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May 19, 2017

Sompo Holdings, Inc.

Summary of Consolidated Financial Results for the fiscal year ended March 31, 2017
[Under Japanese GAAP]

Company Name: Sompo Holdings, Inc.
Listed on: Tokyo Stock Exchange
Securities Code: 8630
URL: http://www.sompo-hd.com/
Representative: Kengo Sakurada, President & CEO
Scheduled date to hold general meeting of stockholders: June 26, 2017
Scheduled date to file Securities Report: June 29, 2017
Scheduled date to start payment of dividends: June 27, 2017
Supplementary information for financial statements: Yes
Schedule for investor meeting: Yes (intended for institutional investors and analysts)

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

1. Consolidated Financial Results for the fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)

(1) Consolidated Results of Operations

Note) Percentages are changes from previous fiscal year.

	Ordinary income		Ordinary profit		Net income attributable to shareholders of the parent	
	millions of yen	%	millions of yen	%	millions of yen	%
Fiscal year ended March 31, 2017	3,419,530	5.0	241,713	11.5	166,402	4.3
Fiscal year ended March 31, 2016	3,256,186	(0.8)	216,853	4.1	159,581	194.0

Note) Comprehensive income: Fiscal year ended March 31, 2017 226,949 million yen — %
Fiscal year ended March 31, 2016 (116,689) million yen — %

	Net income per share	Diluted net income per share	Return on equity	Ordinary profit to total assets	Ordinary profit to ordinary income
	yen	yen	%	%	%
Fiscal year ended March 31, 2017	419.15	418.71	9.7	2.2	7.1
Fiscal year ended March 31, 2016	394.21	393.66	9.2	2.1	6.7

Reference) Investment gains and losses on the equity method: Fiscal year ended March 31, 2017 398 million yen
Fiscal year ended March 31, 2016 270 million yen

(2) Consolidated Financial Conditions

	Total assets	Net assets	Equity ratio	Net assets per share
	millions of yen	millions of yen	%	yen
As of March 31, 2017	11,931,135	1,868,940	15.1	4,583.07
As of March 31, 2016	10,186,746	1,652,839	16.1	4,064.83

Reference) Equity capital: As of March 31, 2017 1,802,975 million yen
As of March 31, 2016 1,642,854 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the period
	millions of yen	millions of yen	millions of yen	millions of yen
Fiscal year ended March 31, 2017	362,920	(526,668)	363,835	773,466
Fiscal year ended March 31, 2016	266,432	(169,243)	(56,838)	576,791

2. Dividends

	Dividends per share					Total annual dividends	Dividend payout ratio (Consolidated)	Dividends on net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Annual			
	yen	yen	yen	yen	yen	millions of yen	%	%
Fiscal year ended March 31, 2016	—	40.00	—	40.00	80.00	32,332	20.3	1.9
Fiscal year ended March 31, 2017	—	40.00	—	50.00	90.00	35,459	21.5	2.1
Fiscal year ending March 31, 2018 (Forecast)	—	55.00	—	55.00	110.00		23.6	

3. Forecasts of Consolidated Financial Results for the fiscal year ending March 31, 2018 (April 1, 2017 to March 31, 2018)

Note) Percentages are changes from previous fiscal year.

	Ordinary profit		Net income attributable to shareholders of the parent		Net income per share
	millions of yen	%	millions of yen	%	yen
Full year	259,000	7.2	183,000	10.0	465.17

(Notes)

(1) Changes in significant subsidiaries during the fiscal year ended March 31, 2017 (changes in specified subsidiaries resulting in changes in the scope of consolidation): Yes

Increase: 5 (Company Name: Endurance Specialty Holdings Ltd., Endurance Specialty Insurance Ltd., Endurance U.S. Holdings Corporation, Endurance Worldwide Holdings Limited and Endurance Worldwide Insurance Limited)

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

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

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

③Changes in accounting estimations: None

④Retrospective restatements: None

Note) Please refer to "3. (6) Changes in Accounting Policies, Changes in Accounting Estimations, and Retrospective Restatements" on page 13 for details.

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

①Total shares outstanding including treasury stock:

As of March 31, 2017 415,352,294 shares

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

②Treasury stock:

As of March 31, 2017 21,953,718 shares

As of March 31, 2016 11,189,780 shares

③Average number of shares outstanding:

For the fiscal year ended March 31, 2017 396,995,036 shares

For the fiscal year ended March 31, 2016 404,804,925 shares

(Expression of implementation status of audit procedures)

This summary is not subject to audits.

(Notes for using forecasted information, etc.)

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

For assumptions underlying the forecasts of financial results and notes for using the forecasts of financial results, please refer to "1. (3) Outlook for the fiscal year ending March 31, 2018" on page 3.

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1. Overview of Results of Operations

(1) Overview of Results of Operations for the fiscal year ended March 31, 2017

During the fiscal year ended March 31, 2017, the global economy continued to gradually recover as a whole. Emerging countries such as China experienced a slowdown in the first half of the fiscal year, but started to trend upward in the second half. The Japanese economy remained on a moderate recovery path as a whole, supported by signs of a rebound in exports and production in the second half of the fiscal year, despite some signs of weakness in personal consumption amid ongoing improvement in employment and income levels.

Under these circumstances, the consolidated financial results of operations of Sompo Holdings Group ("SOMPO HOLDINGS") for the fiscal year ended March 31, 2017 were as follows:

Ordinary income increased by 163.3 billion yen to 3,419.5 billion yen compared to the previous fiscal year, the components of which were underwriting income of 3,050.5 billion yen, investment income of 232.8 billion yen and other ordinary income of 136.1 billion yen. Meanwhile, ordinary expenses increased by 138.4 billion yen to 3,177.8 billion yen compared to the previous fiscal year, the components of which were underwriting expenses of 2,515.1 billion yen, investment expenses of 41.2 billion yen, operating, general and administrative expenses of 506.5 billion yen and other ordinary expenses of 114.9 billion yen.

As a result of the foregoing, Sompo Holdings, Inc. (the "Company") reported ordinary profit, calculated as ordinary income minus ordinary expenses, of 241.7 billion yen, an increase of 24.8 billion yen from the previous fiscal year. The Company posted net income attributable to shareholders of the parent, after extraordinary items, net of income taxes and deferred income taxes and others, of 166.4 billion yen, an increase of 6.8 billion yen from the previous fiscal year.

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

(a) Domestic P&C insurance business

In the domestic P&C insurance business, net premiums written amounted to 2,212.2 billion yen, a decrease of 47.3 billion yen from the previous fiscal year, due to decreased net premiums written in fire and other lines of insurance. The domestic P&C insurance business posted net income attributable to shareholders of the parent of 153.7 billion yen, an increase of 21.2 billion yen from the previous fiscal year. This increase was due mainly to increases in underwriting profit and gross investment margin from the previous fiscal year.

(b) Domestic life insurance business

In the domestic life insurance business, life insurance premiums written amounted to 317.3 billion yen, an increase of 23.6 billion yen from the previous fiscal year. The domestic life insurance business posted net income attributable to shareholders of the parent of 7.6 billion yen, a decrease of 3.2 billion yen from the previous fiscal year.

(c) Nursing care & healthcare business

Ordinary income increased by 107.7 billion yen to 119.1 billion yen compared to the previous fiscal year, as the profits and losses of a subsidiary that was newly included in the scope of consolidation in the previous fiscal year were included from the beginning of the fiscal year. Net loss attributable to shareholders of the parent decreased by 5.9 billion yen from the previous fiscal year to a net loss of 6.8 billion yen compared to the previous fiscal year.

(d) Overseas insurance business

In the overseas insurance business, net premiums written amounted to 338.1 billion yen, an increase of 45.5 billion yen from the previous fiscal year. The overseas insurance business posted net income attributable to shareholders of the parent of 12.8 billion yen, a decrease of 3.2 billion yen from the previous fiscal year.

(2) Overview of Financial Condition as of March 31, 2017

Total assets as of March 31, 2017 amounted to 11,931.1 billion yen on a consolidated basis, an increase of 1,744.3 billion yen from March 31, 2016, due mainly to the new consolidation of Endurance Specialty Holdings Ltd.

Cash flows for the fiscal year ended March 31, 2017 were as follows:

Cash flows from operating activities resulted in a net inflow of 362.9 billion yen, an increase of 96.4 billion yen from the previous fiscal year, due mainly to a decrease in net claims paid.

Cash flows from investing activities resulted in a net outflow of 526.6 billion yen, a decrease of 357.4 billion yen from the previous fiscal year, due mainly to payment for the acquisition of Endurance Specialty Holdings Ltd.

Cash flows from financing activities resulted in a net inflow of 363.8 billion yen, an increase of 420.6 billion yen from the previous fiscal year, due mainly to an increase in payables under securities lending transactions and proceeds from issuance of bonds.

As a result, cash and cash equivalents at the end of the period were 773.4 billion yen, an increase of 196.6 billion yen from the end of the previous fiscal year.

(3) Outlook for the fiscal year ending March 31, 2018

For the fiscal year ending March 31, 2018, the Company is forecasting consolidated ordinary profit of 259.0 billion yen and net income attributable to shareholders of the parent of 183.0 billion yen, based on the following assumptions:

- Assumptions for net premiums written are based on the Company's own projections based on extrapolation from past trends and other factors.
- The Company is forecasting 43.0 billion yen for net incurred losses (excluding household earthquake insurance) due to domestic natural disasters that occur in the fiscal year ending March 31, 2018, taking into account past trends and other factors.
- The Company assumes no major change in market interest rates, exchange rates and stock prices from their levels at March 31, 2017.

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

2. Basic Approach to Selection of Accounting Standard

SOMPO HOLDINGS is considering the adoption of International Financial Reporting Standards (IFRS). As part of this process, SOMPO HOLDINGS is implementing measures such as examining company guidelines and building infrastructure.

SOMPO HOLDINGS plans to determine the timing of adoption based on the trends surrounding new accounting standards for insurance contracts (IFRS 17) and other factors.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2016	As of March 31, 2017
Assets:		
Cash and deposits	550,571	814,217
Receivables under resale agreements	77,998	54,999
Monetary receivables bought	11,383	11,718
Money trusts	114,770	104,423
Securities	7,408,124	8,303,829
Loans	609,808	638,768
Tangible fixed assets:	404,675	402,480
Land	174,173	172,575
Buildings	134,110	132,909
Leased assets	66,595	63,632
Construction in progress	1,826	2,774
Other tangible fixed assets	27,969	30,589
Intangible fixed assets:	146,589	469,825
Software	8,308	11,943
Goodwill	113,976	279,386
Other intangible fixed assets	24,304	178,495
Other assets	858,938	1,119,434
Net defined benefit asset	719	756
Deferred tax assets	8,639	17,194
Allowance for possible credit losses	(5,474)	(6,512)
Total assets	10,186,746	11,931,135
Liabilities:		
Underwriting funds:	7,644,560	8,335,158
Reserve for outstanding losses and claims	1,244,361	1,674,277
Underwriting reserves	6,400,198	6,660,881
Corporate bonds	133,675	424,991
Other liabilities	501,276	978,343
Net defined benefit liability	124,124	134,263
Reserve for retirement benefits to directors	114	36
Reserve for bonus payments	27,575	35,253
Reserve for bonus payments to directors	180	306
Reserve for stocks payments	—	445
Reserves under the special laws:	62,487	74,200
Reserve for price fluctuation	62,487	74,200
Deferred tax liabilities	39,911	79,195
Total liabilities	8,533,906	10,062,195

(Millions of yen)

	As of March 31, 2016	As of March 31, 2017
Net assets:		
Shareholders' equity:		
Common stock	100,045	100,045
Capital surplus	411,086	408,382
Retained earnings	364,888	501,561
Treasury stock	(36,975)	(71,459)
Total shareholders' equity	839,045	938,529
Accumulated other comprehensive income:		
Unrealized gains and losses on securities available for sale	825,912	863,455
Deferred gains and losses on hedges	10,510	8,003
Foreign currency translation adjustments	(7,965)	22,663
Remeasurements of defined benefit plans	(24,648)	(29,676)
Total accumulated other comprehensive income	803,808	864,445
Stock acquisition rights	1,486	926
Non-controlling interests	8,498	65,038
Total net assets	1,652,839	1,868,940
Total liabilities and net assets	10,186,746	11,931,135

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

Consolidated Statement of Income

(Millions of yen)

	Fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)	Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)
Ordinary income:	3,256,186	3,419,530
Underwriting income:	3,021,030	3,050,550
Net premiums written	2,552,193	2,550,336
Deposits of premiums by policyholders	120,312	131,617
Interest and dividend income on deposits of premiums, etc.	45,897	41,823
Life insurance premiums written	297,696	323,860
Reversal of reserve for outstanding losses and claims	1,599	—
Other underwriting income	3,330	2,911
Investment income:	203,257	232,846
Interest and dividend income	163,248	173,563
Investment gains on money trusts	5,838	2,534
Investment gains on trading securities	3,195	5,574
Gains on sales of securities	64,804	81,973
Gains on redemption of securities	373	256
Gains on derivatives	4,385	—
Investment gains on special account	—	1,851
Other investment income	7,309	8,918
Transfer of interest and dividend income on deposits of premiums, etc.	(45,897)	(41,823)
Other ordinary income:	31,898	136,133
Investment gains on the equity method	270	398
Other ordinary income	31,628	135,734
Ordinary expenses:	3,039,332	3,177,817
Underwriting expenses:	2,526,649	2,515,138
Net claims paid	1,461,666	1,427,712
Loss adjustment expenses	134,363	136,599
Net commissions and brokerage fees	489,674	484,365
Maturity refunds to policyholders	244,766	226,431
Dividends to policyholders	79	87
Life insurance claims paid and other payments	80,216	82,779
Provision for reserve for outstanding losses and claims	—	31,018
Provision for underwriting reserves	108,087	118,856
Other underwriting expenses	7,793	7,285
Investment expenses:	28,212	41,213
Investment losses on money trusts	123	198
Losses on sales of securities	961	14,560
Impairment losses on securities	19,799	3,257
Losses on redemption of securities	90	192
Losses on derivatives	—	18,298
Investment losses on special account	822	—
Other investment expenses	6,414	4,705
Operating, general and administrative expenses	465,091	506,537
Other ordinary expenses:	19,379	114,927
Interest paid	5,707	9,657
Provision for allowance for possible credit losses	224	119
Losses on bad debt	24	120
Other ordinary expenses	13,422	105,029
Ordinary profit	216,853	241,713

(Millions of yen)

	Fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)	Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)
Extraordinary gains:	14,551	9,381
Gains on disposal of fixed assets	14,490	9,312
Other extraordinary gains	60	69
Extraordinary losses:	20,075	19,105
Losses on disposal of fixed assets	4,530	6,983
Impairment losses	—	387
Provision for reserves under the special laws:	8,933	11,713
Provision for reserve for price fluctuation	8,933	11,713
Losses on reduction of real estate	—	20
Other extraordinary losses	6,611	—
Net income before income taxes	211,330	231,989
Income taxes	16,989	58,171
Deferred income taxes	34,081	7,101
Total income taxes	51,071	65,272
Net income	160,258	166,716
Net income attributable to non-controlling interests	677	313
Net income attributable to shareholders of the parent	159,581	166,402

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)	Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)
Net income	160,258	166,716
Other comprehensive income:		
Unrealized gains and losses on securities available for sale	(222,958)	37,559
Deferred gains and losses on hedges	2,425	(2,507)
Foreign currency translation adjustments	(34,835)	30,176
Remeasurements of defined benefit plans	(21,379)	(5,026)
Share of other comprehensive income of affiliates accounted for under the equity method	(200)	30
Total other comprehensive income	(276,948)	60,232
Comprehensive income	(116,689)	226,949
(Comprehensive income attributable to)		
Comprehensive income attributable to shareholders of the parent	(116,059)	227,039
Comprehensive income attributable to non-controlling interests	(630)	(90)

(3) Consolidated Statement of Changes in Net Assets

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

(Millions of yen)

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

	Accumulated other comprehensive income					Stock acquisition rights	Non-controlling interests	Total net assets
	Unrealized gains and losses on securities available for sale	Deferred gains and losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the period	1,048,718	8,085	26,046	(3,235)	1,079,614	1,550	6,720	1,829,852
Cumulative effects of changes in accounting policies			(139)		(139)		1	(11,555)
Restated balance	1,048,718	8,085	25,906	(3,235)	1,079,474	1,550	6,721	1,818,297
Changes during the period:								
Dividends								(32,487)
Net income attributable to shareholders of the parent								159,581
Acquisition of treasury stock								(18,555)
Disposal of treasury stock								485
Changes in the scope of consolidation								(511)
Changes in interest of the parent related to transactions with non-controlling shareholders								(16)
Net changes in items other than shareholders' equity	(222,806)	2,425	(33,871)	(21,413)	(275,665)	(63)	1,777	(273,951)
Total changes during the period	(222,806)	2,425	(33,871)	(21,413)	(275,665)	(63)	1,777	(165,457)
Balance at the end of the period	825,912	10,510	(7,965)	(24,648)	803,808	1,486	8,498	1,652,839

Fiscal year ended March 31, 2017 (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

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)	Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)
Cash flows from operating activities:		
Net income before income taxes and non-controlling interests	211,330	231,989
Depreciation	20,780	25,603
Impairment losses	—	387
Amortization of goodwill	4,462	8,907
Increase (decrease) in reserve for outstanding losses and claims	7,053	21,218
Increase (decrease) in underwriting reserves	103,966	114,436
Increase (decrease) in allowance for possible credit losses	69	88
Increase (decrease) in net defined benefit liability	(2,766)	2,985
Increase (decrease) in reserve for retirement benefits to directors	5	(78)
Increase (decrease) in reserve for bonus payments	1,963	146
Increase (decrease) in reserve for bonus payments to directors	(36)	125
Increase (decrease) in reserve for stocks payments	—	445
Increase (decrease) in reserve for price fluctuation	8,933	11,713
Interest and dividend income	(163,248)	(173,563)
Losses (gains) on investment in securities	(44,326)	(64,217)
Interest expenses	5,707	9,657
Foreign exchange losses (gains)	(9,747)	(8,623)
Losses (gains) related to tangible fixed assets	(9,960)	(7,429)
Losses (gains) related to loans	9	1
Investment losses (gains) on the equity method	(270)	(398)
Decrease (increase) in other assets (other than investing and financing activities)	(21,815)	(15,360)
Increase (decrease) in other liabilities (other than investing and financing activities)	5,182	20,947
Others	4,450	34,503
Subtotal	121,746	213,486
Interest and dividend received	167,291	175,913
Interest paid	(4,988)	(8,250)
Income taxes paid	(17,616)	(18,228)
Cash flows from operating activities	266,432	362,920

(Millions of yen)

	Fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)	Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)
Cash flows from investing activities:		
Net decrease (increase) in deposits	(7,626)	(35,467)
Proceeds from sales and redemption of monetary receivables bought	2,866	3,410
Increase in money trusts	(17,690)	(16,737)
Decrease in money trusts	3,804	33,185
Purchase of securities	(1,064,410)	(1,345,927)
Proceeds from sales and redemption of securities	1,006,174	1,410,254
Loans made	(172,186)	(212,039)
Collection of loans	147,718	173,918
Others	1,009	44,975
Total of investment transactions	(100,339)	55,573
Total of operating activities and investment transactions as above	166,092	418,494
Acquisition of tangible fixed assets	(15,483)	(15,786)
Proceeds from sales of tangible fixed assets	25,350	12,302
Acquisition of stocks of subsidiaries resulting in changes in the scope of consolidation	(61,808)	(549,226)
Others	(16,962)	(29,531)
Cash flows from investing activities	(169,243)	(526,668)
Cash flows from financing activities:		
Proceeds from issuance of corporate bonds	—	200,000
Redemption of corporate bonds	(2,293)	(115)
Change in payables under securities lending transactions	—	250,063
Proceeds from sales of treasury stock	64	25
Acquisition of treasury stock	(18,555)	(35,230)
Dividends paid	(32,456)	(31,885)
Dividends paid to non-controlling shareholders	—	(72)
Acquisition of stocks of subsidiaries that do not result in changes in the scope of consolidation	(48)	(4,678)
Others	(3,549)	(14,271)
Cash flows from financing activities	(56,838)	363,835
Effect of exchange rate changes on cash and cash equivalents	(9,222)	(5,679)
Increase (decrease) in cash and cash equivalents	31,128	194,408
Cash and cash equivalents at the beginning of the period	545,192	576,791
Increase in cash and cash equivalents resulting from newly consolidated subsidiaries	470	—
Increase in cash and cash equivalents resulting from merger	—	2,266
Cash and cash equivalents at the end of the period	576,791	773,466

(5) Notes on Going-Concern Assumption

None.

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

(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.

(7) Additional Information

(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).

(8) Notes to the Consolidated Financial Statements

(Segment information)

[Segment information]

1. Summary of reportable segments

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

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

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

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

	Major companies
Reportable segments	
Domestic P&C insurance business	Sompo Japan Nipponkoa Insurance Inc. SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED Sonpo 24 Insurance Company Limited
Domestic life insurance business	Sompo Japan Nipponkoa Himawari Life Insurance, Inc.
Nursing care and healthcare business	Sompo Care Message Inc. (Note 1) Sompo Care Next Inc. Sompo Risk Management & Health Care Inc. (Note 2)
Overseas insurance business	Sompo America Insurance Company (Note 1) Endurance Specialty Holdings Ltd. (Note 3) Sompo Canopius AG Sompo Japan Sigorta Anonim Sirketi Sompo Seguros S. A. (Note 1)
Others	Sompo Holdings, Inc. (Insurance holding company) Sompo Japan Nipponkoa Asset Management Co., Ltd. Sompo Japan Nipponkoa DC Securities Inc.

Notes)

1. 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, and Yasuda Maritima Seguros S.A. changed its name to Sompo Seguros S.A. on July 1, 2016, respectively.
2. 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.

3. 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. Result of operations is not included in the segment information for the fiscal year ended March 31, 2017.

(Changes in reportable segments)

As for the fiscal year ended March 31, 2017, reportable segments has been changed from three business lines, which include "Domestic P&C insurance business," "Domestic life insurance business" and "Overseas insurance business" to four business lines, which include "Domestic P&C insurance business," "Domestic life insurance business," "Nursing care and healthcare business" and "Overseas insurance business." Regarding this change, "Nursing care and healthcare business" which is included in "Others" enters into the nursing care business on a full scale and becomes an independent reportable segment, due to an increase in its materiality.
Segment information for the fiscal year ended March 31, 2016 is based on the business lines after the changes.

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

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

(Changes in the depreciation method)

As described in "(6) Changes in Accounting Policies, Changes in Accounting Estimations, and Retrospective Restatements," the Company 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 segment income and segment loss for the fiscal year ended March 31, 2017 was immaterial.

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

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

(Millions of yen)

	Reportable segments					Others (Note 2)	Total	Adjustments (Note 3)	Amount on the consolidated financial statements (Note 4)
	Domestic P&C insurance business	Domestic life insurance business	Nursing care and healthcare business	Overseas insurance business	Total				
Sales (Note 1):									
Sales from transactions with external customers	2,259,590	293,695	11,445	296,604	2,861,336	10,008	2,871,344	384,841	3,256,186
Sales from internal transactions or transfers among segments	—	—	—	—	—	6,792	6,792	(6,792)	—
Total	2,259,590	293,695	11,445	296,604	2,861,336	16,800	2,878,137	378,049	3,256,186
Segment income (loss)	132,496	10,874	(887)	16,046	158,530	1,050	159,581	—	159,581
Segment assets	6,647,546	2,439,535	198,609	880,626	10,166,317	20,428	10,186,746	—	10,186,746
Other items:									
Depreciation	16,757	472	1,081	2,365	20,677	103	20,780	—	20,780
Amortization of goodwill	121	609	375	3,356	4,462	—	4,462	—	4,462
Interest and dividend income	109,033	40,058	34	14,959	164,085	0	164,086	(838)	163,248
Interest paid	4,254	78	656	721	5,709	33	5,743	(36)	5,707
Investment gains (losses) on the equity method	65	—	—	204	270	—	270	—	270
Extraordinary gains (Note 5)	13,963	—	200	327	14,490	60	14,551	—	14,551
Extraordinary losses (Note 6)	18,926	898	222	21	20,069	5	20,075	—	20,075
Income tax expenses	40,676	5,728	30	3,917	50,352	718	51,071	—	51,071
Investment in affiliates accounted for under the equity method	1,149	—	—	1,335	2,484	—	2,484	—	2,484
Increase in tangible and intangible fixed assets	31,817	813	56,898	4,199	93,728	173	93,902	—	93,902

Notes)

1. Sales amounts represent the following:

Domestic P&C insurance business:	Net premiums written
Domestic life insurance business:	Life insurance premiums written
Overseas insurance business:	Net premiums written and life insurance premiums written
Nursing care and healthcare business:	Ordinary income
"Others" and amount on the consolidated financial statements:	Ordinary income

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

3. Adjustments of sales are as follows.

Ordinary income related to domestic P&C insurance business, domestic life insurance business and overseas insurance business excluding net premiums written and life insurance premiums written:	384,841	million yen
Elimination of internal transactions among segments:	(6,792)	million yen

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

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

6. Extraordinary losses for domestic P&C insurance business include 8,046 million yen of provision for reserve for price fluctuation, and

6,439 million yen of the special premium to be paid out in conjunction with Special Measures for Life Plan Support.

Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)

(Millions of yen)

	Reportable segments					Others (Note 2)	Total	Adjustments (Note 3)	Amount on the consolidated financial statements (Note 4)
	Domestic P&C insurance business	Domestic life insurance business	Nursing care and healthcare business	Overseas insurance business	Total				
Sales (Note 1):									
Sales from transactions with external customers	2,212,230	317,311	116,492	344,655	2,990,689	9,892	3,000,582	418,948	3,419,530
Sales from internal transactions or transfers among segments	—	—	2,663	—	2,663	8,665	11,328	(11,328)	—
Total	2,212,230	317,311	119,155	344,655	2,993,352	18,558	3,011,910	407,619	3,419,530
Segment income (loss)	153,774	7,642	(6,847)	12,833	167,403	(1,000)	166,402	—	166,402
Segment assets	6,568,019	2,590,322	189,066	2,559,729	11,907,137	23,997	11,931,135	—	11,931,135
Other items:									
Depreciation	15,936	471	5,583	3,467	25,460	142	25,603	—	25,603
Amortization of goodwill	154	609	4,807	3,336	8,907	—	8,907	—	8,907
Interest and dividend income	113,916	41,582	164	18,750	174,413	0	174,413	(850)	173,563
Interest paid	5,330	93	3,052	1,181	9,658	7	9,666	(8)	9,657
Investment gains (losses) on the equity method	177	—	—	220	398	—	398	—	398
Extraordinary gains (Note 5)	9,257	0	0	53	9,312	69	9,381	—	9,381
Extraordinary losses (Note 6)	17,546	1,172	224	148	19,092	12	19,105	—	19,105
Impairment losses	197	—	178	—	375	11	387	—	387
Income tax expenses	55,082	3,426	1,386	4,655	64,550	722	65,272	—	65,272
Investment in affiliates accounted for under the equity method	1,324	—	—	1,761	3,085	—	3,085	—	3,085
Increase in tangible and intangible fixed assets	47,389	498	2,813	132,315	183,017	324	183,342	—	183,342

Notes)

1. Sales amounts represent the following:

Domestic P&C insurance business:	Net premiums written
Domestic life insurance business:	Life insurance premiums written
Overseas insurance business:	Net premiums written and life insurance premiums written
Nursing care and healthcare business:	Ordinary income
"Others" and amount on the consolidated financial statements:	Ordinary income

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

3. Adjustments of sales are as follows.

Ordinary income related to domestic P&C insurance business, domestic life insurance business and overseas insurance business excluding net premiums written and life insurance premiums written:	418,948	million yen
Elimination of internal transactions among segments:	(11,328)	million yen

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

5. Extraordinary gains for domestic P&C insurance business include 9,257 million yen of gains on disposal of fixed assets.

6. Extraordinary losses for domestic P&C insurance business include 10,542 million yen of provision for reserve for price fluctuation, and 6,807 million yen of losses on disposal of fixed assets.

[Related information]

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

1. Information by products and services

(Millions of yen)

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

(Millions of yen)

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

2. Information by geographic area

(1) Sales

(Millions of yen)

Japan	Overseas	Total
2,464,473	396,863	2,861,336

Notes)

1. Sales represent amounts of net premiums written, life insurance premiums written and ordinary income of nursing care and healthcare business.
2. Geographic area is classified into "Japan" or "Overseas" in line with the classification used for management purpose mainly based on locations of customers.

(2) Tangible fixed assets

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

3. Information by major customers

None.

Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)

1. Information by products and services

(Millions of yen)

	Fire and allied insurance	Marine insurance	Personal accident insurance	Voluntary automobile insurance	Compulsory automobile liability insurance	Others	Total
Net premiums written	373,558	79,335	194,152	1,245,666	295,884	361,739	2,550,336

(Millions of yen)

	Individual Insurance	Individual annuities	Group insurance	Group annuities	Total
Life insurance premiums written	299,931	6,935	16,994	－	323,860

2. Information by geographic area

(1) Sales

(Millions of yen)

Japan	Overseas	Total
2,557,488	433,200	2,990,689

Notes)

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

(2) Tangible fixed assets

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

3. Information by major customers

None.

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

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

None.

Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)

(Millions of yen)

	Reportable segments					Others	Unallocated amounts and eliminations	Total
	Domestic P&C insurance business	Domestic life insurance business	Nursing care and healthcare business	Overseas insurance business	Total			
Impairment losses	197	—	178	—	375	11	—	387

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

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

(Millions of yen)

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

Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)

(Millions of yen)

	Reportable segments					Others	Unallocated amounts and eliminations	Total
	Domestic P&C insurance business	Domestic life insurance business	Nursing care and healthcare business	Overseas insurance business	Total			
Amortization for the fiscal year ended March 31, 2017	154	609	4,807	3,336	8,907	—	—	8,907
Balance as of March 31, 2017	389	2,436	50,405	226,154	279,386	—	—	279,386

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

None.

(Securities)

1. Trading Securities

(Millions of yen)

	As of March 31, 2016		As of March 31, 2017	
	Carrying amount	Unrealized gains and losses recognized in statement of income	Carrying amount	Unrealized gains and losses recognized in statement of income
Trading securities	270,966	(3,078)	630,798	2,501

Note)

As of March 31, 2016	As of March 31, 2017
——	Certificate of deposit classified as cash and deposits and commercial paper as monetary receivables bought in the consolidated balance sheet are included above.

2. Bonds held to maturity

(Millions of yen)

		As of March 31, 2016			As of March 31, 2017		
		Carrying amount	Fair value	Unrealized gains and losses	Carrying amount	Fair value	Unrealized gains and losses
Securities whose fair value exceeds their carrying amount	Domestic bonds	1,219,943	1,555,133	335,190	1,188,313	1,466,468	278,155
	Foreign securities	602	615	12	153	161	7
	Subtotal	1,220,545	1,555,749	335,203	1,188,467	1,466,629	278,162
Securities whose fair value does not exceed their carrying amount	Domestic bonds	—	—	—	15,371	14,569	(802)
	Foreign securities	2,933	2,876	(57)	1,916	1,883	(33)
	Subtotal	2,933	2,876	(57)	17,288	16,452	(836)
Total		1,223,479	1,558,625	335,145	1,205,755	1,483,082	277,326

3. Policy reserve matching bonds

(Millions of yen)

		As of March 31, 2016			As of March 31, 2017		
		Carrying amount	Fair value	Unrealized gains and losses	Carrying amount	Fair value	Unrealized gains and losses
Securities whose fair value exceeds their carrying amount	Domestic bonds	143,026	168,786	25,760	147,193	165,622	18,428
Securities whose fair value does not exceed their carrying amount	Domestic bonds	—	—	—	52,465	50,011	(2,453)
Total		143,026	168,786	25,760	199,659	215,634	15,974

4. Securities available for sale

(Millions of yen)

		As of March 31, 2016			As of March 31, 2017		
		Carrying amount	Cost	Unrealized gains and losses	Carrying amount	Cost	Unrealized gains and losses
Securities whose carrying amount exceeds their cost	Domestic bonds	2,414,908	2,172,318	242,589	1,969,971	1,777,125	192,845
	Domestic stocks	1,280,884	526,518	754,365	1,488,337	598,400	889,937
	Foreign securities	1,422,451	1,260,710	161,741	1,291,177	1,170,790	120,387
	Others	42,495	37,836	4,658	42,600	37,297	5,302
	Subtotal	5,160,739	3,997,384	1,163,354	4,792,087	3,583,614	1,208,472
Securities whose carrying amount does not exceed their cost	Domestic bonds	14,959	15,065	(105)	233,604	241,826	(8,221)
	Domestic stocks	132,327	143,118	(10,791)	31,779	33,991	(2,211)
	Foreign securities	370,898	387,410	(16,511)	1,136,603	1,153,412	(16,808)
	Others	42,584	42,925	(341)	21,307	21,427	(120)
	Subtotal	560,769	588,518	(27,749)	1,423,295	1,450,658	(27,363)
Total		5,721,508	4,585,903	1,135,604	6,215,382	5,034,273	1,181,109

Notes)

As of March 31, 2016	As of March 31, 2017
1. Securities available for sale which are considered extremely difficult to figure out their fair value are not included in the above table.	1. Same as on the left
2. Certificate of deposit classified as cash and deposits and beneficial interests in the loan trusts classified as monetary receivables bought in the consolidated balance sheet are included in “Others” above.	2. Certificate of deposit classified as cash and deposits and beneficial interests in the loan trusts, etc. classified as monetary receivables bought in the consolidated balance sheet are included in “Others” above.

5. Securities available for sale sold

(Millions of yen)

	Fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)			Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)		
	Proceeds from sales	Gains on sales	Losses on sales	Proceeds from sales	Gains on sales	Losses on sales
Domestic bonds	126,711	2,440	180	312,815	9,123	4,591
Domestic stocks	76,978	45,694	222	109,096	66,525	218
Foreign securities	207,002	14,914	542	342,135	5,356	9,727
Others	0	1,227	0	4,033	965	22
Total	410,692	64,276	945	768,080	81,971	14,560

6. Securities for which impairment losses are recognized

Fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)	Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)
For the fiscal year ended March 31, 2016, impairment losses on securities available for sale (excluding securities available for sale which are considered extremely difficult to figure out their fair value) amount to 19,532 million yen (domestic stocks: 15,326 million yen, foreign securities: 1,250 million yen, others: 2,954 million yen), and impairment losses on securities available for sale which are considered extremely difficult to figure out their fair value amount to 255 million yen (domestic stocks only). Basically, Sompo Holdings, Inc. and its domestic consolidated subsidiaries recognize impairment losses on securities if fair value at the end of the fiscal year declines by 30% or more from their cost.	For the fiscal year ended March 31, 2017, impairment losses on securities available for sale (excluding securities available for sale which are considered extremely difficult to figure out their fair value) amount to 744 million yen (domestic stocks: 527 million yen, foreign securities: 216 million yen), and impairment losses on securities available for sale which are considered extremely difficult to figure out their fair value amount to 351 million yen (domestic stocks: 9 million yen, foreign securities: 341 million yen). Basically, Sompo Holdings, Inc. and its domestic consolidated subsidiaries recognize impairment losses on securities if fair value at the end of the fiscal year declines by 30% or more from their cost.

(Per share information)

	Fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)	Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)
Net assets per share	4,064.83 yen	4,583.07 yen
Net income per share	394.21 yen	419.15 yen
Diluted net income per share	393.66 yen	418.71 yen

Notes)

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

(Millions of yen)

	Fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)	Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)
Net income per share		
Net income attributable to shareholders of the parent	159,581	166,402
Amount not attributable to common stockholders	—	—
Net income attributable to shareholders of the parent to common stocks	159,581	166,402
Average number of common stocks outstanding	404,804 thousand shares	396,995 thousand shares
Diluted net income per share		
Adjustment of net income attributable to shareholders of the parent	—	—
Increase of common stocks:	572 thousand shares	419 thousand shares
Stock acquisition rights	572 thousand shares	419 thousand shares

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

(Millions of yen)

	As of March 31, 2016	As of March 31, 2017
Total net assets	1,652,839	1,868,940
Amount to be deducted from total net assets:	9,985	65,964
Stock acquisition rights	1,486	926
Non-controlling interests	8,498	65,038
Net assets attributable to common stocks	1,642,854	1,802,975
Number of common stocks used for calculation of net assets per share	404,162 thousand shares	393,398 thousand shares

3. In the calculation of net income per share and diluted net income per share, the Company shares outstanding in “Board Benefit Trust (BBT)” which are recognized as treasury stock in shareholders’ equity are included in treasury stock deducted from the average number of shares outstanding. In addition, in the calculation of net assets per share, such shares are included in treasury stock deducted from the number of total shares outstanding.
   For the fiscal year ended March 31, 2017, the average number of the treasury stock deducted above mentioned is 458 thousand. As of March 31,2017, the number of the treasury stock deducted above mentioned is 612 thousand.

(Significant subsequent events)

1. 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

2. Acquisition of treasury stock

The Company passed a resolution setting out details of the Company's stock buybacks to be conducted in accord with Article 156 of the Companies Act applied pursuant to Article 165, paragraph 3, of that Act at the Company's Board of Directors meeting on May 19, 2017. Details of the resolution are as follows.

(1) Reason for stock buybacks

While maintaining financial soundness and improving capital efficiency by investing on growing fields, etc., the Company has a shareholder return policy of paying stable dividends, with the option of stock buybacks depending on capital conditions. Regarding medium-term management plan beginning in fiscal year ended March 31, 2017, the Company has set a medium-term target of the shareholder return (dividends and stock buybacks) for the total payout ratio of 50 percent of adjusted consolidated profit. In accordance with this policy, the Company will conduct stock buybacks as a part of the shareholder return for the financial results of fiscal year ended March 31, 2017.

(2) Details of stock buybacks

(a)	Class of shares	Common stock of the Company
(b)	Potential total number	18,733,333 shares (upper limit)
(c)	Total price	56,200,000,000 yen (upper limit)
(d)	Period	May 22, 2017 — November 16, 2017

4. Other

(1) Summary of Results of Operations (Consolidated)

(Millions of yen)

	Fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)	Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)	Increase (Decrease)	Rate of change
				%
Ordinary income and expenses:				
Underwriting income:	3,021,030	3,050,550	29,519	1.0
Net premiums written	2,552,193	2,550,336	(1,857)	(0.1)
Deposits of premiums by policyholders	120,312	131,617	11,304	9.4
Life insurance premiums written	297,696	323,860	26,164	8.8
Reversal of reserve for outstanding losses and claims	1,599	—	(1,599)	(100.0)
Underwriting expenses:	2,526,649	2,515,138	(11,510)	(0.5)
Net claims paid	1,461,666	1,427,712	(33,953)	(2.3)
Loss adjustment expenses	134,363	136,599	2,236	1.7
Net commissions and brokerage fees	489,674	484,365	(5,308)	(1.1)
Maturity refunds to policyholders	244,766	226,431	(18,335)	(7.5)
Life insurance claims paid and other payments	80,216	82,779	2,562	3.2
Provision for reserve for outstanding losses and claims	—	31,018	31,018	—
Provision for underwriting reserves	108,087	118,856	10,769	10.0
Investment income:	203,257	232,846	29,589	14.6
Interest and dividend income	163,248	173,563	10,315	6.3
Gains on sales of securities	64,804	81,973	17,168	26.5
Investment expenses:	28,212	41,213	13,001	46.1
Losses on sales of securities	961	14,560	13,599	1,414.2
Impairment losses on securities	19,799	3,257	(16,541)	(83.5)
Operating, general and administrative expenses	465,091	506,537	41,446	8.9
Other ordinary income and expenses:	12,518	21,206	8,687	69.4
Investment gains on the equity method	270	398	128	47.4
Ordinary profit	216,853	241,713	24,859	11.5
Extraordinary gains and losses:				
Extraordinary gains	14,551	9,381	(5,170)	(35.5)
Extraordinary losses	20,075	19,105	(969)	(4.8)
Extraordinary gains and losses	(5,523)	(9,724)	(4,200)	—
Net income before income taxes	211,330	231,989	20,659	9.8
Income taxes	16,989	58,171	41,181	242.4
Deferred income taxes	34,081	7,101	(26,980)	(79.2)
Total income taxes	51,071	65,272	14,201	27.8
Net income	160,258	166,716	6,457	4.0
Net income attributable to non-controlling interests	677	313	(364)	(53.7)
Net income attributable to shareholders of the parent	159,581	166,402	6,821	4.3

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

Direct premiums written (including deposits of premiums by policyholders)

(Millions of yen)

Business line	Fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)			Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
		%	%		%	%
Fire and allied insurance	495,770	17.6	2.2	478,351	16.7	(3.5)
Marine insurance	89,383	3.2	0.4	88,710	3.1	(0.8)
Personal accident insurance	285,927	10.2	(5.5)	298,883	10.4	4.5
Voluntary automobile insurance	1,199,227	42.7	1.8	1,251,748	43.6	4.4
Compulsory automobile liability insurance	316,107	11.3	(2.5)	318,407	11.1	0.7
Others	423,147	15.1	2.3	436,772	15.2	3.2
Total	2,809,564	100.0	0.6	2,872,874	100.0	2.3
Deposits of premiums by policyholders	120,312	4.3	(16.6)	131,617	4.6	9.4

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

Net premiums written

(Millions of yen)

Business line	Fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)			Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
		%	%		%	%
Fire and allied insurance	407,817	16.0	2.9	373,558	14.6	(8.4)
Marine insurance	85,905	3.4	3.4	79,335	3.1	(7.6)
Personal accident insurance	194,287	7.6	(0.5)	194,152	7.6	(0.1)
Voluntary automobile insurance	1,197,795	46.9	1.7	1,245,666	48.8	4.0
Compulsory automobile liability insurance	307,233	12.0	0.4	295,884	11.6	(3.7)
Others	359,154	14.1	2.8	361,739	14.2	0.7
Total	2,552,193	100.0	1.8	2,550,336	100.0	(0.1)

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

Net claims paid

(Millions of yen)

Business line	Fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)			Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
		%	%		%	%
Fire and allied insurance	251,172	17.2	(7.6)	229,211	16.1	(8.7)
Marine insurance	48,401	3.3	3.3	41,321	2.9	(14.6)
Personal accident insurance	105,649	7.2	(9.5)	99,533	7.0	(5.8)
Voluntary automobile insurance	639,232	43.7	(4.8)	644,783	45.2	0.9
Compulsory automobile liability insurance	226,799	15.5	0.2	224,462	15.7	(1.0)
Others	190,410	13.0	(3.8)	188,400	13.2	(1.1)
Total	1,461,666	100.0	(4.5)	1,427,712	100.0	(2.3)

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