-term business performance, as well as increasing corporate value. The Company regards this proposal as appropriate for this purpose.

The Company would like to ask you to entrust the details of the Plan to the Board of Directors of the Company within the framework of 2. below.

At present, the number of the directors of the Company to which the Plan is applied is eight. Subject to the approval of the Proposal 2, the number of the directors of the Company to which the Plan is applied will be eight. Outside directors are not eligible under the Plan.

2. Amount and detail of the remuneration, etc. under the Plan

(Underlined portions indicate changes from the existing resolution.)

(1) Detail of the Plan

The Plan is a performance-linked stock compensation plan where the Company's shares will be acquired through a trust established based on the underlying funds contributed by the Company <u>(The trust to be established through such money trust shall hereinafter be referred to as "the Trust".)</u> and where the Company's shares and the money equivalent in amount to the value of the Company's shares converted at market value of the Company's shares (the "Company's shares, etc.") will be distributed to the Group's officers <u>(To be defined in (2) below)</u> in accordance with the Rules on Distribution of Shares for Officers determined by the Board of Directors of the Group. The timing of distribution of the Company's shares, etc. to the Group's officers will be in principle at the time of retirement of the Group's officers.

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(2) Persons to whom the Plan is applied
Directors (excluding outside directors) and executive officers of the Company and directors (excluding outside directors) and executive officers of the major group companies of the Company (collectively the "Group's Officers").

(3) Maximum amount of contribution to the Trust by the Company
The Company has adopted the Plan for the three fiscal years from the fiscal year ended March 31, 2017 to the fiscal year ending March 31, 2019 (such three-fiscal year period and each succeeding three-fiscal year period shall be respectively referred to as the "Subject Period") and for each Subject Period thereafter. As a fund for the Trust to acquire shares ahead of distribution to the Group's Officers for the initial Subject Period based on the Plan, the Company will contribute 0.5 billion yen (This does not include the employees salary for directors serving concurrently as employees.) for the directors of the Company, for a total of 2.2 billion yen for the Group's Officers as the maximum amount (This does not include the employee salary for directors serving concurrently as employees.) to the Trust. In terms of the initial Subject Period, as the Company has already contributed 1.7 billion yen (including 0.3 billion yen for the directors of the Company) at the time of establishment of the Trust (July 2016), going forward, the maximum amount of contributions that may be made by the Company in the initial Subject Period will be 0.5 billion yen (including 0.2 billion yen for the directors of the Company).
Even after the initial Subject Period, until the end of the Plan, the Company will make an additional contribution to the Trust as the fund to acquire shares as described above for each Subject Period. The amount of such additional contribution will be 0.5 billion yen (This does not include the employee salary for directors serving concurrently as employees.) for the directors of the Company, for a total of 2.2 billion yen for the Group's Officers as the maximum amount (This does not include the employee salary for directors serving concurrently as employees.).
However, when making such additional contribution, if there remain the Company's shares (excluding the Company's shares equivalent to the points granted to the Group's Officers that are undistributed to the Group's Officers) and funds (the "Remaining Shares, etc.") in the trust assets at the last day of the Subject Period immediately preceding the Subject Period for which the additional contribution will be made , the total of the amount of the Remaining Shares, etc. (for shares, the market value at the last day of the immediately preceding Subject Period) and the amount of funds additionally contributed will be within the maximum amount approved in this proposal.

(4) Acquisition method of the Company's shares and the number of shares acquired by the Trust
The acquisition of the Company's shares by the Trust will be performed through the stock market, using the funds contributed as described in (3) above. For the initial Subject Period, up to 780 thousand shares have been acquired, without delay after setting the Trust (in July 2016).
The Company currently does not have any plans to acquire the Company's shares through the Trust during the initial Subject Period. However, should any Company's shares be acquired through the Trust, disclosure shall be made appropriately and in a timely manner.

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(5) Specific contents of the Company's shares, etc. distributed to the Group's Officers

For each fiscal year, the Group will grant the number of points to the Group's Officers calculated by comparing the stock value and the consolidated performance with the market, based on the basis point granted according to the duties and responsibilities and the like of the Group's Officers. The points granted to the Group's Officers will be converted to one share of common stock of the Company per one point when distributing the Company's shares, etc. as described in (6) below. The total number of points per fiscal year granted to the directors of the Company will be 67 thousand points (equivalent to 67 thousand shares of common stock of the Company) for a total of 287 thousand points to the Group's Officers (equivalent to 287 thousand shares of common stock of the Company) at maximum. This has been determined by comprehensively taking into account the current levels of compensation of the Group's Officers, the Company's stock prices, developments in the number of the Group's Officers, future outlook, the revision to the remuneration structure for officers, as outlined in <Supplementary Explanation to Proposal 4 and Proposal 5> above, and other factors, and has been determined to be appropriate. However, regarding the Company's shares, if a stock split, an allotment of shares without contribution or a reverse stock split is performed after the resolution of this Proposal, the maximum number of points and the number of points already granted and the conversion rate of shares of common stock of the Company per point will be rationally adjusted according to the rate and other factor of such event.

(6) Timing of distribution to the Group's Officers

When a Group's Officer retires and satisfies the requirements of beneficiaries defined in the Rules on Distribution of Shares for Officers, such Group's Officer will receive in principle the Company's shares from the Trust after the retirement according to the accumulated points granted before the retirement by performing the designated procedure of determining a beneficiary. However, when he/she satisfies the requirements defined in the Rules on Distribution of Shares for Officers, he/she will receive the payment of money converted by market value for a certain percentage in place of distribution of the Company's shares.

In order to pay money, there are cases when the Company's shares will be sold by the Trust.

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<Reference: Key points of Proposal 4 and Proposal 5 (Comparison of new and existing details)>

(Changes are underlined.)

<table>
<tr><th>Proposal</th><th>Existing (Details for which approval was given at the 1st and 6th General Meetings of Stockholders)</th><th>New (Details for which approval is being sought)</th></tr>
<tr><td rowspan="2">Proposal 4</td><td colspan="2">Director remuneration, etc. paid in cash (cash remuneration)</td></tr>
<tr><td><u>0.4</u> billion yen or less per year
(including 0.1 billion yen or less per year for outside directors)</td><td><u>0.7</u> billion yen or less per year
(including 0.1 billion yen or less per year for outside directors)</td></tr>
<tr><td rowspan="5">Proposal 5</td><td colspan="2">Director remuneration, etc. given under the performance-linked stock compensation plan, “Board Benefit Trust (BBT)”</td></tr>
<tr><td colspan="2">Amount of contribution from the Company to the trust for each Subject Period</td></tr>
<tr><td>Maximum <u>0.3</u> billion yen during the Subject Period (three fiscal years)
* Maximum total of <u>2.0</u> billion yen for the Group’s Officers</td><td>Maximum <u>0.5</u> billion yen during the Subject Period (three fiscal years)
* Maximum total of <u>2.2</u> billion yen for the Group’s Officers</td></tr>
<tr><td colspan="2">Points granted to the Company’s directors in one fiscal year</td></tr>
<tr><td>Maximum <u>40</u> thousand points
(equivalent to <u>40</u> thousand shares of common stock of the Company)
* Total of <u>260</u> thousand points for the Group’s Officers (equivalent to <u>260</u> thousand shares of common stock of the Company)</td><td>Maximum <u>67</u> thousand points
(equivalent to <u>67</u> thousand shares of common stock of the Company)
* Total of <u>287</u> thousand points for the Group’s Officers (equivalent to <u>287</u> thousand shares of common stock of the Company)</td></tr>
</table>

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Attachments

Attachment (1)

Fiscal 2016 Business Report
For the Period from April 1, 2016 through March 31, 2017

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

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

Main Substance of Business of the Corporate Group

At the end of the fiscal year ended March 31, 2017, the Group consisted of Sompo Holdings, Inc. (the "Company" or "Sompo Holdings, Inc." or "we"), 127 companies that are consolidated subsidiaries, and 4 companies that are affiliates accounted for under the equity-method and others. The Group's main businesses are the domestic property and casualty ("P&C") insurance business, domestic life insurance business, nursing care & healthcare business and overseas insurance business.

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

The global economy during the period under review continued a modest recovery overall, as signs of improvement was seen during the second half of the fiscal year, despite the slowdown in emerging countries such as China in the first half. The Japanese economy continued on a moderate recovery trend overall, as exports and production showed signs of improvement during the second half of the fiscal year, despite weakness in consumer spending even amid continuing improvement in employment and income conditions.

(Progress and Results of Business of the Corporate Group)

Under the Mid-Term Management Plan, the Group has set our Group vision of building a "theme park for the security, health, and wellbeing of customers," with a view to realizing our group management philosophy of providing "highest quality services that contribute to the security, health, and wellbeing of our customers." We are working on efforts such as promoting digital technologies and exploring new business opportunities in order to make that vision a reality.

As a holding company, the Company strives to address important group issues, such as drafting the Group's management strategy, allocating management resources across the Group, creating the governance system, as well as carrying out digital strategy and M&A, with the aim of achieving business plans for the Group

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as a whole and maximizing the Group's corporate value.

On October 1, 2016, the Group changed the Company's name to "Sompo Holdings, Inc.," in order to strengthen the "SOMPO" brand in terms of its focus on "security, health, and wellbeing" on a Group basis and on a global basis.

In addition, in order to establish and strengthen the competitive presence of each business segment, the Group introduced a "business owner system" where the management heads of each business segment (domestic P&C insurance, domestic life insurance, nursing care & healthcare, and overseas insurance) are delegated authority as business owners for business strategy proposals, investment decision, and talent deployment.

The Group also positions CSR and diversity as important parts of our management base in order to continuously enhance corporate value, and is promoting efforts aimed at realizing a sustainable society and Group growth through solutions to social issues.

(Performance over the Period under Review)

The Company's consolidated financial results were as follows.

Ordinary income increased by 163.3 billion yen to 3,419.5 billion yen. Meanwhile ordinary expenses increased by 138.4 billion yen to 3,177.8 billion yen.

As a result, ordinary profit for the period under review increased by 24.8 billion yen to 241.7 billion yen. Net income attributable to shareholders of the parent amounted to 166.4 billion yen, representing an increase of 6.8 billion yen when compared to the previous period.

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(Progress and Results of Each Business Segment)

The progress and results of each business segment were as follows.

Domestic P&C Insurance Business

Sompo Japan Nipponkoa

Sompo Japan Nipponkoa Insurance Inc., the Group's core company, serves as the growth engine for the whole Group by embracing challenges in a wide range of business areas that contribute to the security, health, and wellbeing of customers.
It is working to strengthen human resources and organizational capabilities that can independently and constantly produce new value from the customer's viewpoint (leveraging Gemba Power), and to take advantage of digital technologies. Digital technologies are being put to use in many areas of our business, including the provision of the safe driving support service "Portable Smiling Road" that uses the latest telematics technology, the introduction of AI (artificial intelligence) at call centers and the use of drones in insurance accident investigations. In addition, we have accelerated our work on the "Future Innovation Project" launched in FY2015 to renew our business processes and system infrastructure, and will continue aiming to provide services of the highest quality and to enhance operational efficiency.

SAISON AUTOMOBILE AND FIRE INSURANCE, Sonpo 24

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

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Domestic Life Insurance Business

Sompo Japan Nipponkoa Himawari Life

Sompo Japan Nipponkoa Himawari Life Insurance, Inc., under the slogan of “transforming to a company that supports customers in maintaining and improving health” is working to build a business model that continues to provide new value to customers.

We launched the health services brand “Linkx (pronounced ‘link cross’)” in September 2016, and as our first initiative began offering “Linkx coins (‘link cross coins’)” an online-only product focused on organ transplantation and advanced medical treatment, and as our second initiative started providing “Linkx Siru (‘link cross siru’),” an app that distributes health information.

We will continue to promote our response to “healthtech,” linking health and technology through the use of cutting-edge digital technology, as we take on the challenge of creating a three-part business model that integrates “products” and “services” that contribute to customer health with high quality “channels” that deliver these to customers.

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Nursing Care & Healthcare Business

Sompo Care Message, Sompo Care Next

The nursing care & healthcare business, a new business pillar of the Group, provides high quality nursing care services to meet the diverse needs of the elderly and their families through Sompo Care Next Inc., which is mainly engaged in providing facility-based nursing care, and Sompo Care Message Inc., which is equipped to provide customers with a wide range of nursing care services from facility-based nursing care to homecare.

In April 2016, we opened the “Sompo Care Next Step Center,” a training center that.utilize spaces re-creating actual nursing-home rooms and facilities. The Center develops professional care providers through a wide range of training programs including enhanced practical exercises and the introduction of virtual reality.

With regard to the use of ICT (information and communications technologies) and digital technology, we are working to enhance safety, productivity, and quality by verifying the effects of living space and bathroom watch-over sensors and urination sensors, as well as its full-fledged deployment. We will also focus our efforts on improving care quality using AI technology.

The Group will contribute to the realization of “Japan, an affluent country that can boast to the world of a long and quality life.”

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Overseas Insurance Business

In the overseas insurance business, the Group aims for rapid expansion through steady, organic growth and disciplined M&A, and is achieving growth by allocating management resources mainly in countries and regions where profitability and growth can be expected.

In developed markets, the Company reached an agreement through Sompo Japan Nipponkoa in October 2016 concerning the acquisition of Endurance Specialty Holdings Ltd., which has a business base mainly in the U.S., and completed the procedure in March 2017. In the same month, the Company newly established Sompo International Holdings Ltd., which will fulfill the control function in developed markets in the future, thereby the Company will develop “a genuinely integrated global insurance business platform.”

With regard to emerging markets, Sompo Holdings (Asia) Pte. Ltd. concluded an agreement in June 2016 with the CIMB Group, one of the major banking groups in Southeast Asia, to sell P&C insurance through the CIMB Group’s banks, and commenced operations such as sales of the Group’s products in Indonesia and Singapore in September.

Others

SOMPO JAPAN NIPPONKOA ASSET MANAGEMENT CO., LTD. is engaged in the business of providing services related to asset formation for customers, and Sompo Japan Nipponkoa DC Securities Inc. handles defined contribution pension plans. These companies aim to improve their profit models based on business collaboration with other Group companies including those in the domestic P&C insurance business.

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Issues to be Addressed

We expect disruptive and substantial changes in the environment surrounding the Group, such as decreasing population and a rapidly aging society in Japan, the increasing frequency of large-scale natural disasters, the exponential evolution of technology and accompanying changes in customer behavior. In order to achieve sustainable growth, the Group will be required to quickly identify and flexibly and swiftly respond to such changes.

For the purpose of realizing our Group Management Philosophy that aims to provide the "services of the highest quality possible that contribute to the security, health, and wellbeing of customers" through sustainable growth even amid such changes in the environment, we formulated the "Mid-Term Management Plan (2016-2020)," announced in May 2016, as a new growth strategy for the Group as a whole. Furthermore, in light of environmental changes such as the agreement in October 2016 to commence procedures for the acquisition of Endurance Specialty Holdings Ltd., and the postponement of the consumption tax hike, the Group's numerical management targets for FY2018 formulated under the Mid-Term Management Plan were revised upwards in November 2016. The Group will work together as a whole to achieve the new numerical management targets of "adjusted consolidated profit of 220.0 to 230.0 billion yen and adjusted consolidated ROE of 8.0% or higher (see Note 1) for FY2018."

Furthermore, in addition to the "business owner system" introduced in April 2016, we introduced the "Group Chief Officer (Group CxO) system"* in April 2017. Under the "Group Chief Officer system," in addition to the four business owners who are put in charge of each business under the overall supervision of the Group CEO, the following chief officers are assigned responsibility for their respective functional areas: "Group CFO," "Group CRO," "Group CACO," "Group CIO," "Group CDO," and "Group CHRO."

Through these initiatives, with a view to building and evolving to a "theme park for the security, health, and wellbeing of customers" as set out in the Mid-Term Management Plan, we will strive to establish the framework for conducting decision-making and business execution that is best for the Group by developing management strategies with greater agility and flexibility in response to disruptive environmental changes.

The Group will also continue efforts to reform our corporate culture, our business portfolio, and our existing business model, with the aim to grow sustainably.

*The title of Group Chief Officer, which was previously used as a descriptive title by

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executives other than the Group CEO, was officially established in the system in April 2017.

We very much look forward to the further support of all of our stockholders in the future.

Notes:

1. The calculation methods for adjusted profit for each business segment, adjusted consolidated profit and adjusted consolidated ROE after FY2017 are as follows.

		Calculation method
Adjusted profit by business segment	Domestic P&C Insurance Business[*1]	Net income for the period ＋Provisions for catastrophic loss reserve (after tax) ＋Provisions for reserve for price fluctuation (after tax) －Gains/losses on sales of securities and impairment losses on securities (after tax) －Special factors (e.g. dividend from subsidiaries)
	Domestic Life Insurance Business	Net income for the period ＋Provision of contingency reserve (after tax) ＋Adjustment of underwriting reserve (after tax) ＋Deferral of acquisition cost (after tax) －Depreciation of acquisition cost (after tax)
	Nursing Care & Healthcare Business, etc.[*2]	Net income for the period
	Overseas Insurance Business	Net income for the period (including major non-consolidated subsidiaries) Operating income for Endurance Specialty Holdings Ltd.[*3]
Adjusted consolidated profit		Total of above adjusted profits
Adjusted consolidated net assets		Consolidated net assets (excluding domestic life insurance subsidiary's net assets) ＋Catastrophic loss reserve in domestic P&C insurance (after tax) ＋Reserve for price fluctuation in domestic P&C insurance (after tax) ＋Domestic life insurance adjusted net assets[*4]
Adjusted consolidated ROE		Adjusted consolidated profit ÷ Adjusted consolidated net assets (All values in the denominator are the average of the fiscal-year opening and closing balances.)

*1 Total of Sompo Japan Nipponkoa Insurance Inc., SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED, Sonpo 24 Insurance Company Limited, Sompo Japan Nipponkoa Insurance Services Inc., Sompo Japan Nipponkoa DC Securities Inc., and Sompo Risk Management & Health Care Inc. (Nursing Care & Healthcare Business, etc. for FY2016).

*2 Total of Sompo Care Message Inc., Sompo Care Next Inc., Cedar Co., Ltd., SOMPO JAPAN NIPPONKOA ASSET MANAGEMENT CO., LTD., Prime Assistance Inc., Sompo Warranty Inc., and FRESHHOUSE Co., Ltd.

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*3 Adjusted profit of Endurance Specialty Holdings Ltd. is defined at the operating income excluding transient factors (= Net income for the period – foreign exchange gains and losses – gains and losses on sale/valuation of securities – impairment loss, etc.)

*4 Adjusted net assets of domestic life insurance business = Net assets of domestic life insurance business (J-GAAP)＋Contingency reserve (after tax) ＋Reserve for price fluctuation (after tax)＋Adjustment of underwriting reserve (after tax)＋Non-depreciated acquisition cost (after tax)

2. The monetary amounts, number of shares owned and the like in this Business Report (including the tables set forth below) have been rounded off to the nearest unit displayed. Ratios such as percentages of ownership of shares have been rounded to the nearest unit displayed.

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

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

Category	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016 (Current Period)
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Ordinary income	3,008,339	3,282,343	3,256,186	3,419,530
Ordinary profit	112,391	208,309	216,853	241,713
Net income attributable to shareholders of the parent	44,169	54,276	159,581	166,402
Comprehensive income	149,965	469,485	(116,689)	226,949
Net assets	1,390,153	1,829,852	1,652,839	1,868,940
Gross assets	9,499,799	10,253,431	10,186,746	11,931,135

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

Category	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016 (Current Period)
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Operating income	27,581	36,568	130,741	71,611
Dividends received	24,675	32,907	125,000	63,835
Subsidiaries, etc., engaged in the insurance business	24,675	31,900	124,500	62,100
Other subsidiaries, etc.	—	1,007	500	1,735
Net income (loss) for the period	24,951	33,070	125,024	61,522
Net income (loss) per share for the period	60.43 yen	80.94 yen	308.85 yen	154.96 yen
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Gross assets	905,183	914,729	1,077,485	993,534
Stocks, etc., of subsidiaries, etc., engaged in the insurance business	875,453	853,953	821,651	794,572
Stocks, etc., in other subsidiaries, etc.	4,322	4,322	100,026	102,400

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(3) Status of Major Offices of the Corporate Groups

A. Status of the Insurance Holding Company

(As of March 31, 2017)

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

B. Status of Subsidiary Corporations, etc.

(As of March 31, 2017)

Business Segment	Name of Company	Name of Office	Location	Date of Establishment
Domestic P&C insurance business	Sompo Japan Nipponkoa Insurance Inc.	Head Office	1-26-1, Nishi-Shinjuku, Shinjuku-ku, Tokyo	Jul. 21, 1976
	SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED	Head Office	3-1-1, Higashi-Ikebukuro, Toshima-ku, Tokyo	Sep. 22, 1982
	Sonpo 24 Insurance Company Limited	Head Office	3-1-1, Higashi-Ikebukuro, Toshima-ku, Tokyo	Jul. 24, 2000
	Sompo Japan Nipponkoa Insurance Services Inc.	Head Office	2-1-1, Nishi-Shinjuku, Shinjuku-ku, Tokyo	Jul. 1, 2011
Domestic life insurance business	Sompo Japan Nipponkoa Himawari Life Insurance, Inc.	Head Office	6-13-1, Nishi-Shinjuku, Shinjuku-ku, Tokyo	Oct. 1, 2011
Nursing care & healthcare business	Sompo Care Message Inc.	Head Office	522-1, Nishiichi, Minami-ku, Okayama-shi	Jul. 1, 2014
	Sompo Care Next Inc.	Head Office	4-12-8, Higashi-Shinagawa, Shinagawa-ku, Tokyo	Apr. 1, 2016
	Sompo Risk Management & Health Care Inc.	Head Office	1-24-1, Nishi-Shinjuku, Shinjuku-ku, Tokyo	Dec. 4, 2006
Overseas insurance business	Endurance Specialty Holdings Ltd.	Head Office	Waterloo House, 100 Pitts Bay Road, Pembroke HM08 Bermuda	Apr. 28, 2014
	Sompo Canopius AG	Head Office	Freigutstrasse 16, 8002, Zurich, Switzerland	Sep. 2, 2015
	Sompo Seguros S.A.	Head Office	Rua Cubatão, 320, Paraíso São Paulo-SP, CEP04013-001-Brazil	Oct. 21, 2014
Others	SOMPO JAPAN NIPPONKOA ASSET MANAGEMENT CO., LTD.	Head Office	2-2-16, Nihonbashi, Chuo-ku, Tokyo	Nov. 24, 2009
	Sompo Japan Nipponkoa DC Securities Inc.	Head Office	1-25-1, Nishi-Shinjuku, Shinjuku-ku, Tokyo	May 10, 1999

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(4) Status of Employees in the Corporate Group

A. Status of the Insurance Holding Company

Category	End of Previous Period	End of Current Period	Increase (Decrease) in Current Period	At the End of the Current Period		
				Average Age	Average Years of Service	Average Monthly Salary
Employees	488 persons	514 persons	26 persons	43.1	17.1	628 thousand yen

Notes:

1. The number of employees is the number of those who are employed including those who are concurrently serving with a consolidated subsidiary of the Company. Persons seconded from the Company to another company have been excluded, and persons seconded from another company to the Company have been included.
2. Years of service at consolidated subsidiaries of the Company have been included in the average years of service.
3. The average monthly salary is the average monthly salary as of March 2017 (including overtime allowances) and does not include bonuses.

B. Status of the Corporate Group

Business Segment	End of Previous Period	End of Current Period	Increase (Decrease) in Current Period
	No. of employees	No. of employees	No. of employees
Domestic P&C insurance business	27,483	26,893	(590)
Domestic life insurance business	2,788	2,758	(30)
Nursing care & healthcare business	9,783	11,132	1,349
Overseas insurance business	4,563	5,882	1,319
Others	709	765	56
Total	45,326	47,430	2,104

Notes:

1. The number of employees is the total of those at the Company and the consolidated subsidiaries of the Company (collectively referred to in this paragraph as the “Group”). This also is the number of employees excluding those seconded from the Group to outside of the Group, and including those seconded from outside of the Group into the Group.
2. The increase in number of employees in the Overseas insurance business is mainly due to Endurance Specialty Holdings Ltd. and its subsidiaries being made consolidated subsidiaries of the Company.
3. The number of employees of the Company is included in Others.

(5) Status of Major Lenders to the Corporate Group

None.

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(6) Status of Funding to the Corporate Group

A. On August 8, 2016, the Company's consolidated subsidiary Sompo Japan Nipponkoa Insurance Inc. issued its first series of unsecured subordinated bonds with interest deferrable clause and early redeemable option (hereinafter, the "First Bond Series") and second series of unsecured subordinated bonds with interest deferrable clause and early redeemable option (hereinafter, the "Second Bond Series"). Through the issuance of the First Bond Series and the Second Bond Series, the Company aims to enhance its financial strength in order to carry out the Group Mid-Term Management Plan announced in May 2016. In addition, through the simultaneous issuance of the First Bond Series for individual investors, which is the first ever offering by a domestic insurance company in Japan and Second Bond Series for institutional investors, the Company aims to expand its access to a wide range of investors in the domestic bond market.

	First Bond Series (For individual investors)	Second Bond Series (For institutional investors)
Total amount of issue	100.0 billion yen	100.0 billion yen
Maturity date	August 8, 2046 (30-year bonds)	August 8, 2076 (60-year bonds)

B. The Company's consolidated subsidiary Sompo Japan Nipponkoa Insurance Inc. used bond lending transactions on March 12 and March 13, 2017, to procure a total of 250.0 billion yen as deposit of collateral to be allotted to finance the acquisition of Endurance Specialty Holdings Ltd. The transaction was executed based on the judgment that, in light of the low interest rate environment, it was economically superior to methods such as selling assets on hand, because premium charges could be secured by lending bonds held by Sompo Japan Nipponkoa Insurance Inc.

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(7) Status of Capital Investment

A. Gross Capital Investment

Business Segment	Amount
Domestic P&C insurance business	(Millions of yen) 14,439
Domestic life insurance business	498
Nursing care & healthcare business	1,083
Overseas insurance business	1,394
Others	146
Total	17,562

Note: The amount of the Company's capital investment is included in that of Others.

B. New Installation, etc. of Significant Equipment

None.

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

A. Status of Parent Company

None.

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B. Status of Subsidiaries, etc.

(As of March 31, 2017)

Company Name	Location	Major Lines of Business	Date of Establishment	Common Stock	Percentage of Voting Rights of Subsidiaries, etc. Held By the Company	Others
(Consolidated subsidiaries)						
Sompo Japan Nipponkoa Insurance Inc.	Shinjuku-ku Tokyo	Domestic P&C insurance	Feb. 12, 1944	70,000 million yen	100.0%	—
SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED	Toshima-ku Tokyo	Domestic P&C insurance	Sep. 22, 1982	28,760 million yen	99.7% (99.7%)	—
Sonpo 24 Insurance Company Limited	Toshima-ku Tokyo	Domestic P&C insurance	Dec. 6, 1999	19,000 million yen	100.0% (100.0%)	—
Sompo Japan Nipponkoa Insurance Services Inc.	Shinjuku-ku Tokyo	Domestic P&C insurance	Feb. 28, 1989	1,845 million yen	100.0% (100.0%)	—
Sompo Japan Nipponkoa Himawari Life Insurance, Inc.	Shinjuku-ku Tokyo	Domestic life insurance	Jul. 7, 1981	17,250 million yen	100.0%	—
Sompo Care Message Inc.	Okayama-shi Okayama	Nursing care & healthcare	May 26, 1997	3,925 million yen	100.0%	Note 2
Sompo Care Next Inc.	Shinagawa-ku Tokyo	Nursing care & healthcare	Nov. 11, 1992	5,095 million yen	100.0%	—
Sompo Risk Management & Health Care Inc.	Shinjuku-ku Tokyo	Nursing care & healthcare	Nov. 19, 1997	30 million yen	100.0%	Note 3
Sompo America Holdings Inc.	Wilmington Delaware (USA)	Overseas insurance	Jan. 2, 2013	USD 1,140 thousand (127 million yen)	100.0% (100.0%)	—
Sompo America Insurance Company	New York New York (USA)	Overseas insurance	Aug. 9, 1962	USD 13,742 thousand (1,541 million yen)	100.0% (100.0%)	Note 4

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Company Name	Location	Major Lines of Business	Date of Establishment	Common Stock	Percentage of Voting Rights of Subsidiaries, etc. Held By the Company	Others
Sompo International Holdings Ltd.	Pembroke (British Overseas Territory of Bermuda)	Overseas insurance	Mar. 24, 2017	USD 0 thousand (0 million yen)	100.0% (100.0%)	Note 5
Endurance Specialty Holdings Ltd.	Pembroke (British Overseas Territory of Bermuda)	Overseas insurance	Jun. 27, 2002	USD 30 thousand (3 million yen)	100.0% (100.0%)	Note 6
Endurance Specialty Insurance Ltd.	Pembroke (British Overseas Territory of Bermuda)	Overseas insurance	Nov. 30, 2001	USD 12,000 thousand (1,346 million yen)	100.0% (100.0%)	Note 6
Endurance U.S. Holdings Corporation	Purchase New York (USA)	Overseas insurance	Aug. 2, 2002	USD 140,000 thousand (15,706 million yen)	100.0% (100.0%)	Note 6
Endurance Worldwide Holdings Limited	London (UK)	Overseas insurance	Apr. 10, 2002	GBP 215,967 thousand (30,252 million yen)	100.0% (100.0%)	Note 6
Endurance Worldwide Insurance Limited	London (UK)	Overseas insurance	Apr. 10, 2002	GBP 215,967 thousand (30,252 million yen)	100.0% (100.0%)	Note 6
Sompo Canopius AG	Zurich (Switzerland)	Overseas insurance	Apr. 17, 2012	CHF 100 thousand (11 million yen)	100.0% (100.0%)	—
Canopius Managing Agents Limited	London (UK)	Overseas insurance	Aug. 27, 1980	GBP 308 thousand (43 million yen)	100.0% (100.0%)	—
Sompo Japan Canopius Reinsurance AG	Zurich (Switzerland)	Overseas insurance	Jan. 26, 2006	CHF 100,000 thousand (11,207 million yen)	100.0% (100.0%)	—
Canopius US Insurance, Inc.	Chicago Illinois (USA)	Overseas insurance	Sep. 5, 2006	USD 3,500 thousand (392 million yen)	100.0% (100.0%)	—
Sompo Japan Nipponkoa Insurance Company of Europe Limited	London (UK)	Overseas insurance	Aug. 20, 1993	GBP 173,700 thousand (24,331 million yen)	100.0% (100.0%)	—

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Company Name	Location	Major Lines of Business	Date of Establishment	Common Stock	Percentage of Voting Rights of Subsidiaries, etc. Held By the Company	Others
Sompo Japan Sigorta Anonim Sirketi	Istanbul (Turkey)	Overseas insurance	Mar. 30, 2001	TRY 45,498 thousand (1,397 million yen)	100.0% (100.0%)	—
Sompo Holdings (Asia) Pte. Ltd.	Singapore (Singapore)	Overseas insurance	Aug. 1, 2008	SGD 790,761 thousand (65,474 million yen)	100.0% (100.0%)	Note 7
Sompo Insurance Singapore Pte. Ltd.	Singapore (Singapore)	Overseas insurance	Dec. 14, 1989	SGD 318,327 thousand (25,552 million yen)	100.0% (100.0%)	Note 8
Berjaya Sompo Insurance Berhad	Kuala Lumpur (Malaysia)	Overseas insurance	Sep. 22, 1980	MYR 118,000 thousand (2,994 million yen)	70.0% (70.0%)	—
Sompo Japan Nipponkoa Insurance (China) Co., Ltd.	Dalian (China)	Overseas insurance	May 31, 2005	CNY 600,000 thousand (9,774 million yen)	100.0% (100.0%)	—
Sompo Insurance (Hong Kong) Company Limited	Hong Kong (China)	Overseas insurance	Mar. 25, 1977	HKD 270,000 thousand (3,898 million yen)	97.8% (97.8%)	Note 9
Sompo Seguros S.A.	Sao Paulo (Brazil)	Overseas insurance	Oct. 8, 1943	BRL 964,608 thousand (34,349 million yen)	99.9% (99.9%)	Note 10
Sompo Saude Seguros S.A.	Sao Paulo (Brazil)	Overseas insurance	Jun. 12, 2001	BRL 94,607 thousand (3,368 million yen)	100.0% (100.0%)	Note 11
SOMPO JAPAN NIPPONKOA ASSET MANAGEMENT CO., LTD.	Chuo-ku Tokyo	Others (Asset management)	Feb. 25, 1986	1,550 million yen	100.0%	—
Sompo Japan DC Securities Inc.	Shinjuku-ku Tokyo	Others (Defined contribution pension plan)	May 10, 1999	3,000 million yen	100.0% (100.0%)	—

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Company Name	Location	Major Lines of Business	Date of Establishment	Common Stock	Percentage of Voting Rights of Subsidiaries, etc. Held By the Company	Others
(Affiliates accounted for under the equity-method)						
Hitachi Capital Insurance Corporation	Chiyoda-ku Tokyo	Domestic P&C insurance	Jun. 21, 1994	6,200 million yen	20.6% (20.6%)	—
Universal Sompo General Insurance Company Limited	Mumbai (India)	Overseas insurance	Jan. 5, 2007	INR 3,500,000 thousand (6,055 million yen)	26.0% (26.0%)	—

Notes:

1. This table shows the details of significant consolidated subsidiaries and affiliates accounted for under the equity-method.
2. The Company's consolidated subsidiary Message Co., Ltd changed its company name to Sompo Care Message Inc. on July 1, 2016.
3. The Company's consolidated subsidiary Healthcare Frontier Japan Inc., and the Company's subsidiaries Sompo Japan Nipponkoa Risk Management Inc. and Sompo Japan Nipponkoa Healthcare Services Inc. were merged and renamed Sompo Risk Management & Health Care Inc. on April 1, 2016, and Sompo Risk Management & Health Care Inc. was made a consolidated subsidiary of the Company.
4. The Company's consolidated subsidiary Sompo Japan Insurance Company of America changed its company name to Sompo America Insurance Company on January 1, 2017.
5. Through its consolidated subsidiary Sompo Japan Nipponkoa Insurance Inc., the Company newly established Sompo International Holdings Ltd. on March 24, 2017, making it a consolidated subsidiary of the Company.
6. Through its consolidated subsidiary Sompo Japan Nipponkoa Insurance Inc., the Company acquired 100.0% of the issued common shares of Endurance Specialty Holdings Ltd. on March 28, 2017, making Endurance Specialty Holdings Ltd. and its subsidiaries consolidated subsidiaries of the Company.
7. The Company's consolidated subsidiary Sompo Japan Nipponkoa Holdings (Asia) Pte. Ltd. changed its company name to Sompo Holdings (Asia) Pte. Ltd. On April 1, 2016.
8. The Company's consolidated subsidiary Tenet Sompo Insurance Pte. Ltd. changed its company name to Sompo Insurance Singapore Pte. Ltd. on May 1, 2016.
9. The Company's consolidated subsidiary Sompo Japan Nipponkoa Insurance (Hong Kong) Company Limited changed its company name to Sompo Insurance (Hong Kong) Company Limited on September 1, 2016.
10. The Company's consolidated subsidiary Yasuda Maritima Seguros S.A. changed its company name to Sompo Seguros S.A. on July 1, 2016.

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11. The Company's consolidated subsidiary Yasuda Maritima Saude Seguros S.A. changed its company name to Sompo Saude Seguros S.A. on July 1, 2016.
12. The yen value displayed in parentheses under the "Common Stock" column is the amount translated at the market exchange rate as of the end of the current period.
13. The figures stated in parentheses in the column of "Percentages of Voting Rights of Subsidiaries, etc. Held by the Company" represent the indirect ownership ratio that is included in the total.

Overview of Important Business Alliances

1. Comprehensive Business Alliance Between Sompo Japan Nipponkoa Insurance Inc. and The Dai-ichi Life Insurance Company, Limited
   Pursuant to a comprehensive business alliance with The Dai-ichi Life Insurance Company, Limited, the Company's consolidated subsidiary Sompo Japan Nipponkoa Insurance Inc. has entered into agreements for agency in business and conduct of administrative work. The Dai-ichi Life Insurance Company, Limited handles P&C insurance products of Sompo Japan Nipponkoa Insurance Inc. and the agencies of Sompo Japan Nipponkoa Insurance Inc. handle life insurance products of The Dai-ichi Life Insurance Company, Limited.
2. Business Alliance with Credit Saison Co., Ltd. by Sompo Japan Nipponkoa Insurance Inc. and SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED
   Pursuant to a business alliance with Credit Saison Co., Ltd., the Company's consolidated subsidiary Sompo Japan Nipponkoa Insurance Inc. and SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED develop and provide P&C insurance products to Saison cardholders.
3. Business Alliance between the Company and SOHGO SECURITY SERVICES CO., LTD.
   Under the business alliance formed between the Company and SOHGO SECURITY SERVICES CO., LTD., emergency aid services at the time of an accident are provided by SOHGO SECURITY SERVICES CO., LTD. to automobile insurance policyholders of SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED, a consolidated subsidiary of the Company.
4. Alliance Between Sompo Holdings (Asia) Pte. Ltd. and the CIMB Group Concerning Sales of P&C Insurance Through Banks
   Pursuant to an alliance with the CIMB Group, a major banking group in Southeast Asia, the Company's consolidated subsidiary Sompo Holdings (Asia) Pte. Ltd. is able to provide P&C insurance products through the CIMB Group's network of branches in four countries in Southeast Asia (Malaysia, Indonesia, Singapore and Thailand), and is already offering its products in Indonesia and Singapore.

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

Date of Assignment of Business, etc.	Status of Assignment of Business, etc.
January 19, 2017	The Company acquired 100.0% of the issued shares of its consolidated subsidiary Sompo Care Message Inc., making it a wholly-owned subsidiary.
March 28, 2017	Through its consolidated subsidiary Sompo Japan Nipponkoa Insurance Inc., the Company acquired 100.0% of the issued common shares of Endurance Specialty Holdings Ltd., making Endurance Specialty Holdings Ltd. and its subsidiaries consolidated subsidiaries of the Company.

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

A. The Company decided to issue a sales request of shares of its consolidated subsidiary Sompo Care Message Inc. on December 16, 2016, and Sompo Care Message Inc. was delisted from the JASDAQ market of the Tokyo Stock Exchange on January 16, 2017.

B. The Company's consolidated subsidiary Sompo Japan Nipponkoa Insurance Inc. issued its third series of unsecured subordinated bonds with interest deferrable clause and early redeemable option (hereinafter, the "Third Bond Series") on April 26, 2017. Through the issuance of the Third Bond Series, the Company aims to enhance its financial strength in order to carry out the Group Mid-Term Management Plan.

	Third Bond Series
Total amount of issue	100.0 billion yen
Maturity date	April 26, 2077 (60-year bonds)

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II. Matters Relating to Company Executives

(1) Overview of Company Executives

(As of March 31, 2017)

Name	Position and Responsibilities in the Company	Significant Positions Concurrently Held	Others
Kengo Sakurada	Group CEO, Representative Director, President Responsibilities in the Company: Overall management of the Group's operations (Chief Executive Officer)	Director of Sompo Japan Nipponkoa Insurance Inc.	—
Shinji Tsuji	Representative Director Responsibilities in the Company: Group CFO (Chief Financial Officer), Public Relations Department, Corporate Social Responsibility Department, Investment Management Department, Accounting Department, Internal Audit Department (assistant)	Director of Sompo Japan Nipponkoa Himawari Life Insurance, Inc.	—
Shigeru Ehara	Representative Director, General Manager, China & East Asia Regional Headquarters Responsibilities in the Company: Overseas Insurance Business owner, Global Business Planning Department, Global Reinsurance Department, Global Business Management Department, China & East Asia Regional Headquarters	Non-Executive Director of Sompo Canopius AG Non-Executive Director of Sompo International Holdings Ltd. Non-Executive Director of Endurance Specialty Holdings Ltd. Director, Senior Managing Executive Officer of Sompo Japan Nipponkoa Insurance Inc.	—
Shoji Ito	Director Responsibilities in the Company: Assistant to President	Director, Managing Executive Officer of Sompo Japan Nipponkoa Insurance Inc.	Note 1
Masato Fujikura	Director Responsibilities in the Company: Group CRO (Chief Risk Officer), Corporate Legal Department, Risk Management Department	Director, Managing Executive Officer of Sompo Japan Nipponkoa Insurance Inc.	—
Koichi Yoshikawa	Director Responsibilities in the Company: Internal Control Department, Internal Audit Department	Director, Managing Executive Officer of Sompo Japan Nipponkoa Insurance Inc.	—
Mikio Okumura	Director Responsibilities in the Company: Nursing Care & Healthcare Business owner, Nursing Care & Healthcare Business Department	Representative Director and President of Sompo Care Inc.	—

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Name	Position and Responsibilities in the Company	Significant Positions Concurrently Held	Others
Keiji Nishizawa	Director Responsibilities in the Company: Domestic P&C Insurance Business owner, Assistant to President	Representative Director, President and Chief Executive Officer of Sompo Japan Nipponkoa Insurance Inc.	—
Kaoru Takahashi	Director Responsibilities in the Company: Domestic Life Insurance Business owner, Assistant to the President	Representative Director, President and Chief Executive Officer of Sompo Japan Nipponkoa Himawari Life Insurance, Inc. External Director of Hulic Co., Ltd.	—
Sawako Nohara	Director (outside)	Representative Director, President of IPSe Marketing, Inc. Project Professor, Keio University Graduate School of Media and Governance Outside Board Member of Nissha Printing Co., Ltd. (Outside Director) Outside Director of Japan Post Bank Co., Ltd. (Outside Director)	Note 2
Isao Endo	Director (outside)	Chairman of Roland Berger Ltd. Director of Ryohin Keikaku Co., Ltd. (Outside Director) Director of Nisshin Steel Co., Ltd. (Outside Director)	Note 2
Tamami Murata	Director (outside)	Attorney at law	Note 2
Scott Trevor Davis	Director (outside)	Director of Seven & I Holdings Co., Ltd. (Outside Director) Professor of the Department of Global Business, College of Business, Rikkyo University Director of Bridgestone Corporation (Outside Director)	Note 2
Toshiyuki Takata	Audit & supervisory board member (full-time)	—	—
Masaki Hanawa	Audit & supervisory board member (full-time)	—	—
Chikami Tsubaki	Audit & supervisory board member (outside)	Certified Public Accountant Statutory Auditor of HEIWA REAL ESTATE CO., LTD. (Outside Auditor) Director of Seiko Epson Corporation (Outside Director, Audit & Supervisory Committee Member)	Note 2 Note 3

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Name	Position and Responsibilities in the Company	Significant Positions Concurrently Held	Others
Haruo Kasama	Audit & supervisory board member (outside)	Attorney at law Audit & Supervisory Board Member of Sumitomo Corporation (Outside Auditor) Audit & Supervisory Board Member of Kewpie Corporation (Outside Auditor)	Note 2
Naoki Yanagida	Audit & supervisory board member (outside)	Attorney at law Director of Alpine Electronics, Inc. (Outside Director, Audit and Supervisory Committee Member) Audit & Supervisory Board Member of YKK Corporation (External Audit & Supervisory Board Member)	Note 2

Notes:

1. Mr. Shoji Ito resigned from the position of Director of the Company as of March 31, 2017.
2. Each of Ms. Sawako Nohara, Mr. Isao Endo, Ms. Tamami Murata, Mr. Scott Trevor Davis, Ms. Chikami Tsubaki, Mr. Haruo Kasama and Mr. Naoki Yanagida is an “independent director/auditor” which is specified by Tokyo Stock Exchange, Inc. as being unlikely to have a conflict of interest with general stockholders.
3. Ms. Chikami Tsubaki is a specialist in finance, accounting, auditing, and international accounting standards, with experience acquired over many years of actual practice as a certified public accountant. She has a considerable level of experience in connection with finance and accounting.
4. The Company has introduced an executive officer system in order to accelerate decision-making and to clarify an accountability system.
   The total number of executive officers is seventeen including those who concurrently serve as directors.

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(2) Remuneration, etc., for Officers

Category	Number of Officers for Payment	Total Remuneration, etc.	Total Amount Per Type of Remuneration, etc.		
			Basic Remuneration		Performance-linked Stock Compensation
			Monthly Remuneration	Performance-linked Remuneration	
Directors	15	388 million yen	329 million yen		59 million yen
			260 million yen	68 million yen	
Audit & supervisory board members	6	104 million yen	104 million yen		—
			104 million yen	—	
Total	21	493 million yen	433 million yen		59 million yen
			364 million yen	68 million yen	

Notes:

1. The number of officers for payment includes two directors and one audit & supervisory board member who resigned at the end of the 6th General Meeting of Stockholders held on June 27, 2016.
2. Total remuneration, etc. and total amount per type of remuneration, etc. include remuneration, etc. of two directors and one audit & supervisory board member who resigned at the end of the 6th General Meeting of Stockholders held on June 27, 2016.
3. The total amount of remuneration, etc. of directors includes 275 million yen as remuneration of executive officers for directors who are serving concurrently as executive officers (167 million yen in monthly remuneration, 58 million yen in performance-linked remuneration and 49 million yen in performance-linked stock compensation).
   The remuneration of executive officers is being paid to a total of nine persons.
4. Of the remuneration, etc. paid to directors, monthly remuneration and performance-linked remuneration are paid in cash.
5. Performance-linked remuneration is based on the performance of the previous fiscal year.
   The amount of reserve for performance-linked remuneration based on the performance of the current fiscal year is 73 million yen.
6. Performance-linked stock compensation is the amount of provision of reserve for stock benefits posted as the portion for the current fiscal year.
7. Officers who receive remuneration, etc. of 100 million yen or more in total from the Company and its consolidated subsidiaries are listed as follows.

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Name	Officer Category	Company Category	Total Amount Per Type of Remuneration, etc.			Total Amount of Consolidated Remuneration, etc.
			Basic Remuneration		Performance-linked Stock Compensation	
			Monthly Remuneration	Performance-linked Remuneration		
Kengo Sakurada	Director	The Company	101 million yen		19 million yen	122 million yen
			68 million yen	33 million yen		
	Director	Sompo Japan Nipponkoa Insurance Inc.	1 million yen			
			-	1 million yen	-	
Keiji Nishizawa	Director	The Company	2 million yen		-	104 million yen
			-	2 million yen		
	Director	Sompo Japan Nipponkoa Insurance Inc.	82 million yen		19 million yen	
			62 million yen	20 million yen		

8. The maximum amounts of remunerations determined by resolutions of the General Meeting of Stockholders are as set out below.

Category	Maximum Amount of Remuneration
Directors	・Monthly remuneration and performance-linked remuneration (remuneration paid in cash) not more than 400 million yen per year (of which the amount to outside directors shall be not more than 100 million yen per year) ・Performance-linked stock compensation not more than 300 million yen[*2] in three fiscal years[*1] *1 From the fiscal year ended March 31, 2017 to the fiscal year ending March 31, 2019 *2 The maximum amount contributed by the Company as the portion for directors to the Board Benefit Trust for performance-linked stock compensation. Note: In each case, the amount of remuneration, etc. of directors does not include the portion paid as employee salary to directors serving concurrently as employees.
Audit & supervisory board members	・Monthly remuneration (remuneration paid in cash) not more than 110 million yen per year

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

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

<Policies on Decisions Pertaining to Remuneration for Officers>

The Company considers remuneration for officers to be an important matter from the viewpoint of improving the Company's performance and corporate value, and has set the following policies on decisions pertaining to remuneration for officers.

1. Basic Philosophy On Remuneration for Officers (Common to the Group)

(1) Level and system of remuneration shall enable the Company to recruit and retain superior human resources as the Group's management.

(2) Remuneration system for officers shall be consistent with business strategy, and shall promote officers' incentive to improve performance for the Group's growth.

(3) Remuneration shall reflect performance in the medium- to long-term and the efforts of officers, in addition to performance in a single fiscal year.

(4) Objectiveness, transparency and fairness that can fulfill accountability to stakeholders shall be assured for the remuneration system of the Company and its major subsidiaries through the deliberation process of the Nomination and Compensation Committee established within the Company.

2. The Company's Remuneration System for Officers

The following policies shall apply to the Company's remuneration system for officers. However, in cases where there are reasonable grounds not to apply the following policies, the Nomination and Compensation Committee shall deliberate the amount and composition of individual remuneration and make a recommendation to the Board of Directors, and the Board of Directors shall decide.

Furthermore, the Nomination and Compensation Committee shall deliberate each year concerning the budget for remuneration for all directors and executive officers of the Company, and make a recommendation to the Board of Directors, and the Board of Directors shall decide. The Board of Directors shall determine the amount of remuneration for directors and executive officers within the limits of this budget for remuneration of officers.

(1) Composition and Method for Determining Remuneration of Directors

Remuneration of directors shall consist of monthly remuneration and performance-linked remuneration as well as performance-linked stock compensation.

With regard to monthly remuneration, performance-linked remuneration and performance-linked stock compensation, monthly remuneration shall be determined at a fixed amount, and performance-linked remuneration and performance-linked stock compensation shall be determined respectively based on a base amount and a standard number of points (one point equalling one share of the Company's common stock.). Remuneration shall also depend on whether the person is an outside or internal director, or does or does not have authority to represent the company.

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However, performance-linked remuneration and performance-linked stock compensation will not be paid to outside directors.
Remuneration as a director and remuneration as an executive officer shall be totaled and paid together to those directors who are serving concurrently as executive officers.
Performance-linked remuneration and performance-linked stock compensation are as outlined in (4) and (5) below.

(2) Composition and Method for Determining Remuneration of Executive Officers

Remuneration of executive officers shall consist of monthly remuneration and performance-linked remuneration as well as performance-linked stock compensation.
The amount and composition of remuneration of the Group CEO, shall be deliberated and recommended by the Nomination and Compensation Committee, and determined by the Board of Directors, taking into account the business environment and market levels of remuneration for officers, and reflecting factors such as results and skill. The amount and composition of remuneration of executive officers other than the Group CEO shall be determined in light of the business environment and market levels of remuneration for officers, and reflecting factors such as the importance of duties, strategic position, results and skill.
Monthly remuneration shall be determined at a fixed amount, and performance-linked remuneration and performance-linked stock compensation shall be determined respectively based on a base amount and a standard number of points (one point equalling one share of the Company's common stock.)
Performance-linked remuneration and performance-linked stock compensation are as outlined in (4) and (5) below.

(3) Remuneration of Audit & Supervisory Board Members

The structure and level of remuneration of audit & supervisory board members shall be in accordance with their duties and responsibilities, and determined at a fixed amount through discussion between the audit & supervisory board members, depending on whether the audit & supervisory board member is full-time or independent, and taking into consideration their independence.

(4) Performance-linked Remuneration System

The Company has introduced a performance-linked remuneration system as a way to align the remuneration system for officers with business strategy, and to promote officers' incentive to improve performance for the growth of the Group. The system is outlined below.

・ Performance-linked remuneration is determined by reflecting single-fiscal-year corporate performance and individual performance in the base amount of performance-linked remuneration.

・The performance benchmarks applied to corporate performance are adjusted consolidated profit and adjusted consolidated ROE for the fiscal year, and a coefficient is determined as a ratio of actual results against target values for each benchmark (business plan target values). For individual performance, a coefficient is determined according to evaluation results from the officer performance evaluation system.

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・The coefficient applied when paying performance-linked remuneration is calculated by multiplying the above corporate performance coefficient by the individual performance coefficient, and the payment amount is calculated by multiplying the base amount of performance-linked remuneration by the relevant coefficient.
・For officers who serve as business owners and officers who are responsible for those businesses, factors such as net sales and profits of the businesses for which they are responsible are reflected in remuneration as corporate performance benchmarks.

(5) Performance-linked Stock Compensation Plan

The Company has introduced a performance-linked stock compensation plan using a Board Benefit Trust in order to increase the link between remuneration and medium- to long-term improvement of corporate value. The plan is outlined as follows.
・In the performance-linked stock compensation, medium- to long-term stock value and consolidated performance compared to the market are reflected in the number of standard points for performance-linked stock compensation.
・With regard to stock value, a benchmark coefficient compared to the market is determined by comparing the growth rate of the Company's share price for the past three fiscal years with the TOPIX growth rate.
・For consolidated performance, a global benchmark coefficient is determined by comparing the growth rate of the Company's consolidated net profit for the past three fiscal years to the growth rate of a peer group of global companies mainly in the insurance industry.
・The coefficient applied when paying performance-linked stock compensation is calculated by multiplying the above market benchmark coefficient by the global benchmark coefficient, and points to be paid are calculated by multiplying the standard number of points for performance-linked stock compensation by the relevant coefficient.

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(3) Contracts for Limitation of Liability

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

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

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

(As of March 31, 2017)

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

Note: There are no significant capital relationships or business transactions between the Company and the companies in which outside officers hold concurrent positions.

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

Name	Term of Office	Record of Attendance at Meetings of the Board of Directors and Meetings of the Audit & Supervisory Board	Remarks Made at Meetings of the Board of Directors and Meetings of the Audit & Supervisory Board and Other Activities
Sawako Nohara (Director (outside))	3 years and 9 months	Meetings of the Board of Directors: Attended 14 times out of 14 meetings	Based on her experience as a company manager, she makes valuable remarks and statements at meetings of the Board of Directors on a broad range of matters such as the importance of promoting ERM in business expansion and the need to clarify the roles, functions and authority of the holding company and business company. As chairperson of the Nomination and Compensation Committee, she organizes opinions to be expressed to the Board of Directors regarding the nomination policy and the assessment and compensation structure of officers of the Group, and she also makes valuable remarks and statements on such issues. Further, she expresses valuable opinions from time to time to the representative director and others through means other than meetings of the Board of Directors.
Isao Endo (Director (outside))	2 years and 9 months	Meetings of the Board of Directors: Attended 14 times out of 14 meetings	Based on his professional knowledge and experience as a company manager, he makes valuable remarks and statements at meetings of the Board of Directors on a broad range of matters such as the importance of policies and support from a frontline perspective in leveraging synergies between Group businesses, and the need to create a business model based on business growth potential and the use of digital technology. As a member of the Nomination and Compensation Committee, he also makes valuable remarks and statements regarding the nomination policy and the assessment and compensation structure of officers of the Group. Further, he expresses valuable opinions from time to time to the representative director and others through means other than meetings of the Board of Directors.

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Name	Term of Office	Record of Attendance at Meetings of the Board of Directors and Meetings of the Audit & Supervisory Board	Remarks Made at Meetings of the Board of Directors and Meetings of the Audit & Supervisory Board and Other Activities
Tamami Murata (Director (outside))	2 years and 9 months	Meetings of the Board of Directors: Attended 14 times out of 14 meetings	Based on her professional knowledge as a legal expert, she makes valuable remarks and statements at meetings of the Board of Directors on a broad range of matters such as the importance of providing added value and enhancing service quality that recognizes customer needs, and the need to actively recruit human resources from inside and outside the Group. As a member of the Nomination and Compensation Committee, she also makes valuable remarks and statements regarding the nomination policy and the assessment and compensation structure of officers of the Group. Further, she expresses valuable opinions from time to time to the representative director and others through means other than meetings of the Board of Directors.
Scott Trevor Davis (Director (outside))	2 years and 9 months	Meetings of the Board of Directors: Attended 13 times out of 14 meetings	Based on his professional knowledge as a learned scholar, he makes valuable remarks and statements at meetings of the Board of Directors on a broad range of matters such as the importance of creating an optimal Group governance system, and the need for portfolio management as a holding company to achieve business revitalization and differentiation. As a member of the Nomination and Compensation Committee, he also makes valuable remarks and statements regarding the nomination policy and the assessment and compensation structure of officers of the Group. Further, he expresses valuable opinions from time to time to the representative director and others through means other than meetings of the Board of Directors.

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Name	Term of Office	Record of Attendance at Meetings of the Board of Directors and Meetings of the Audit & Supervisory Board	Remarks Made at Meetings of the Board of Directors and Meetings of the Audit & Supervisory Board and Other Activities
Chikami Tsubaki (Outside audit & supervisory board member)	3 years and 9 months	Meetings of the Board of Directors: Attended 14 times out of 14 meetings Meetings of the Audit & Supervisory Board: Attended 13 times out of 13 meetings	Based on her professional knowledge as a certified public accountant, she makes valuable remarks and statements at meetings of the Board of Directors and meetings of the Audit & Supervisory Board on a broad range of matters such as points requiring attention in accounting with regard to the acquisition of companies, and internal control evaluation plans related to financial reporting. Further, she expresses valuable opinions from time to time to the representative director and others through means other than meetings of the Board of Directors and meetings of the Audit & Supervisory Board.
Haruo Kasama (Outside Audit & supervisory board member)	3 years and 9 months	Meetings of the Board of Directors: Attended 14 times out of 14 meetings Meetings of the Audit & Supervisory Board: Attended 13 times out of 13 meetings	Based on his professional knowledge as a legal expert, he makes valuable remarks and statements at meetings of the Board of Directors and meetings of the Audit & Supervisory Board on a broad range of matters such as the importance of necessary and effective human capital investment for the growth of Group businesses, and points requiring attention for the introduction of the Group Chief Officer system. Further, he expresses valuable opinions from time to time to the representative director and others through means other than meetings of the Board of Directors and meetings of the Audit & Supervisory Board.
Naoki Yanagida (Outside Audit & supervisory board member)	2 years and 9 months	Meetings of the Board of Directors: Attended 14 times out of 14 meetings Meetings of the Audit & Supervisory Board: Attended 13 times out of 13 meetings	Based on his professional knowledge as a legal expert, he makes valuable remarks and statements at meetings of the Board of Directors and meetings of the Audit & Supervisory Board on a broad range of matters such as points requiring attention with regard to governance in large-scale system development, and the role to be played by the Company in order to generate Group synergies. Further, he expresses valuable opinions from time to time to the representative director and others through means other than meetings of the Board of Directors and meetings of the Audit & Supervisory Board.

Note: The Company has a Nomination and Compensation Committee as an advisory organ to the Board of Directors.

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

	Number of Payees	Remuneration, etc., from Insurance Holding Company	Remuneration, etc., from Parent Company, etc., of Insurance Holding Company
Total remuneration, etc.	7	98 million yen	―

Note: The following are the details of remuneration, etc. from the insurance holding company:
Directors (outside): 4 individuals 56 million yen
Outside audit & supervisory board members:
3 individuals 42 million yen

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

None.

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IV. Equity Shares

(1) Number of Shares

(As of March 31, 2017)

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

(2) Total Number of Stockholders at the End of the Current Fiscal Year: 44,095

(3) Major Stockholders

(As of March 31, 2017)

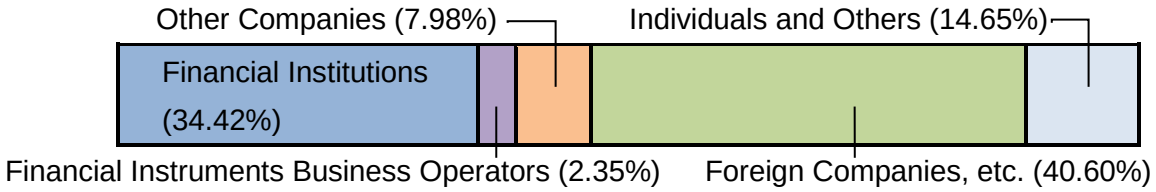
Name of Stockholder	Investment in the Company	
	Number of Shares Held	Portion of Shares Outstanding
	Thousands	%
STATE STREET BANK AND TRUST COMPANY	26,531	6.7
Japan Trustee Services Bank, Ltd. (Trust account)	21,731	5.5
The Master Trust Bank of Japan, Ltd. (Trust account)	21,510	5.5
Sompo Holdings Employee Stockholders Association	9,335	2.4
The Dai-ichi Life Insurance Company, Limited	8,181	2.1
Nippon Express Co., Ltd.	8,001	2.0
Japan Trustee Services Bank, Ltd. (Trust account 5)	7,580	1.9
GOVERNMENT OF NORWAY	6,759	1.7
STATE STREET BANK AND TRUST COMPANY 505225	5,919	1.5
Japan Trustee Services Bank, Ltd. (Trust account 1)	5,625	1.4

Notes:

1. In addition to the above, the Company holds 21,340 thousand shares of treasury stock. This number of treasury stock does not include 612 thousand shares of the Company's stock held by Mizuho Trust & Banking Co. Ltd. (Re-entrusted entity: Trust & Custody Services Bank, Ltd. (Trust E account) established for the "Board Benefit Trust (BBT)" plan.
2. The portion of shares outstanding is calculated after deducting treasury stock.
3. The number of shares held by The Dai-ichi Life Insurance Company, Limited includes 4,492 thousand shares contributed by that company as trust assets for a retirement benefit trust (In the stockholder register, the shares are listed in the name of Mizuho Trust & Banking Co., Ltd., Dai-ichi Life Insurance Retirement Benefit Trust).

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Types of Stockholders



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V. Matters Relating to Stock Acquisition Rights

As stated in Attachment (9) hereto.

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VI. Matters Relating to Accounting Auditor

(1) Status of Accounting Auditor

Name	Remuneration, etc., in Connection With the Relevant Fiscal Year	Others
Ernst & Young ShinNihon LLC Designated Member with limited liability: Yuji Ozawa Designated Member with limited liability: Hirotsugu Kamoshita Designated Member with limited liability: Makoto Kubodera	43 million yen	1) Reasons for the Audit & Supervisory Board's consent to the remuneration, etc. for accounting auditors Upon all required examination on the appropriateness of contents of the audit plan designed by the accounting auditor, status of the audit duty execution by the accounting auditor, the basis for calculating the estimated remuneration and other matters, the Audit & Supervisory Board of the Company has made a decision to consent to the amount of remuneration, etc. for the accounting auditor. 2) Details of non-audit services provided by the accounting auditor for which the Company pays fees The Company entrusts to the accounting auditor the advisory services concerning internal control over financial reporting as services other than the services stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act (non-audit services). 3) Matters regarding the business suspension order that the accounting auditor have received in the last two years Description of the Business Suspension Order issued as of December 22, 2015 by the Financial Services Agency a. Party to which the business

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Name	Remuneration, etc., in Connection With the Relevant Fiscal Year	Others
		suspension order was issued Ernst & Young ShinNihon LLC b. Description of the sanction ・Three-month (from January 1, 2016 to March 31, 2016) business suspension order that bans the above party from taking on any new business contracts c. Reasons for the order ・Misstatement in negligence of due care by employees ・Substantially inappropriate operation of the audit firm

Notes:
1. The auditing agreement between the Company and the accounting auditor does not classify between audits pursuant to the Companies Act and audits pursuant to the Financial Instruments and Exchange Act. Moreover, this distinction cannot substantively be made, so the total has been stated.
2. The total amount of cash and other property benefits that the Company and its subsidiary corporations are to pay to the accounting auditor is 427 million yen.

(2) Contract for Limitation of Liability

None.

(3) Other Matters Concerning the Accounting Auditor

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

If the Audit & Supervisory Board of the Company determines that the accounting auditor falls under any case prescribed in each item of Article 340, Paragraph 1 of the Companies Act, the Audit & Supervisory Board dismisses the accounting auditor pursuant to unanimous consent of all audit & supervisory board members.
The Audit & Supervisory Board verifies, through its full-year audit activities, the compliance with the auditing standards and quality control standards for audit established by the Business Accounting Council, in which the expertise, professional ethics, independence, an audit implementation system, a quality control system, and the duty performance status of the

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accounting auditor are included. As a result of the audits, if the Audit & Supervisory Board finds that the accounting auditor cannot properly perform its duties or it is deemed necessary for other reasons, the Audit & Supervisory Board, in accordance with the provisions prescribed in Article 344 of the Companies Act, determines the content of a proposal for dismissal or not reappointing the accounting auditor, and submit the proposal to the General Meeting of Stockholders.

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

Among significant subsidiary corporations of the Company, Sompo Care Message Inc., Sompo Care Next Inc. and overseas subsidiary corporations are audited by accounting corporations other than the accounting auditor of the Company.

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

None.

VIII. Systems to Ensure the Appropriate Performance of the Business Operations and the Status of Implementation of the System

The Company has established the “Basic Policy on Internal Control” for the Sompo Holdings Group (the “Group”) by a resolution of the Board of Directors, and has put in place a system to ensure that the Group’s business operations are appropriately performed. Furthermore, the Board of Directors regularly checks the Group’s control system based on the Basic Policy, and works to improve related structures.

The Group’s “Basic Policy on Internal Control” is as follows.

<Basic Policy on Internal Control>

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

As set forth below, the Company shall establish the systems required to ensure that the operations of the Company Group are conducted properly

(1))The Company shall present the Group Management Philosophy, the Group Action Guideline, the Group Vision, the Group Basic Management Policies, the Group Personnel Vision, and the Group CSR Vision to its Group companies.
(2) The Company shall prescribe the Sompo Holdings Group Basic Policy on the Business Management of Group Companies and manage its Group companies appropriately, either directly or through Group companies, by such means as entering into business management agreements. The Company shall also

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exercise its shareholder rights appropriately.

(3) The Company shall establish approval and reporting systems concerning Group companies' business strategies and other important matters that affect Group operations.

(4) The Company shall formulate various basic policies that prescribe the Company Group's control framework and disseminate them to Group companies, requesting compliance therewith. The Company shall also have its Group companies establish systems based on these basic policies, such as by causing them to formulate their own rules according to their actual business operations.

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

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

2. System for Ensuring Execution of Duties of Directors, Executive Officers, and Employees in Compliance with Applicable Laws and the Company's Articles of Incorporation

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

(1) The Company shall verify that the Group Company's Officers and Employees are executing their duties in a legally compliant manner through such means as reporting on the state of directors' execution of their duties at meetings of the Board of Directors

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

(3) The Company shall prescribe the Group Compliance Promotion Policy for each business year, systematically promote compliance related efforts, and monitor the status of compliance promotion.

(4) The Company shall establish systems in the Company Group for internal reporting and internal whistle blowing for misconduct and other such incidents and properly rectify or otherwise respond to such matters.

(5) The Company shall prescribe the Sompo Holdings Group Basic Policy on Response to Customer Feedback and establish effective systems for responding to customer feedback, such as proactively analyzing customer feedback to improve operational quality

(6) The Company shall prescribe the Sompo Holdings Group Basic Policy on Proper Management of Customer Services and establish systems to ensure proper customer services, such as maintaining and improving the quality of

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products and services provided to customers.

(7) The Company shall prescribe the Sompo Holdings Group Basic Policy on Customer Information Management and appropriately manage customer information, such as by appropriately obtaining and using customer information.

(8) The Company shall prescribe the Sompo Holdings Group Security Policy and establish appropriate management systems for information assets, such as clarifying basic measures to be taken to ensure the security of information assets in the Company Group

(9) The Company shall prescribe the Sompo Holdings Group Basic Policy on Managing Conflict-of-Interest Transactions and establish systems for preventing conflict-of-interest transactions that unduly harm customer interests, such as managing transactions that are typically found to unduly harm customer interests.

(10) The Company shall prescribe the Sompo Holdings Group Basic Policy on Response to Antisocial Forces and establish systems for responding to antisocial forces, such as by dealing with antisocial forces resolutely to reject undue claims from and sever relationships with antisocial forces by cooperating with specialized agencies.

3. Strategic Risk Management Frameworks

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

(1) To ensure the effectiveness of Strategic Risk Management, the Company shall establish systems for Strategic Risk Management, such as the Group Risk Appetite Statement to work as a guideline for risk taking in capital budgeting. The Company shall also appropriately manage risks that may confront the Group as a whole through the adequate assessment of the risks inherent to a group structure and of the outline of various risk characteristics that exist within the Group.

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

4. System to Ensure Effective and Accurate Execution of Duties

As set forth below, the Company shall delegate authority for the execution of job duties, prescribe rules regarding decision-making and reporting, establish a command and control structure, and effectively utilize management resources to ensure that the Company Group's Officers and Employees execute their duties properly and efficiently

(1) The Company shall formulate the Company Group's management plans and share these plans with its Group companies

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

(3) The Company shall clearly identify the Company Group's matters in which their Board of Directors is to be involved by designating matters over which their

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Board of Directors have decision-making authority and matters to be reported to their Board of Directors. The Company shall also determine executive officers and other personnel's decision-making authority consistent with the matters thus designated.

(4) The Company shall establish the Company Group's rules and clearly define their internal organizational units' objectives and scope of responsibilities and shall determine for each organizational unit the division of its duties, executives, and scope of operational authority

(5) The Company shall prescribe the Sompo Holdings Group Basic Policy on IT Strategy and establish adequate and accurate Group IT systems to achieve highly reliable, convenient, and effective business operations, such as by formulating IT system strategies and establishing Group IT system governance.

(6) The Company shall prescribe the Sompo Holdings Group Basic Policy on Outsourcing Management and ensure proper operations in association with outsourcing by the Company Group, such as by managing outsourced companies according to processes from the start to termination of outsourcing.

(7) The Company shall prescribe the Sompo Holdings Basic Policy on Asset Management and manage assets with sufficient consideration of risk management based on safety, liquidity, and profitability in light of the characteristics of the Company Group's funds being managed.

(8) The Company shall prescribe the Sompo Holdings Group Basic Policy on Establishing Business Continuity Systems and ensure the stability and soundness of the Group's operational foundation in times of emergency, such as by establishing systems to ensure the continuity or early restoration of the Group's key operations during times of crisis, including major natural disasters.

(9) In order to make improvements by inspecting the status of establishing and operating the Company Group's internal control system, the Company shall set up the Internal Control Committee. The Company shall also establish Task-Specific Committees as advisory organs for the Group Chief Officer or the Business Owner in order to deliberate each task from expert and technical perspectives.

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

(1) The Company shall prescribe the Sompo Holdings Group Basic Policy on Managing Financial Soundness and Actuarial Matters and establish management systems to ensure financial soundness.

(2) The Company shall prescribe the Sompo Holdings Group Basic Policy for Internal Controls over Financial Reporting and, to ensure adequacy and reliability of the Company Group's financial reporting on a consolidated basis, determine a framework for establishment, operation, and evaluation of internal controls over the Company Group's financial reporting and to establish requisite systems within the Company Group.

6. System for Ensuring Appropriate Information Disclosure

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

7. System for Retention and Management of Information Related to Directors and

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Executive Officers' Performance of Their Duties

To appropriately retain and manage information related to the Company Group's directors and executive officers' performance of their duties, the Company shall prescribe rules dictating methods for retaining and managing information related to the Company Group's directors and executive officers' execution of their duties, including minutes of the meetings of the Board of Directors and other important meetings and documentation related thereto. The Company shall also establish the system required to retain and manage such information.

8. System to Ensure Internal Audits' Effectiveness

To ensure the effectiveness of the Company Group's internal audits, the Company shall prescribe the Sompo Holdings Group Basic Policy on Internal Audits, which shall define matters, such as securing independence concerning internal audits, establishing rules and developing plans, and establishing internal audit systems that are efficient and effective for the Group as a whole.

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

The Company shall establish the following systems to improve the effectiveness of the audit & supervisory board members' audits:

9-1. Matters relating to employees who assist audit & supervisory board members in the performance of their duties

The Company shall establish an audit & supervisory board members' office and, at audit & supervisory board members' requests, appoint personnel with the requisite knowledge and experience to serve as Staff of the Audit & Supervisory Board (employees to assist with audit & supervisory board members' duties) assigned exclusively to audit duty. The Company shall also prescribe the Rules Regarding Staff of the Audit & Supervisory Board and ensure their independence from executive functions and the effectiveness of instructions issued by the audit & supervisory board members to the Staff of the Audit & Supervisory Board as follows.

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

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

(1) The Company shall, under the Audit & Supervisory Board's approval, prescribe matters that are to be reported to audit & supervisory board members by Officers and Employees (including gross violations of laws or Articles of

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Incorporation or other improprieties in connection with execution of duties that potentially may cause a material loss for the company) and the timing of such reports. Officers and Employees shall unfailingly submit reports in accord with such prescriptions and other reports requested by audit & supervisory board members.

(2) The Company shall not unfavorably treat such Officers and Employees who have submitted such reports to audit & supervisory board members because of such submission. The same shall apply to the Officers and Employees of Group companies.

(3) When audit & supervisory board members express opinions on directors or executive officers' execution of their duties or recommend improvements thereof, the director or executive officer in question shall report back to the audit & supervisory board members on the progress in addressing the matter cited by the audit & supervisory board members.

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

(1) Audit & supervisory board members may attend and express their opinions to the Board of Directors, Executive Management Meeting, and other important meetings.

(2) The Company shall ensure that there are opportunities for audit & supervisory board members to appropriately and fully exchange opinions with directors, executive officers, internal audit sections, accounting auditors, and other persons required to appropriately perform the duties of the audit & supervisory board members. Officers and Employees shall submit reports on matters concerning the performance of their duties at the request of the audit & supervisory board members.

(3) The Company shall respond to audit & supervisory board members' requests concerning access to the minutes of important meetings and other important documents (including electromagnetic records).

(4))The Company shall ensure that there are opportunities for audit & supervisory board members to cooperate with the audit & supervisory board members of Group companies and collect information from Officers and Employees of Group companies at the request of the audit & supervisory board members.

(5) The internal audit section will cooperate with the audit & supervisory board members on the audit in accordance with the requests.

(6) When audit & supervisory board members submit a request for the coverage of costs arising in connection with the execution of their duties, it shall be appropriately processed according to the request made by the audit & supervisory board members.

-- End

Overview of the Status of Implementation of the System to Ensure the Appropriate Performance of the Business Operations is outlined as follows.

(1) Internal Control System as a Whole

・In order to ensure the effective functioning of the Group's internal control, the Company has established various basic policies to control the Group, and regularly checks the implementation status of these policies through the Board of Directors, while seeking continually to improve internal control. The Company has also established the Internal Control Committee, made up of officer-level

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personnel, which analyzes events occurring both inside and outside of the Group while working to strengthen the Group's internal control.

・In FY2016, in order to implement flexible and agile decision-making and business execution, the Company introduced a "business owner system" where the heads of each business segment (domestic P&C insurance, domestic life insurance, nursing care & healthcare, and overseas insurance) are delegated authority as business owners for business strategy proposals, investment decision, and talent deployment. The Company also introduced a system whereby Chief Officers (Group CFO, Group CRO, Group CIO, Group CDO) exercise functions laterally across the Group, while the Group CEO supervises the Group as a whole.
*See page 46 for the system for FY2017.

(2) System to Control the Group Companies

・The Company carries out management of Group companies in order to enhance the corporate value of the Group as a whole by way of approving important matters such as management plans for the Group companies, receiving reports from the Group companies including the progress of the plan and occurrence of risk events, and taking effective measures as needed in accordance with the approval and reporting system based on the business owner system.

・The Company strives to ensure appropriate business operations of the Group companies by verifying the status on the development and implementation of the systems for each of the Group companies that are established based on various basic policies of the Group, and providing guidance to each of the companies as needed.

(3) Compliance System

・The Company sets out policies for promoting the Group's compliance annually, and makes all of the Group companies to be thoroughly aware of such policies. Each company of the Group takes its own initiatives to enhance compliance in a systematic manner based on the established policies.

・The Company and Group companies endeavor to detect legal violations and other inappropriate events at an early stage by developing structures such as the internal reporting system and internal audit system.

・In regard to internal reporting, the Company has established the Compliance Hotline, a third-party body, as an internal reporting contact point for the entire Group. The Company strives to increase its effectiveness by making the entire Group to be thoroughly aware of this internal reporting contact point as well as the rules on how to put into place the internal reporting system including the prohibition on treating whistleblowers unfavorably.

・Each of the Group companies, upon finding any inappropriate event, takes appropriate measures within the company where such event occurred. The Company also verifies the appropriateness of the countermeasures taken, and provides assistance and guidance as required upon receiving reports on the relevant event.

・The Company convenes meetings of the Compliance Committee on a regular basis, deliberates on the progress in the compliance enhancement including the status of

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measures to address compliance challenges, and examines the efficiency of the efforts taken place.

(4) System Regarding Strategic Risk Management (ERM)

- The Company makes the Group companies to be thoroughly aware of its management strategies and Group Basic Policy on ERM. Each company of the Group establishes strategic risk management systems suitable for the nature of its operation, corporate scale and characteristic, such as developing rules pursuant to the Group Basic Policy on ERM.
- The Company sets out its business plan taking the Group Risk Appetite Statement into consideration, and allocates its capital to each business unit based on the growth potential and profitability. Each business unit manages its business in accordance with risk tolerance of allocated capital in an attempt to achieve profit objectives established in the business plan. The Company carries out ERM based on the principle of the PDCA cycle, in which changes in the operating environment and progress in plans are periodically reviewed and the plans and capital allocations are revised as needed.
- The Company identifies significant risks arising from various sources based upon the fundamental of risk assessment, builds and operates risk control processes which performs analysis, evaluation and control. For especially significant risks, risk owners (Director class) are identified in an effort to clarify the scope of responsibility in terms of the implementation of response measures and its progress in order to improve the effectiveness of risk control processes.
- The Group ERM Committee is tasked with holding management discussions regarding executing and increasing the efficacy of ERM as well as the establishment and maintenance of the effective risk management system.

(5) Structure for the Execution of Duties by Directors

- The Company sets out mid-term management plans and fiscal year plans for the Group, which are shared by the Group companies. Each company of the Group sets out its own mid-term management plans and fiscal year plans that are consistent with plans made on a Group basis, so as to ensure the Group-wide cohesiveness.
- Matters that may significantly affect the Group management, such as mid-term management plan and decisions on policies for M&A, are duly deliberated at meetings of the relevant subject-specific committees and the Executive Management Meeting in order to enhance the efficiency and effectiveness of resolutions by the Board of Directors.

(6) Audit System by the Audit & Supervisory Board Members

- In order to ensure the effectiveness of audit by the audit & supervisory board members, the Company establishes an audit & supervisory board members' office that is independent from commands and orders given by Directors, etc., and appoints exclusive staff.
- The Company formulates rules concerning the reporting to the audit & supervisory board members, who receive reports from Officers and Employees on primarily

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the status of their duty execution periodically. In addition, reports are made promptly on matters requested by the audit & supervisory board members.

- The Company ensures opportunities for the audit & supervisory board members to express opinions by attending the Executive Management Meeting and other important meetings that are deemed necessary by themselves.
- The Company ensures opportunities for the audit & supervisory board members to exchange information with the accounting auditor and internal audit sections on the audit results, etc., which helps the audit & supervisory board members to conduct audit in an efficient and effective manner.
- The Company convenes periodic meetings where the audit & supervisory board members meet with Representative Directors to exchange opinions regarding the recognition of the Group's important issues. the audit & supervisory board members also perform onsite audit, etc. at the Group companies, and exchange information with the representative, etc. and audit & supervisory board members of the respective companies.

IX. Matters Concerning Specified Wholly-Owned Subsidiary

(1) Name and Address of the Specified Wholly-Owned Subsidiary

Name	Address
Sompo Japan Nipponkoa Insurance Inc.	1-26-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo

(2) Total Carrying Value as of March 31, 2017 of Shares of the Specific Wholly-Owned Subsidiary Held by the Company and its Wholly-Owned Subsidiaries, etc.
703,791 million yen

(3) Total Amount Recorded Under Assets on the Company's Balance Sheets as of March 31, 2017
993,534 million yen

X. Matters Regarding Transactions with the Parent Company, etc.

None.

XI. Matters Relating to Accounting Advisors

None.

XII. Others

None.

Attachment (2)

Consolidated Balance Sheet

For the fiscal year 2016 (As of March 31, 2017)

(Millions of yen)

Assets:	
Cash and deposits	814,217
Receivables under resale agreements	54,999
Monetary receivables bought	11,718
Money trusts	104,423
Securities	8,303,829
Loans	638,768
Tangible fixed assets:	402,480
Land	172,575
Buildings	132,909
Leased assets	63,632
Construction in progress	2,774
Other tangible fixed assets	30,589
Intangible fixed assets:	469,825
Software	11,943
Goodwill	279,386
Other intangible fixed assets	178,495
Other assets	1,119,434
Net defined benefit asset	756
Deferred tax assets	17,194
Allowance for possible credit losses	(6,512)
Total assets	11,931,135
Liabilities:	
Underwriting funds:	8,335,158
Reserve for outstanding losses and claims	1,674,277
Underwriting reserves	6,660,881
Corporate bonds	424,991
Other liabilities	978,343
Net defined benefit liability	134,263
Reserve for retirement benefits to directors	36
Reserve for bonus payments	35,253
Reserve for bonus payments to directors	306
Reserve for stocks payments	445
Reserves under the special laws:	74,200
Reserve for price fluctuation	74,200
Deferred tax liabilities	79,195
Total liabilities	10,062,195

Net assets:	
Common stock	100,045
Capital surplus	408,382
Retained earnings	501,561
Treasury stock	(71,459)
Total shareholders' equity	938,529
Unrealized gains and losses on securities available for sale	863,455
Deferred gains and losses on hedges	8,003
Foreign currency translation adjustments	22,663
Remeasurements of defined benefit plans	(29,676)
Total accumulated other comprehensive income	864,445
Stock acquisition rights	926
Non-controlling interests	65,038
Total net assets	1,868,940
Total liabilities and net assets	11,931,135

Attachment (3)

Consolidated Statement of Income

For the fiscal year 2016 (April 1, 2016 to March 31, 2017)

(Millions of yen)

Ordinary income:	3,419,530
Underwriting income:	3,050,550
Net premiums written	2,550,336
Deposits of premiums by policyholders	131,617
Interest and dividend income on deposits of premiums, etc.	41,823
Life insurance premiums written	323,860
Other underwriting income	2,911
Investment income:	232,846
Interest and dividend income	173,563
Investment gains on money trusts	2,534
Investment gains on trading securities	5,574
Gains on sales of securities	81,973
Gains on redemption of securities	256
Investment gains on special account	1,851
Other investment income	8,918
Transfer of interest and dividend income on deposits of premiums, etc.	(41,823)
Other ordinary income:	136,133
Investment gains on the equity method	398
Other ordinary income	135,734
Ordinary expenses:	3,177,817
Underwriting expenses:	2,515,138
Net claims paid	1,427,712
Loss adjustment expenses	136,599
Net commissions and brokerage fees	484,365
Maturity refunds to policyholders	226,431
Dividends to policyholders	87
Life insurance claims paid and other payments	82,779
Provision for reserve for outstanding losses and claims	31,018
Provision for underwriting reserves	118,856
Other underwriting expenses	7,285
Investment expenses:	41,213
Investment losses on money trusts	198
Losses on sales of securities	14,560
Impairment losses on securities	3,257
Losses on redemption of securities	192
Losses on derivatives	18,298
Other investment expenses	4,705

Operating, general and administrative expenses	506,537
Other ordinary expenses:	114,927
Interest paid	9,657
Provision for allowance for possible credit losses	119
Losses on bad debt	120
Other ordinary expenses	105,029
Ordinary profit	241,713
Extraordinary gains:	9,381
Gains on disposal of fixed assets	9,312
Other extraordinary gains	69
Extraordinary losses:	19,105
Losses on disposal of fixed assets	6,983
Impairment losses	387
Provision for reserves under the special laws:	11,713
Provision for reserve for price fluctuation	11,713
Losses on reduction of real estate	20
Net income before income taxes	231,989
Income taxes	58,171
Deferred income taxes	7,101
Total income taxes	65,272
Net income	166,716
Net income attributable to non-controlling interests	313
Net income attributable to shareholders of the parent	166,402

Attachment (4)

Non-Consolidated Balance Sheet

For the fiscal year 2016 (As of March 31, 2017)

(Millions of yen)

Assets:	
Current assets:	96,227
Cash and bank deposits	9,209
Prepaid expenses	2
Deferred tax assets	128
Accounts receivable	86,870
Others	16
Fixed assets:	897,306
Tangible fixed assets:	211
Buildings	168
Tools, furniture and equipment	43
Investments and other assets:	897,094
Investments in subsidiaries and affiliates	896,973
Deferred tax assets	11
Others	109
Total assets	993,534
Liabilities:	
Current liabilities:	29,399
Short-term loans payable to subsidiaries and affiliates	28,000
Accounts payable	872
Accrued expenses	3
Income taxes payable	38
Consumption taxes payable	78
Reserve for bonus payments	332
Reserve for bonus payments to directors	73
Others	0
Fixed liabilities:	463
Reserve for stocks payments	445
Others	18
Total liabilities	29,863
Net assets:	
Shareholders' equity:	962,744
Common stock	100,045
Capital surplus:	776,220
Capital reserves	25,045
Other capital surplus	751,174
Retained earnings:	157,938
Other retained earnings:	157,938
Retained earnings carried forward	157,938
Treasury stock	(71,459)
Stock acquisition rights	926
Total net assets	963,671
Total liabilities and net assets	993,534

Attachment (5)

Non-Consolidated Statement of Income

For the fiscal year 2016 (April 1, 2016 to March 31, 2017)

(Millions of yen)

Operating income:	
Dividends received from subsidiaries and affiliates	63,835
Fees received from subsidiaries and affiliates	7,775
Total operating income	71,611
Operating expenses:	
Operating, general and administrative expenses	8,452
Total operating expenses	8,452
Operating profit	63,158
Non-operating income:	
Gains on forfeiture of unclaimed dividends	43
Interest on refund	12
Others	3
Total non-operating income	59
Non-operating expenses:	
Interest paid	7
Commission for acquisition of treasury stock	6
Losses on valuation of advance deposits	4
Others	0
Total non-operating expenses	18
Ordinary profit	63,198
Extraordinary gains:	
Gains on reversal of stock acquisition rights	69
Total extraordinary gains	69
Extraordinary losses:	
Losses on valuation of stocks of subsidiaries and affiliates	1,557
Losses on disposal of fixed assets	1
Total extraordinary losses	1,558
Net income before income taxes	61,709
Income taxes	214
Deferred income taxes	(26)
Total income taxes	187
Net income	61,522

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

Independent Auditor's Report

May 17, 2017

The Board of Directors
Sompo Holdings, Inc.

Ernst & Young ShinNihon LLC

Yuji Ozawa
Certified Public Accountant
Designated and Engagement Partner

Hirotsugu Kamoshita
Certified Public Accountant
Designated and Engagement Partner

Makoto Kubodera
Certified Public Accountant
Designated and Engagement Partner

Pursuant to Article 444, Section 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the notes to the consolidated financial statements of Sompo Holdings, Inc. (the "Company", formerly Sompo Japan Nipponkoa Holdings, Inc.) applicable to the fiscal year from April 1, 2016 through March 31, 2017.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Sompo Holdings Group, which consisted of the Company and consolidated subsidiaries, applicable to the fiscal year ended March 31, 2017 in conformity with accounting principles generally accepted in Japan.

Conflicts of Interest

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

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

Independent Auditor's Report

May 17, 2017

The Board of Directors
Sompo Holdings, Inc.

Ernst & Young ShinNihon LLC

Yuji Ozawa
Certified Public Accountant
Designated and Engagement Partner

Hirotsugu Kamoshita
Certified Public Accountant
Designated and Engagement Partner

Makoto Kubodera
Certified Public Accountant
Designated and Engagement Partner

Pursuant to Article 436, Section 2, Paragraph 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets, the notes to the financial statements and the related supplementary schedules of Sompo Holdings, Inc. (the "Company", formerly Sompo Japan Nipponkoa Holdings, Inc.) applicable to the 7th fiscal year from April 1, 2016 through March 31, 2017.

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

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements and the related supplementary schedules referred to above present fairly, in all material respects, the financial position and results of operations of the Company applicable to the 7th fiscal year ended March 31, 2017 in conformity with accounting principles generally accepted in Japan.

Conflicts of Interest

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

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Attachment (8)

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

Audit Report

The Audit & Supervisory Board has prepared this audit report following deliberation on the basis of audit reports as prepared by each audit & supervisory board member in respect of the duties as performed by the directors of the Company during the 7th fiscal year from April 1, 2016 to March 31, 2017 and hereby reports as follows:

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

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

(2) Each audit & supervisory board member, in conformity with general audit standards set out by the Audit & Supervisory Board and in accordance with the audit policy and audit plans, communicated with directors and employees from internal audit and other departments and strove to collect information and developed the environment for audit, and conducted audit as follows:

(i) We attended the Board of Directors meetings and other pertinent meetings, received reports from directors and employees concerning the status of the performance of their duties, and requested explanations if and when needed, gained access to important approval documents, and examined the status of business operations and assets. As for subsidiaries, we requested communications and an exchange of information with directors and audit & supervisory board members of subsidiaries, and received business reports from subsidiaries if and when needed.

(ii) We received reports periodically from directors and employees concerning the contents of Board of Directors resolutions relating to the establishment of the system to ensure that directors comply with the laws and regulations and the articles of incorporation in the performance of their duties and other systems stipulated by Paragraphs 1 and 3 of Article 100 of the Ordinance for

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Enforcement of the Companies Act as necessary to ensure that business operations of companies are performed appropriately as well as the status of the system developed under the said Board of Directors resolutions (the internal control systems). We requested explanations concerning the said reports if and when needed and made remarks and statements with respect thereto. With respect to the internal control systems pertaining to the financial reporting under the Financial Instruments and Exchange Act, we received reporting concerning the evaluation of the relevant internal control systems and the status of audit from directors, etc. and ERNST &YOUNG SHINNIHON LLC, and requested explanations if and when needed.

(iii) We have monitored and inspected whether the accounting auditor has maintained its independent position and conducted proper auditing and received reports from the accounting auditor on the status of the performance of its duties and requested explanations if and when needed. We have also received the notification from the accounting auditor that it has developed the “internal system for ensuring the appropriate execution of duties (matters listed in each item of Article 131 of the Rules of Corporate Accounting) in accordance with “Quality Control Standards for audit” (Business Accounting Council, October 28, 2005) and others, and requested explanations if and when needed.

(iv) With respect to the business improvement order issued to ERNST &YOUNG SHINNIHON LLC by the Financial Services Agency in December 2015, we requested explanations, if and when needed, about the progress status of business improvement plan that the firm submitted to the Agency and about the follow-up status by the Agency. In addition, we received reports from the firm about the results from the quality control review by the Japanese Institute of Certified Public Accountants and the inspections by Certified Public Accountants and Auditing Oversight Board.

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

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2. Audit Results

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

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

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

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

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

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

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

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

May 18, 2017

The Audit & Supervisory Board, Sompo Holdings, Inc.

Toshiyuki Takata, audit & supervisory board member (full-time)
Masaki Hanawa, audit & supervisory board member (full-time)
Chikami Tsubaki, outside audit & supervisory board member
Haruo Kasama, outside audit & supervisory board member
Naoki Yanagida, outside audit & supervisory board member

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Attachment (9)

Matters Relating to Stock Acquisition Rights

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

	Overview of Content of Stock Acquisition Rights	Number of Holders of Stock Acquisition Rights
Directors (excluding outside directors)	The 23rd issue of stock acquisition rights of NKSJ Holdings, Inc. ・Number of stock acquisition rights: 22 ・Type and number of shares underlying stock acquisition rights: 550 shares of common stock (25 shares per stock acquisition right) ・Amount to be paid-in at the time of exercise of each stock acquisition right: 1 yen per share ・Period during which the stock acquisition rights can be exercised: From August 17, 2010 to August 16, 2035 ・Major conditions of exercise of stock acquisition rights: As stated in Note 1	1
	The 24th issue of stock acquisition rights of NKSJ Holdings, Inc. ・Number of stock acquisition rights: 62 ・Type and number of shares underlying stock acquisition rights: 6,200 shares of common stock (100 shares per stock acquisition right) ・Amount to be paid-in at the time of exercise of each stock acquisition right: 1 yen per share ・Period during which the stock acquisition rights can be exercised: From November 1, 2011 to October 31, 2036 ・Major conditions of exercise of stock acquisition rights: As stated in Note 1	2
	The 25th issue of stock acquisition rights of NKSJ Holdings, Inc. ・Number of stock acquisition rights: 157 ・Type and number of shares underlying stock acquisition rights: 15,700 shares of common stock (100 shares per stock acquisition right) ・Amount to be paid-in at the time of exercise of each stock acquisition right: 1 yen per share ・Period during which the stock acquisition rights can be exercised: From August 14, 2012 to August 13, 2037 ・Major conditions of exercise of stock acquisition rights: As stated in Note 1	3

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	The 26th issue of stock acquisition rights of NKSJ Holdings, Inc. ・Number of stock acquisition rights: 89 ・Type and number of shares underlying stock acquisition rights: 8,900 shares of common stock (100 shares per stock acquisition right) ・Amount to be paid-in at the time of exercise of each stock acquisition right: 1 yen per share ・Period during which the stock acquisition rights can be exercised: From August 13, 2013 to August 12, 2038 ・Major conditions of exercise of stock acquisition rights: As stated in Note 1	4
	The 27th issue of stock acquisition rights of NKSJ Holdings, Inc. ・Number of stock acquisition rights: 104 ・Type and number of shares underlying stock acquisition rights: 10,400 shares of common stock (100 shares per stock acquisition right) ・Amount to be paid-in at the time of exercise of each stock acquisition right: 1 yen per share ・Period during which the stock acquisition rights can be exercised: From August 15, 2014 to August 14, 2039 ・Major conditions of exercise of stock acquisition rights: As stated in Note 1	4
	The 28th issue of stock acquisition rights of Sompo Japan Nipponkoa Holdings, Inc. ・Number of stock acquisition rights: 113 ・Type and number of shares underlying stock acquisition rights: 11,300 shares of common stock (100 shares per stock acquisition right) ・Amount to be paid-in at the time of exercise of each stock acquisition right: 1 yen per share ・Period during which the stock acquisition rights can be exercised: From August 17, 2015 to August 16, 2040 ・Major conditions of exercise of stock acquisition rights: As stated in Note 1	8
Directors (outside)	—	—
Audit & supervisory board members	—	—

Notes:

1. Each of the holders of stock acquisition rights (the “Holder of Stock Acquisition Rights”) may exercise his or her stock acquisition rights during the stock acquisition rights exercise period, and only within a period of 10 days from the day following the date on which he or she has lost his or her position as either a director or an executive officer.
   Moreover, the Holder of Stock Acquisition Rights is to exercise in one

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transaction all of the stock acquisition rights that he or she holds, as to the stock acquisition rights (stock compensation-type stock options) that he or she received pursuant to his or her position as a director or an executive officer of the Company, and shall not be allowed to exercise only a part thereof.

2. This table shows the stock acquisition rights that the Company has granted to executives of the Company as consideration for execution of duties.
3. As to a director of the Company who was a director or an executive officer of Sompo Japan Insurance Inc., NIPPONKOA Insurance Company, Limited, Sompo Japan Nipponkoa Insurance Inc. or Sompo Japan Nipponkoa Himawari Life Insurance, Inc., at the time of grant of these stock acquisition rights, the allocation was made to such director of the Company on the basis of his/her being director or executive officer of Sompo Japan Insurance Inc., NIPPONKOA Insurance Company, Limited, Sompo Japan Nipponkoa Insurance Inc. or Sompo Japan Nipponkoa Himawari Life Insurance, Inc., as the case may be. The number of the stock acquisition rights, as well as the type and number of the underlying shares, held by directors of the Company (excluding outside directors) as of the last day of this fiscal year are as set out below.

   The 23rd issue of stock acquisition rights of NKSJ Holdings, Inc.
   804 (20,100 shares of common stock)
   The 24th issue of stock acquisition rights of NKSJ Holdings, Inc.
   215 (21,500 shares of common stock)
   The 25th issue of stock acquisition rights of NKSJ Holdings, Inc.
   181 (18,100 shares of common stock)
   The 26th issue of stock acquisition rights of NKSJ Holdings, Inc.
   129 (12,900 shares of common stock)
   The 27th issue of stock acquisition rights of NKSJ Holdings, Inc.
   160 (16,000 shares of common stock)
   The 28th issue of stock acquisition rights of Sompo Japan Nipponkoa Holdings, Inc. 114 (11,400 shares of common stock)

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

   ・The 13th issue of stock acquisition rights of NKSJ Holdings, Inc.:
   13 (3,250 shares of common stock)
   ・The 14th issue of stock acquisition rights of NKSJ Holdings, Inc.:
   12 (3,000 shares of common stock)
   ・The 15th issue of stock acquisition rights of NKSJ Holdings, Inc.:
   197 (4,925 shares of common stock)
   ・The 16th issue of stock acquisition rights of NKSJ Holdings, Inc.:
   342 (8,550 shares of common stock)

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

None.

Consolidated Statement of Changes in Net Assets

For the fiscal year 2016 (April 1, 2016 to March 31, 2017)

(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	411,086	364,888	(36,975)	839,045
Changes during the period:					
Dividends			(31,925)		(31,925)
Net income attributable to shareholders of the parent			166,402		166,402
Acquisition of treasury stock				(35,230)	(35,230)
Disposal of treasury stock		(229)		745	516
Changes in the scope of consolidation			2,195		2,195
Changes in interest of the parent related to transactions with non-controlling shareholders		(2,474)			(2,474)
Net changes in items other than shareholders' equity					
Total changes during the period	–	(2,703)	136,672	(34,484)	99,484
Balance at the end of the period	100,045	408,382	501,561	(71,459)	938,529

	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	825,912	10,510	(7,965)	(24,648)	803,808	1,486	8,498	1,652,839
Changes during the period:								
Dividends								(31,925)
Net income attributable to shareholders of the parent								166,402
Acquisition of treasury stock								(35,230)
Disposal of treasury stock								516
Changes in the scope of consolidation								2,195
Changes in interest of the parent related to transactions with non-controlling shareholders								(2,474)
Net changes in items other than shareholders' equity	37,542	(2,507)	30,629	(5,027)	60,636	(560)	56,539	116,615
Total changes during the period	37,542	(2,507)	30,629	(5,027)	60,636	(560)	56,539	216,100
Balance at the end of the period	863,455	8,003	22,663	(29,676)	864,445	926	65,038	1,868,940

Notes to the Consolidated Financial Statements

Significant Accounting Policies for the Preparation of the Consolidated Financial Statements

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

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

1. Scope of consolidation
   (1) Number of consolidated subsidiaries: 127 companies
   Name of major subsidiaries
   Sompo Japan Nipponkoa Insurance Inc.
   SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED
   Sonpo 24 Insurance Company Limited
   Sompo Japan Nipponkoa Insurance Services Inc.
   Sompo Japan Nipponkoa Himawari Life Insurance, Inc.
   Sompo Care Message Inc.
   Sompo Care Next Inc.
   Sompo Risk Management & Health Care Inc.
   SOMPO JAPAN NIPPONKOA ASSET MANAGEMENT CO., LTD.
   Sompo Japan Nipponkoa DC Securities Inc.
   Sompo America Holdings Inc.
   Sompo America Insurance Company
   Sompo International Holdings Ltd.
   Endurance Specialty Holdings Ltd.
   Endurance Specialty Insurance Ltd.
   Endurance U.S. Holdings Corporation
   Endurance Worldwide Holdings Limited
   Endurance Worldwide Insurance Limited
   Sompo Canopius AG
   Canopius Managing Agents Limited
   Sompo Japan Canopius Reinsurance AG
   Canopius US Insurance, Inc.
   Sompo Japan Nipponkoa Insurance Company of Europe Limited
   Sompo Japan Sigorta Anonim Sirketi
   Sompo Holdings (Asia) Pte. Ltd.
   Sompo Insurance Singapore Pte. Ltd.
   Berjaya Sompo Insurance Berhad
   Sompo Japan Nipponkoa Insurance (China) Co., Ltd.
   NIPPONKOA Insurance Company (China) Limited
   Sompo Insurance (Hong Kong) Company Limited
   Sompo Seguros S.A.
   Sompo Saúde Seguros S.A.

   The Group conducted an absorption-type merger in which the Company’s hitherto non-consolidated subsidiary Sompo Japan Nipponkoa Risk Management Inc. (renamed Sompo Risk Management & Health Care Inc. on April 1, 2016) was the

surviving company, while the Company's hitherto consolidated subsidiary Healthcare Frontier Japan Inc. and the Company's hitherto non-consolidated subsidiary Sompo Japan Nipponkoa Healthcare Services Inc. were the absorbed companies. As a result, Sompo Risk Management & Health Care Inc. is included in the scope of consolidation in the fiscal year ended March 31, 2017, due to an increase in its materiality.

Sompo International Holdings Ltd. became a subsidiary, and thus was included in the scope of consolidation in the fiscal year ended March 31, 2017.

Endurance Specialty Holdings Ltd. and its 33 group companies are included in the scope of consolidation during the fiscal year ended March 31, 2017 because they became consolidated subsidiaries through the acquisition of shares.

NIPPONKOA Management Services (Europe) Limited is excluded from the scope of consolidation during the fiscal year ended March 31, 2017 because the liquidation procedure has been completed on March 8, 2017.

Message Co., Ltd. changed its name to Sompo Care Message Inc. on July 1, 2016, Sompo Japan Insurance Company of America changed its name to Sompo America Insurance Company on January 1, 2017, Sompo Japan Nipponkoa Holdings (Asia) Pte. Ltd. changed its name to Sompo Holdings (Asia) Pte. Ltd. on April 1, 2016, Tenet Sompo Insurance Pte. Ltd. changed its name to Sompo Insurance Singapore Pte. Ltd. on May 1, 2016, Sompo Japan Nipponkoa Insurance (Hong Kong) Company Limited changed its name to Sompo Insurance (Hong Kong) Company Limited on September 1, 2016, Yasuda Marítima Seguros S.A. changed its name to Sompo Seguros S.A. on July 1, 2016, Yasuda Marítima Saúde Seguros S.A. changed its name to Sompo Saúde Seguros S.A. on July 1, 2016, respectively.

(2) Names of major non-consolidated subsidiaries

Names of major subsidiaries

Sompo Insurance (Thailand) Public Company Limited

Sompo Japan Nipponkoa Reinsurance Company Limited

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

2. Application of the equity method

(1) Number of affiliates accounted for under the equity method: 4 companies

Name of major affiliates

Hitachi Capital Insurance Corporation

Universal Sompo General Insurance Company Limited

(2) The non-consolidated subsidiaries and affiliates (Sompo Insurance (Thailand) Public Company Limited and Sompo Japan Nipponkoa Reinsurance Company Limited, etc.) do not have a material impact on the consolidated financial statements in terms of net income or loss and retained earnings, etc. to the extent of the equity position of the Company even if they are excluded from the scope of the equity method, and they do not have a material impact as a whole. Therefore they are excluded from the scope of the equity method.

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

3. The fiscal year of consolidated subsidiaries

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

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

4. Accounting policies

(1) Valuation policies and methods for securities

(a) Trading securities are carried at fair value.
Cost of sale is calculated based on the moving-average method.

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

(c) Policy reserve matching bonds are carried at amortized cost based on the moving-average method in accordance with “Temporary Treatment of Accounting and Auditing Concerning Policy Reserve Matching Bonds in the Insurance Industry” (Japanese Institute of Certified Public Accountants Industry Audit Practice Committee Report No.21).
The outline of risk management policy in relation to policy reserve matching bonds is as follows.
Domestic consolidated life insurance subsidiary sets up the sub-category for individual insurance depending on line of business and investment policy, etc., and follows the management policy to match the duration of the policy reserve in the sub-category with the duration of policy reserve matching bonds within a certain range.

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

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

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

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

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

(2) Valuation policies and methods for derivative transactions

Derivative transactions are carried at fair value.

(3) Depreciation methods of significant depreciable assets

(a) Tangible fixed assets (excluding leased assets)

Depreciation of tangible fixed assets (excluding leased assets) held by the Company and its domestic consolidated subsidiaries is calculated by using the declining-balance method, except for buildings acquired on or after April 1, 1998, and structures and fixtures attached to buildings acquired on or after April 1, 2016, whose depreciation is calculated by using the straight-line method.

Depreciation of tangible fixed assets (excluding leased assets) held by the foreign consolidated subsidiaries is mainly calculated by using the straight-line method.

(Changes in accounting policies)

In accordance with the amendment in the Corporation Tax Act, the Company has adopted the “Practical Solution on a change in depreciation method due to Tax Reform 2016” (Accounting Standards Board of Japan Practical Issue Task Force No. 32, June 17, 2016) from the fiscal year ended March 31, 2017, and has changed the depreciation method for structures and fixtures attached to buildings acquired on or after April 1, 2016, from the declining-balance method to the straight-line method. The effect of this change on the ordinary profit and net income before income taxes for the fiscal year ended March 31, 2017 was immaterial.

(b) Intangible fixed assets

As for intangible fixed assets acquired through the acquisition of overseas subsidiaries, amortization is being carried out over the estimated period of its effect, and as its effect emerges.

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

(c) Leased Assets

Leased assets under finance lease transactions that are not deemed to transfer ownership of the leased assets to the lessee for the domestic consolidated subsidiaries have been depreciated using the straight-line method over the period of the lease.

(4) Accounting policies for significant reserves

(a) Allowance for possible credit losses

In order to provide for losses from defaults, the domestic consolidated insurance subsidiaries establish allowance for possible credit losses in

accordance with the internal standards for self-assessment of assets and the policy of write-off and provision.
For claims against debtors that have legally, formally or substantially entered into bankruptcy, special liquidation or whose notes have been under suspension at clearing houses, allowances are provided based on the amount remaining after deduction of the estimated collectable amounts by the disposal of collateral and by guarantees.
For claims against debtors that are highly likely to go bankrupt in the future, allowances are provided based on the amount considered necessary according to overall solvency assessment of the debtor, after deduction of estimated collectable amounts by disposal of collateral and by guarantees.
For claims other than those described above, allowances are provided based on the amount of claims multiplied by the default rate, which is calculated based on historical credit loss experience for a certain period in the past.
The departments responsible for respective assets assess relevant claim in accordance with the internal standards for self-assessment of assets. The asset auditing department independently reviews the results and allowances are provided based on the reviewed results.
The other consolidated subsidiaries determine mainly the collectability of the receivables respectively to provide allowances to cover the estimated future losses.

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

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

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

(e) Reserve for stocks payments
In order to provide for the grant of Company shares to directors (excluding outside directors) and executive officers of SOMPO HOLDINGS, according to the "Rules on Distribution of Shares for Officers," reserve for stocks payments is recorded, with the estimated amount of the stock payment obligation at the end of the fiscal year.

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

(5) Methods of accounting procedures for retirement benefits
(a) Allocation method of projected retirement

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

(b) Amortization method of actuarial difference and prior service costs

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

Prior service costs are mainly amortized by using the straight-line method over certain years (5 years) within the average remaining service years of employees at the time of occurrence.

(6) Significant hedge accounting

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

The deferred hedge accounting method is applied to interest rate swaps to hedge interest rate fluctuation risk related to long-term insurance contracts based on “The Accounting and Auditing Treatment on the Application of the Financial Products Accounting Standard to the Insurance Industry” (Japanese Institute of Certified Public Accountants Industry Audit Practice Committee Report No. 26). Since insurance liabilities as hedged item and interest rate swaps as hedging instrument are grouped by certain remaining periods, and then designated as hedge, the hedge is highly effective and the assessment of hedge effectiveness is omitted.

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

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

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

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

(7) Method and period of amortization of goodwill

Goodwill is amortized in equal installments over 10 to 20 years.

Immaterial amounts of goodwill are amortized at one time.

(8) Accounting methods for consumption taxes

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

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

(Additional information)

1. Application of the Implementation Guidance on Recoverability of Deferred Tax Assets

Effective from the fiscal year ended March 31, 2017, the Company has applied the "Implementation Guidance on Recoverability of Deferred Tax Assets" (Accounting Standards Board of Japan Guidance No. 26, March 28, 2016).

2. Introduction of a performance-linked stock compensation plan

Based on resolution of the 6th general meeting of stockholders held on June 27, 2016, the Company introduced on July 1, 2016 the "Board Benefit Trust (BBT)" (hereinafter referred to as the "Plan"), a performance-linked stock compensation plan for directors (excluding outside directors) and executive officers of SOMPO HOLDINGS.

(1) Outline of the transactions involved

The Company established the "Rules of the Stock Benefit Trust for Directors" (hereinafter the "Rules") as prerequisite to the introduction of the Plan. Based on the Rules established, the Company contributed money to a trust bank as fund for acquiring shares to be delivered later, and the trust bank duly acquired shares in the Company using the money trusted thereto (hereinafter the "Trust").

The Plan is a scheme for delivering shares, based on the Rules, to directors (excluding outside directors) and executive officers of SOMPO HOLDINGS, in proportion to the points granted thereto.

(2) Accounting treatment

The gross method is adopted based on the "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees, etc. through Trusts" (Accounting Standards Board of Japan Practical Issue Task Force No. 30, March 26, 2015). Expenses and corresponding reserve are provided based on the number of points granted to officers according to the Rules.

Shares in the Company remaining in the Trust at the end of the fiscal year ended March 31, 2017 were recorded as treasury stock under shareholders' equity, and its carrying amount was 1,691 million yen and its number of shares was 612,800.

Notes to the Consolidated Balance Sheet

1. Accumulated depreciation of tangible fixed assets amounts to 433,539 million yen and advanced depreciation of tangible fixed assets amounts to 19,253 million yen.

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

Securities (stocks)	26,392 million yen
Securities (equity interests)	2,444 million yen

3. (1) Loans to borrowers in bankruptcy and overdue loans amount to 48 million yen and 419 million yen, respectively.
Loans to borrowers in bankruptcy represent non-accrual loans which meet the events defined in Article 96, paragraph (1), item (iii) (the maximum amount transferable to allowance for possible credit losses) or Article 96, paragraph (1), item (iv) of the "Order for Enforcement of the Corporation Tax Act" (Cabinet Order No. 97 of 1965). Non-accrual loans are defined as loans (excluding the portion of the loans that were written off), on which accrued interest receivable is not recognized because payments of principal or interest are overdue for considerable periods and therefore are regarded as improbable.
Overdue loans represent non-accrual loans other than (a) loans to borrowers in bankruptcy or (b) loans on which grace on interest payments has been granted in order to assist or facilitate the restructuring of borrowers in financial difficulties.

(2) Loans overdue for three months or more amount to 13 million yen.
Loans overdue for three months or more represent, among loans which are not included in loans to borrowers in bankruptcy or overdue loans, loans on which the payment of principal or interest has been delayed for three months or more from the date following the due date.

(3) Restructured loans are not included in 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.

(4) The total of loans to borrowers in bankruptcy, overdue loans, loans overdue for three months or more and restructured loans amount to 480 million yen.

4. Breakdown of pledged assets is securities of 733,801 million yen, deposits of 77,735 million yen, tangible fixed assets of 9,201 million yen and monetary receivables bought of 1,723 million yen. These are collateral for the borrowings and securities which are put into as deposited assets for overseas operation and others. Secured debts are composed of payables under securities lending transactions of 250,063 million yen, the borrowings of 6,538 million yen and deposits received of 96 million yen. Securities include 237,232 million yen in pledged securities as collateral under securities lending transactions secured by cash.

5. Securities include 303,227 million yen of lending securities under loan agreements.

6. The amount of loan commitments outstanding is 11,555 million yen.

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

SOMPO HOLDINGS holds rights to dispose of by sale or provision of collateral at its discretion amount to 22,320 million yen. All of those are retained by SOMPO HOLDINGS.

8. Amounts are rounded down to the unit noted.

Notes to the Consolidated Statement of Income

1. Main components of operating expenses are as follows.

Agency commissions, etc.	480,295 million yen
Salaries	231,159 million yen

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

2. Other extraordinary gains are 69 million yen of gains on reversal of stock acquisition rights.

3. Amounts are rounded down to the unit noted.

Notes to the Consolidated Statement of Changes in Net Assets

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

	Number of shares at the beginning of the period (thousand shares)	Increase during the period (thousand shares)	Decrease during the period (thousand shares)	Number of shares at the end of the period (thousand shares)
Shares outstanding				
Common stock	415,352	-	-	415,352
Total	415,352	-	-	415,352
Treasury stock				
Common stock	11,189	10,990	226	21,953
Total	11,189	10,990	226	21,953

Notes)

1. Treasury stock of common stock at the end of the period includes 612 thousand shares in the Company held by the Board Benefit Trust (BBT).

2. Breakdown of increase in treasury stock of common stock of 10,990 thousand shares is as follows.
   Increase due to acquisition of treasury stock in accordance with approval by board of directors: 10,366 thousand shares
   Increase due to acquisition by the BBT: 615 thousand shares
   Increase due to purchase of shares less than a full trading unit: 8 thousand shares

3. Breakdown of decrease in treasury stock of common stock of 226 thousand shares is

as follows.
Decrease due to disposal of treasury stock related to exercise of stock acquisition rights: 223 thousand shares
Decrease due to disposal of treasury stock related to exercise of rights of the BBT: 2 thousand shares
Decrease due to sales of shares less than a full trading unit: 0 thousand shares

2. Stock acquisition rights

Category	Breakdown of stock acquisition rights	Balance at the end of the period (millions of yen)
Sompo Holdings, Inc.	Stock acquisition rights for stock options	926
Total		926

3. Dividends
(1) Dividends paid

Resolution	Type of shares	Total amount of dividends (millions of yen)	Dividend per share (yen)	Record date	Effective date
General meeting of stockholders held on June 27, 2016	Common stock	16,166	40	March 31, 2016	June 28, 2016
The board of director's meeting held on November 18, 2016	Common stock	15,758	40	September 30, 2016	December 6, 2016

Note) The "total amount of dividends" based on the resolution of the board of directors held on November 18, 2016 includes 24 million yen in dividends paid on the shares in the Company held by the BBT.

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

Resolution	Type of shares	Total amount of dividends (millions of yen)	Source of dividends	Dividend per share (yen)	Record date	Effective date
General meeting of stockholders to be held on June 26, 2017	Common stock	19,700	Retained earnings	50	March 31, 2017	June 27, 2017

Note) The "total amount of dividends" based on the resolution of the general meeting of stockholders scheduled to be held on June 26, 2017 includes 30 million yen in dividends to be paid on the shares in the Company held by the BBT.

4. Amounts are rounded down to the unit noted.

Notes on Financial Instruments

1. Overview of financial instruments

(1) Our policy to manage financial instruments

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

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

(2) The nature and risk of financial instruments

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

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

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

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

(3) The risk management systems regarding financial instruments

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

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

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

As to credit risks, in order to avoid concentrating the risks on specific borrowers, the

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

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

2. Fair value of financial instruments
Carrying amount, fair value and unrealized gains and losses as of March 31, 2017 are as follows. Meanwhile, financial instruments which are considered extremely difficult to figure out their fair value are not included in the following table. (Please refer to Notes 2 for details.)

	Carrying amount (millions of yen)	Fair value (millions of yen)	Unrealized gains and losses (millions of yen)
(1) Cash and deposits	814,217	814,217	-
(2) Receivables under resale agreements	54,999	54,999	-
(3) Monetary receivables bought	11,718	11,718	-
(4) Money trusts	104,423	104,423	-
(5) Securities:			
Trading securities	628,520	628,520	-
Bonds held to maturity	1,205,755	1,483,082	277,326
Policy reserve matching bonds	199,659	215,634	15,974
Securities available for sale	6,190,948	6,190,948	-
(6) Loans	638,768		
Allowance for possible credit losses(*1)	(96)		
	638,671	657,369	18,697
Total assets	9,848,915	10,160,913	311,998
(1) Corporate bonds	424,991	435,911	10,919
(2) Payables under securities lending transactions	250,063	250,063	-
Total liabilities	675,055	685,975	10,919
Derivative transactions(*2):			
Hedge accounting is not applied to	9,553	9,553	-
Hedge accounting is applied to	15,294	15,294	-
Total derivative transactions	24,848	24,848	-

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

possible credit losses.

(*2) This table collectively shows derivative transactions which are included in other assets and other liabilities. Net assets and liabilities from derivative transactions are shown on the net basis.

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

Assets

(1) Cash and deposits

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

(2) Receivables under resale agreements

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

(3) Monetary receivables bought

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

(4) Money trusts

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

(5) Securities

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

(6) Loans

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

Liabilities

(1) Corporate bonds

The fair value is based on the price at exchanges, the price released by Japan Securities Dealers Association, the price provided by information vendors and others.

(2) Payables under securities lending transactions

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

Derivative transactions

The fair value of forward foreign exchanges is based on the forward quotation or the price quoted by counterparties.

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

The fair value of currency option transactions is based on the price quoted by counterparties.

The fair value of interest rate futures is based on the closing price at major exchanges.

The fair value of interest rate swaps is based on the price calculated by discounting future cash flow to the present value.

The fair value of interest rate option transactions is based on the price quoted by counterparties.

The fair value of equity index futures is based on the closing price at major exchanges.

The fair value of bond futures is based on the closing price at major exchanges.

The fair value of bond futures option transactions is based on the closing price at major exchanges.

The fair value of bond forwards is based mainly on the price quoted by information vendors.

The fair value of credit derivatives is based mainly on the price quoted by information vendors.

The fair value of weather derivatives is calculated based on the contract term and other elements of the contract.

The fair value of earthquake derivatives is calculated based on the contract term and other elements of the contract.

The fair value of Industry loss warranty is calculated based on the contract term and other elements of the contract.

The fair value of loss development cover is calculated based on the contract term and other elements of the contract.

2. Carrying amounts of the financial instruments which are considered extremely difficult to figure out their fair value are as follows. These financial instruments are not included in "(5) Securities."

Category	Carrying amount (millions of yen)
Domestic stocks	44,261
Foreign securities	23,405
Others	10,404
Total	78,071

As domestic stocks are unlisted stocks and do not have quoted market prices, they are not included in the scope of fair value disclosure.

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

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

Note on Per Share Information

Net assets per share	4,583.07 yen
Net income per share	419.15 yen

Notes on Business Combinations

Business combination through acquisition

(1) Summary of business combination

(a) Name and business type of the acquiree

Endurance Specialty Holdings Ltd. (overseas insurance business)

(b) Major reasons for business combination

Through the Acquisition, SOMPO HOLDINGS acquires a strong operating base in the U.S. and the overseas insurance business portfolio of SOMPO HOLDINGS becomes more geographically diversified. Income from the overseas insurance business of SOMPO HOLDINGS, currently 12% of the total group income, would account for 27% following the Acquisition, enabling SOMPO HOLDINGS to further diversify its business portfolio and to strengthen its group management fundamentals.

(c) Date of business combination

March 28, 2017

(d) Legal form of business combination

Acquisition through reverse triangular merger based on applicable laws and regulations in Bermuda

(e) Name of the entity after business combination

Endurance Specialty Holdings Ltd.

(f) Percentage of voting rights acquired

100.0%

(g) Major reason for determination of the acquirer

The Company's consolidated subsidiary Sompo Japan Nipponkoa Insurance Inc. ("SJNK") was determined to be the acquirer because SJNK acquired 100% of the voting rights of Endurance Specialty Holdings Ltd. and obtained control.

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

Financial result of the acquiree is not included.

(3) Sorts and amounts of the acquisition cost of the acquiree

Sorts of cost	Cash	USD 6,288 million
Acquisition cost		USD 6,288 million

(4) Contents and amounts of major acquisition-related costs

Advisory fee and others	2,849 million yen

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

(a) Amount of goodwill

USD 1,513 million

(b) Reason for recognizing goodwill

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

(c) Method and period of amortization

Straight-line amortization over 10 years

(6) Amounts of assets acquired and liabilities assumed on the date of business combination

Total assets:	USD	12,509	million
Securities:	USD	7,758	million
Total liabilities:	USD	7,228	million
Underwriting funds:	USD	4,882	million

(7) Approximate amounts of influence and their calculation method on the consolidated statement of income for the fiscal year ended March 31, 2017, assuming that the business combination was completed on the commencement date of the fiscal year

Net premiums written:	276,073	million yen
Ordinary profit:	18,524	million yen
Net income attributable to shareholders of the parent:	19,684	million yen

(Calculation methods for approximate amounts)

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

Please note that this note is unaudited.

Notes on Significant Subsequent Event

The issuance of domestic unsecured subordinated bonds with interest deferrable clause
On April 26, 2017, Sompo Japan Nipponkoa Insurance Inc. ("SJNK") which is a consolidated subsidiary of the Company issued domestic unsecured subordinated bonds with interest deferrable clause as follows.

1. Issuer:	Sompo Japan Nipponkoa Insurance Inc.
2. Name of bond:	The third series of unsecured subordinated bonds with interest deferrable clause and early redeemable option.
3. Aggregate principal amount:	JPY 100.0 billion
4. Denomination:	JPY 100 million
5. Issue price:	JPY 100 per amount of JPY 100 of each bond
6. Redemption price:	JPY 100 per amount of JPY 100 of each bond
7. Maturity date:	April 26, 2077 (60-year bonds) SJNK may, at its discretion, redeem the bonds (a) on any interest payment date on or after April 26, 2027 or (b) upon the occurrence and continuation of a regulatory event, a tax deductibility event or a rating agency event on or after April 26, 2017, subject to a prior approval of the regulatory authority and other conditions.
8. Interest rate:	From the day following April 26, 2017 until April 26, 2027 : 1.06% per annum From the day following April 26, 2027 : 6-month Japanese yen LIBOR plus 1.81%
9. Offering term:	April 19, 2017
10. Payment date:	April 26, 2017
11. Interest payment dates:	April 26 and October 26 of each year
12. Subordination:	As to the payment of debt in liquidation or other bankruptcy proceedings of SJNK, the Bonds shall be subordinated to senior indebtedness of SJNK, ranking substantially pari passu with its most preferred stock (if issued) and the outstanding U.S. dollar-denominated subordinated bonds issued by SJNK in 2013 and the outstanding Japanese yen-denominated subordinated bonds issued by SJNK in 2016 and senior to common stock of SJNK.
13. Use of funds:	Reimbursement for payables under securities lending transactions, long-term investment funds such as securities investment and working capital.
14. Joint lead managers:	Mizuho Securities Co., Ltd. Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. Daiwa Securities Co. Ltd. Nomura Securities Co., Ltd. SMBC Nikko Securities Inc.
15. Underwriter:	Shinkin Securities Co., Ltd.
16. Fiscal agent:	Mizuho Bank, Ltd.

17. Credit rating:	AA－ (Japan Credit Rating Agency, Ltd.)
18. Securities depository:	Japan Securities Depository Center, Incorporated

Non-Consolidated Statement of Changes in Net Assets

For the fiscal year 2016 (April 1, 2016 to March 31, 2017)

(Millions of yen)

	Shareholders' equity						Stock acquisition rights	Total net assets
	Common stock	Capital surplus		Retained earnings	Treasury stock	Total shareholders' equity		
		Capital reserves	Other capital surplus	Other retained earnings Retained earnings carried forward				
Balance at the beginning of the period	100,045	25,045	751,403	128,341	(36,975)	967,861	1,486	969,348
Changes during the period:								
Dividends				(31,925)		(31,925)		(31,925)
Net income				61,522		61,522		61,522
Acquisition of treasury stock					(35,230)	(35,230)		(35,230)
Disposal of treasury stock			(229)		745	516		516
Net changes in items other than shareholders' equity							(560)	(560)
Total changes during the period	–	–	(229)	29,596	(34,484)	(5,116)	(560)	(5,676)
Balance at the end of the period	100,045	25,045	751,174	157,938	(71,459)	962,744	926	963,671

Notes to the Financial Statements

Notes on Significant Accounting Policies

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

2. Depreciation methods of fixed assets
Depreciation of tangible fixed assets is calculated by using the declining-balance method, except for buildings and structures and fixtures attached to buildings acquired on or after April 1, 2016, whose depreciation is calculated by using the straight-line method.

Useful lives of major tangible fixed assets are as follows.

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

(Changes in accounting policies)
In accordance with the amendment in the Corporation Tax Act, the Company has adopted the “Practical Solution on a change in depreciation method due to Tax Reform 2016” (Accounting Standards Board of Japan Practical Issue Task Force No. 32, June 17, 2016) from the fiscal year ended March 31, 2017, and has changed the depreciation method for structures and fixtures attached to buildings acquired on or after April 1, 2016, from the declining-balance method to the straight-line method. The effect of this change on the ordinary profit and net income before income taxes for the fiscal year ended March 31, 2017 was immaterial.

3. Accounting policies for reserves
(1) Reserve for bonus payments
In order to provide for employees’ bonus payments, reserve for bonus payments is recorded, based on the estimated amounts to be paid at the end of the period.
(2) Reserve for bonus payments to directors
In order to provide for directors’ bonus payments, reserve for bonus payments to directors is recorded, based on the estimated amounts to be paid at the end of the period.
(3) Reserve for stocks payments
In order to provide for the grant of Company shares to directors (excluding outside directors) and executive officers of SOMPO HOLDINGS, according to the “Rules on Distribution of Shares for Officers,” reserve for stocks payments is recorded, with the estimated amount of the stock payment obligation at the end of the fiscal year.

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

(Additional information)
1. Application of the Implementation Guidance on Recoverability of Deferred Tax Assets
Effective from the fiscal year ended March 31, 2017, the Company has applied the “Implementation Guidance on Recoverability of Deferred Tax Assets” (Accounting Standards Board of Japan Guidance No. 26, March 28, 2016).

2. Introduction of a performance-linked stock compensation plan
Based on resolution of the 6th general meeting of stockholders held on June 27, 2016, the Company introduced on July 1, 2016 the “Board Benefit Trust (BBT)” (hereinafter

referred to as the “Plan”), a performance-linked stock compensation plan for directors (excluding outside directors) and executive officers of SOMPO HOLDINGS.

(1) Outline of the transactions involved

The Company established the “Rules of the Stock Benefit Trust for Directors” (hereinafter the “Rules”) as prerequisite to the introduction of the Plan. Based on the Rules established, the Company contributed money to a trust bank as fund for acquiring shares to be delivered later, and the trust bank duly acquired shares in the Company using the money trusted thereto (hereinafter the “Trust”).

The Plan is a scheme for delivering shares, based on the Rules, to directors (excluding outside directors) and executive officers of SOMPO HOLDINGS, in proportion to the points granted thereto.

(2) Accounting treatment

The gross method is adopted based on the “Practical Solution on Transactions of Delivering the Company’s Own Stock to Employees, etc. through Trusts” (Accounting Standards Board of Japan Practical Issue Task Force No. 30, March 26, 2015). Expenses and corresponding reserve are provided based on the number of points granted to officers according to the Rules.

Shares in the Company remaining in the Trust at the end of the fiscal year ended March 31, 2017 were recorded as treasury stock under shareholders’ equity, and its carrying amount was 1,691 million yen and the number of shares was 612,800.

Notes to the Balance Sheet

1. Accumulated depreciation of tangible fixed assets amounts to 182 million yen.

2. Guaranteed obligations

Sompo Holdings, Inc. (“the Company”) jointly and severally guarantees 8,501 million yen for acceptances and guarantees of the main bank related to liability of refunds of residency deposits to residents of the nursing home managed by Sompo Care Next Inc. which is a consolidated subsidiary of the Company, jointly and severally guarantees 41,320 million yen for rent payments based on building lease contracts, and jointly and severally guarantees 383 million yen for lease payments based on lease contracts.

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

Short-term monetary claims	69,532 million yen
Long-term monetary claims	52 million yen
Short-term monetary debts	650 million yen

Note to the Statement of Income

Transactions with subsidiaries and affiliates

Results of operating transactions	
Operating income	71,611 million yen
Operating expenses	688 million yen
Results of non-operating transactions	7 million yen

Note to the Statement of Changes in Net Assets

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

Common stock 21,953,718 shares

Note) The treasury stock of common stock at the end of the period includes 612,800 shares in the Company held by the “Board Benefit Trust (BBT).”

Note on Tax Effect Accounting

Major components of deferred tax assets are as follows.

Deferred tax assets:	
Deemed dividends	20,072 million yen
Losses on valuation of stocks of subsidiaries and affiliates	476 million yen
Reserve for bonus payments	115 million yen
Stock options	40 million yen
Reserve for stocks payments	26 million yen
Others	78 million yen
Subtotal	20,810 million yen
Valuation allowance	(20,669) million yen
Total deferred tax assets	140 million yen
Net deferred tax assets	140 million yen

Note on Related-party Transaction

Subsidiaries and affiliates

(Millions of yen)

Type	Name of company	Holding/held ratio of voting rights	Relationship with related party	Description of transactions	Transaction amount	Item	Balance at the end of the period
Subsidiary company	Sompo Care Next Inc.	Ownership Direct 100.0%	Guaranteed obligations	Guarantee for lease payments (Note 1)	383	—	—
				Guarantee for acceptances and guarantees (Note 2)	8,501	—	—
				Guarantee for the amount corresponding to rent payments based on building lease contracts (Note 3)	41,320	—	—

Notes)

1. The Company jointly and severally guarantees lease payments. The Company does not receive a guarantee commission.
2. The Company jointly and severally guarantees acceptances and guarantees of the main bank related to liability of refunds of residency deposits to residents of the nursing home managed by Sompo Care Next Inc. The Company does not receive a guarantee commission.
3. The Company jointly and severally guarantees rent payments. The Company does not receive a guarantee commission.

Note on Per Share Information

Net assets per share	2,447.24 yen
Net income per share	154.96 yen