SOMPO HOLDINGS

UNOFFICIAL TRANSLATION

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Summary of Consolidated Financial Results for the fiscal year ended March 31, 2017

Supplementary Information

May 19, 2017

Sompo Holdings, Inc.

（ Securities Code : 8630 ）

Summary of Consolidated Financial Results for the fiscal year ended March 31, 2017

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1. Overview of Consolidated Financial Results for the fiscal year ended March 31, 2017

Sompo Holdings, Inc.

Overview of Consolidated Financial Results for the fiscal year ended March 31, 2017

(Yen in hundred millions, %)

		Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017	Increase (Decrease)	Rate of change
Ordinary income:	①	32,561	34,195	1,633	5.0
Net premiums written:	②	25,521	25,503	(18)	(0.1)
Sompo Japan Nipponkoa Insurance Inc.	③	22,184	21,656	(527)	(2.4)
Overseas consolidated subsidiaries	④	2,926	3,381	455	15.6
Others	⑤	411	465	53	13.0
Life insurance premiums written	⑥	2,976	3,238	261	8.8
Ordinary profit:	⑦	2,168	2,417	248	11.5
Sompo Japan Nipponkoa Insurance Inc.	⑧	1,780	2,304	523	29.4
Net income attributable to shareholders of the parent:	⑨	1,595	1,664	68	4.3
Sompo Japan Nipponkoa Insurance Inc.	⑩	1,262	1,644	381	30.2
Sompo Japan Nipponkoa Himawari Life Insurance, Inc.	⑪	116	83	(32)	(28.4)
Overseas consolidated subsidiaries	⑫	205	195	(9)	(4.8)
Nursing care and healthcare consolidated subsidiaries	⑬	(5)	(23)	(18)	—
Others and consolidation adjustment, etc.	⑭	16	(234)	(251)	—

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

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)

Overview of Financial Results for the fiscal year ended March 31, 2017

Summary of Results of Operations

(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 and expenses:					
Direct premiums written (including deposits of premiums by policyholders)	①	2,446,833	2,448,355	1,521	0.1 %
Direct premiums written	②	2,326,616	2,316,780	(9,835)	(0.4)
(+) Net premiums written	③	2,218,425	2,165,694	(52,731)	(2.4)
(−) Net claims paid	④	1,287,493	1,242,843	(44,649)	(3.5)
(−) Loss adjustment expenses	⑤	125,400	125,894	494	0.4
(−) Net commissions and brokerage fees	⑥	398,265	385,963	(12,301)	(3.1)
(+) Deposits of premiums by policyholders	⑦	120,217	131,574	11,357	9.4
(+) Interest and dividend income on deposits of premiums, etc.	⑧	45,841	41,780	(4,061)	(8.9)
(−) Maturity refunds and dividends to policyholders	⑨	244,383	226,210	(18,172)	(7.4)
(−) Provision for (reversal of) reserve for outstanding losses and claims	⑩	(9,860)	(213)	9,646	—
(−) Provision for (reversal of) underwriting reserves	⑪	(47,094)	(64,905)	(17,810)	—
(+) Other underwriting income and expenses	⑫	(4,594)	(3,947)	646	—
Gross underwriting margin	⑬	381,302	419,307	38,005	10.0
Operating, general and administrative expenses related to underwriting	⑭	302,494	306,724	4,229	1.4
Other income and expenses	⑮	(524)	(108)	415	—
Underwriting profit	⑯	78,284	112,474	34,190	43.7
Investment income and expenses:					
(+) Interest and dividend income	⑰	109,938	114,898	4,960	4.5
(+) Investment gains and losses on money trusts	⑱	5,673	2,318	(3,354)	(59.1)
(+) Gains and losses on sales of securities	⑲	60,584	71,085	10,500	17.3
(−) Impairment losses on securities	⑳	28,784	1,607	(27,177)	(94.4)
(+) Transfer of interest and dividend income on deposits of premiums, etc.	㉑	(45,841)	(41,780)	4,061	—
(+) Gains and losses on derivatives	㉒	5,649	(16,218)	(21,867)	(387.1)
(+) Other investment income and expenses	㉓	1,296	3,679	2,382	183.8
Gross investment margin	㉔	108,514	132,374	23,859	22.0
(−) Operating, general and administrative expenses	㉕	315,188	322,505	7,316	2.3
(+) Other ordinary income and expenses	㉖	3,457	1,298	(2,159)	(62.5)
Ordinary profit	㉗	178,086	230,474	52,388	29.4
Extraordinary gains and losses:					
(+) Extraordinary gains	㉘	12,640	9,257	(3,382)	(26.8)
(−) Extraordinary losses	㉙	19,093	17,538	(1,555)	(8.1)
Extraordinary gains and losses	㉚	(6,452)	(8,280)	(1,827)	—
Net income before income taxes	㉛	171,633	222,194	50,560	29.5
(−) Income taxes	㉜	6,614	45,842	39,228	593.1
(−) Deferred income taxes	㉝	38,729	11,949	(26,779)	(69.1)
Total income taxes	㉞	45,343	57,792	12,448	27.5
Net income	㉟	126,289	164,401	38,111	30.2

		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
Underwriting result:					
(+) Net premiums written	㊱	2,218,425	2,165,694	(52,731)	(2.4)
(−) Net claims paid	㊲	1,287,493	1,242,843	(44,649)	(3.5)
(−) Loss adjustment expenses	㊳	125,400	125,894	494	0.4
(−) Net operating expenses:	㊴	700,759	692,688	(8,071)	(1.2)
Net commissions and brokerage fees	㊵	398,265	385,963	(12,301)	(3.1)
Operating, general and administrative expenses related to underwriting	㊶	302,494	306,724	4,229	1.4
Underwriting result	㊷	104,771	104,267	(504)	(0.5)
Ratios:					
Net loss ratio (%)	㊸	63.7	63.2	(0.5)	
Net operating expenses ratio (%)	㊹	31.6	32.0	0.4	
Combined ratio (%)	㊺	95.3	95.2	(0.1)	
Return on investments (income base) (%)	㊻	2.13	2.20	0.07	
Return on investments (realized base) (%)	㊼	2.94	3.28	0.34	

Reference) Total return based on the fair value: Fiscal year ended March 31, 2016 (2.90) %
Fiscal year ended March 31, 2017 3.74 %

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)

Premiums Written and Claims Paid by Business Lines

Direct premiums written (excluding deposits of premiums by policyholders)

(Millions of yen)

Business line	Fiscal year ended March 31, 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	374,928	16.1	5.9	346,691	15.0	(7.5)
Marine insurance	51,072	2.2	(1.6)	45,224	2.0	(11.5)
Personal accident insurance	185,288	8.0	0.6	184,522	8.0	(0.4)
Voluntary automobile insurance	1,070,807	46.0	2.7	1,078,816	46.6	0.7
Compulsory automobile liability insurance	316,107	13.6	(2.5)	318,407	13.7	0.7
Others	328,411	14.1	2.6	343,118	14.8	4.5
Total	2,326,616	100.0	2.2	2,316,780	100.0	(0.4)
Deposits of premiums by policyholders	120,217	——	(16.5)	131,574	——	9.4

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	330,603	14.9	2.3	285,388	13.2	(13.7)
Marine insurance	51,203	2.3	(2.6)	43,985	2.0	(14.1)
Personal accident insurance	184,231	8.3	(0.6)	181,798	8.4	(1.3)
Voluntary automobile insurance	1,070,169	48.2	2.5	1,077,749	49.8	0.7
Compulsory automobile liability insurance	306,580	13.8	0.5	295,208	13.6	(3.7)
Others	275,636	12.4	1.6	281,564	13.0	2.2
Total	2,218,425	100.0	1.7	2,165,694	100.0	(2.4)

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	Rate of change	Net loss ratio	Amount	Rate of change	Net loss ratio
		%	%		%	%
Fire and allied insurance	218,518	(2.5)	67.5	187,049	(14.4)	67.3
Marine insurance	32,733	13.8	67.1	27,345	(16.5)	65.3
Personal accident insurance	100,507	(1.3)	58.1	95,014	(5.5)	56.5
Voluntary automobile insurance	567,681	(2.3)	60.7	565,421	(0.4)	60.1
Compulsory automobile liability insurance	226,127	0.2	80.3	223,807	(1.0)	82.6
Others	141,925	(1.3)	55.1	144,205	1.6	54.7
Total	1,287,493	(1.4)	63.7	1,242,843	(3.5)	63.2

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)

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

(Millions of yen)

	Fiscal year ended March 31, 2016			Fiscal year ended March 31, 2017		
	Net claims paid	Reserve for outstanding losses and claims	Net incurred loss	Net claims paid	Reserve for outstanding losses and claims	Net incurred loss
Fire and allied insurance	69,461	7,406	76,868	39,366	10,129	49,495
Voluntary automobile insurance	5,310	54	5,365	3,251	55	3,306
Other than the above	1,757	288	2,045	2,098	939	3,038
Total	76,529	7,749	84,279	44,717	11,123	55,840

Notes)

1. Net incurred loss = Net claims paid + Reserve for outstanding losses and claims
   Reserve for outstanding losses and claims represents amounts deducting reinsurance recoverable on unpaid loss from reserve for outstanding losses and claims of direct insurance and assumed reinsurance.
2. Amounts caused by earthquake insurance are not included.

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

(Millions of yen)

	Fiscal year ended March 31, 2016			Fiscal year ended March 31, 2017		
	Amount	Increase (Decrease)	Rate of change	Amount	Increase (Decrease)	Rate of change
			%			%
Personnel expenses	236,786	(2,951)	(1.2)	233,810	(2,975)	(1.3)
Non-personnel expenses	184,890	4,599	2.6	196,152	11,261	6.1
Others (taxes and contributions)	18,912	37	0.2	18,437	(474)	(2.5)
Total	440,589	1,685	0.4	448,400	7,811	1.8

Reserve for Outstanding Losses and Claims

(Millions of yen)

	Fiscal year ended March 31, 2016		Fiscal year ended March 31, 2017	
	Balance	Change	Balance	Change
Fire and allied insurance	124,016	(2,535)	124,961	944
Marine insurance	30,098	1,635	25,860	(4,238)
Personal accident insurance	68,549	(1,169)	66,287	(2,261)
Voluntary automobile insurance	405,460	(7,542)	410,094	4,633
Compulsory automobile liability insurance	89,040	(794)	84,765	(4,275)
Others	195,809	545	200,792	4,983
Total	912,975	(9,860)	912,762	(213)

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

Ordinary Underwriting Reserves

(Millions of yen)

	Fiscal year ended March 31, 2016		Fiscal year ended March 31, 2017	
	Balance	Change	Balance	Change
Fire and allied insurance	777,409	17,399	747,137	(30,271)
Marine insurance	19,270	1,860	19,055	(214)
Personal accident insurance	122,033	1,155	123,434	1,401
Voluntary automobile insurance	307,939	5,066	310,704	2,765
Compulsory automobile liability insurance	415,432	11,615	419,107	3,674
Others	308,465	11,008	315,030	6,565
Total	1,950,550	48,105	1,934,471	(16,079)

Note) This table excludes reserve for maturity refunds and reserve for dividends to policyholders of savings-type insurance and includes underwriting reserves of earthquake insurance and compulsory automobile liability insurance.

Catastrophic Loss Reserve

(Millions of yen)

	Fiscal year ended March 31, 2016				Fiscal year ended March 31, 2017			
	Reversal	Provision	Balance	Balance ratio	Reversal	Provision	Balance	Balance ratio
				%				%
Fire and allied insurance	52,150	45,945	177,653	53.9	40,863	38,527	175,317	61.6
Marine insurance	5,623	2,633	46,995	91.8	810	1,926	48,111	109.4
Personal accident insurance	9,941	5,825	70,636	38.3	5,582	5,747	70,801	38.9
Voluntary automobile insurance	35,884	34,340	63,359	5.9	29,036	34,582	68,906	6.4
Others	1,755	14,105	189,701	68.8	3,170	14,558	201,088	71.4
Total	105,355	102,850	548,346	28.7	79,463	95,342	564,224	30.2

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

2. Forecasts for the fiscal year ending March 31, 2018 (April 1, 2017 to March 31, 2018)

Sompo Holdings, Inc. (Consolidated)

(Yen in hundred millions, %)

	Fiscal year ended March 31, 2017 Result	Fiscal year ending March 31, 2018 Forecast	Increase (Decrease)	Rate of change
Net premiums written	25,503	29,080	3,576	14.0
Life insurance premiums written	3,238	3,390	151	4.7
Ordinary profit	2,417	2,590	172	7.2
Net income attributable to shareholders of the parent:	1,664	1,830	165	10.0
Sompo Japan Nipponkoa Insurance Inc.	1,644	1,570	(74)	(4.5)
Sompo Japan Nipponkoa Himawari Life Insurance, Inc.	83	60	(23)	(27.9)
Overseas consolidated subsidiaries	195	505	310	158.8
Nursing care and healthcare consolidated subsidiaries	(23)	22	46	—
Others and consolidation adjustment, etc.	(234)	(327)	(93)	—
Dividends per share (annual)	90 yen	110 yen	20 yen	——

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

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)

(Yen in hundred millions, %)

	Fiscal year ended March 31, 2017 Result	Fiscal year ending March 31, 2018 Forecast	Increase (Decrease)	Rate of change
Net premiums written	21,656	22,054	398	1.8
(Excluding earthquake insurance and compulsory automobile liability insurance)	18,695	19,179	483	2.6
Net loss ratio	63.2	63.1	(0.1)	——
(Excluding earthquake insurance and compulsory automobile liability insurance)	59.8	59.9	0.1	——
Net operating expenses ratio	32.0	31.7	(0.2)	——
(Excluding earthquake insurance and compulsory automobile liability insurance)	33.7	33.2	(0.5)	——
Combined ratio	95.2	94.8	(0.3)	——
(Excluding earthquake insurance and compulsory automobile liability insurance)	93.5	93.1	(0.4)	——
Underwriting profit	1,124	1,158	33	3.0
Gross investment margin	1,323	1,286	(37)	(2.8)
Ordinary profit	2,304	2,270	(34)	(1.5)
Net income	1,644	1,570	(74)	(4.5)

3. Overview of Business Results of Principal Consolidated Subsidiaries

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)

Balance Sheet

(Millions of yen)

	As of March 31, 2016	As of March 31, 2017	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits:	319,616	369,971	50,354
Cash	4	6	2
Deposits	319,612	369,964	50,351
Receivables under resale agreements	77,998	54,999	(22,999)
Monetary receivables bought	11,383	7,624	(3,759)
Money trusts	114,639	104,292	(10,347)
Securities:	4,920,555	5,519,966	599,411
Government bonds	1,164,346	913,716	(250,630)
Municipal bonds	8,242	6,868	(1,374)
Corporate bonds	533,961	569,275	35,314
Domestic stocks	1,489,572	1,600,377	110,804
Foreign securities	1,679,044	2,379,894	700,850
Other securities	45,387	49,834	4,446
Loans:	679,023	626,474	(52,548)
Policy loans	9,382	8,647	(735)
Ordinary loans	669,640	617,827	(51,812)
Tangible fixed assets:	294,882	289,844	(5,037)
Land	144,924	143,299	(1,624)
Buildings	120,408	116,496	(3,911)
Leased assets	3,258	3,106	(151)
Construction in progress	1,757	2,751	994
Other tangible fixed assets	24,532	24,189	(343)
Intangible fixed assets:	17,147	37,608	20,460
Other intangible fixed assets	17,147	37,608	20,460
Other assets:	611,468	568,415	(43,052)
Premiums receivable	2,950	2,465	(485)
Agency accounts receivable	169,945	171,724	1,779
Foreign agency accounts receivable	47,736	44,512	(3,223)
Coinsurance accounts receivable	14,019	10,291	(3,727)
Reinsurance accounts receivable	102,467	97,410	(5,056)
Foreign reinsurance accounts receivable	73,631	81,609	7,977
Proxy service receivable	627	688	61
Accounts receivable	28,944	32,137	3,193
Accrued income	10,694	10,547	(147)
Advance deposits	16,590	15,700	(890)
Earthquake insurance deposits	13,577	6,930	(6,647)
Suspense payments	76,012	70,466	(5,546)
Deposits paid for future transactions	12,794	7,415	(5,378)
Derivative liabilities	41,473	16,512	(24,961)
Other assets	1	1	—
Prepaid pension cost	889	884	(4)
Allowance for possible credit losses	(3,363)	(3,493)	(129)
Allowance for possible investment losses	(8,018)	(7,808)	210
Total assets	7,036,222	7,568,779	532,557

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)

Balance Sheet

(Millions of yen)

	As of March 31, 2016	As of March 31, 2017	Increase (Decrease)
	Amount	Amount	
Liabilities:			
Underwriting funds:	4,926,703	4,861,584	(65,118)
Reserve for outstanding losses and claims	912,975	912,762	(213)
Underwriting reserves	4,013,727	3,948,822	(64,905)
Corporate bonds	133,560	333,560	200,000
Other liabilities:	454,688	680,506	225,818
Coinsurance accounts payable	4,828	5,370	542
Reinsurance accounts payable	87,069	93,204	6,134
Foreign reinsurance accounts payable	32,896	35,631	2,735
Payables under securities lending transactions	—	250,063	250,063
Borrowings	4,652	444	(4,207)
Income taxes payable	6,656	43,472	36,816
Deposits received	4,525	3,574	(950)
Unearned income	391	376	(14)
Accounts payable	216,471	144,356	(72,115)
Suspense receipts	90,253	87,742	(2,511)
Derivative liabilities	1,747	663	(1,083)
Cash collateral received for financial instruments	—	10,790	10,790
Lease obligations	3,124	2,693	(430)
Asset retirement obligations	2,070	2,120	49
Reserve for retirement benefits	85,748	88,172	2,423
Reserve for bonus payments	18,092	18,375	283
Reserve for bonus payments to directors	88	135	46
Reserves under the special laws:	58,169	68,706	10,536
Reserve for price fluctuation	58,169	68,706	10,536
Deferred tax liabilities	34,289	62,461	28,171
Total liabilities	5,711,340	6,113,502	402,161
Net assets:			
Shareholders' equity:			
Common stock	70,000	70,000	—
Capital surplus:	93,878	70,000	(23,878)
Capital reserves	70,000	70,000	—
Other capital surplus	23,878	—	(23,878)
Retained earnings:	293,184	395,486	102,301
Other retained earnings:	293,184	395,486	102,301
Reserve for advanced depreciation	4,308	4,178	(129)
General reserve	83,300	83,300	—
Retained earnings carried forward	205,576	308,007	102,431
Total shareholders' equity	457,062	535,486	78,423
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	857,308	911,787	54,479
Deferred gains and losses on hedges	10,510	8,003	(2,507)
Total valuation and translation adjustments	867,818	919,790	51,971
Total net assets	1,324,881	1,455,276	130,395
Total liabilities and net assets	7,036,222	7,568,779	532,557

Sompo Japan Nipponkoa Insurance Inc. (Non-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)	Increase (Decrease)	Rate of change
	Amount	Amount		
				%
Ordinary income:	2,599,820	2,585,968	(13,852)	(0.5)
Underwriting income:	2,442,914	2,405,516	(37,397)	(1.5)
Net premiums written	2,218,425	2,165,694	(52,731)	(2.4)
Deposits of premiums by policyholders	120,217	131,574	11,357	9.4
Interest and dividend income on deposits of premiums, etc.	45,841	41,780	(4,061)	(8.9)
Reversal of reserve for outstanding losses and claims	9,860	213	(9,646)	(97.8)
Reversal of underwriting reserves	47,094	64,905	17,810	37.8
Other underwriting income	1,475	1,348	(126)	(8.6)
Investment income:	145,570	168,291	22,720	15.6
Interest and dividend income	109,938	114,898	4,960	4.5
Investment gains on money trusts	5,830	2,516	(3,313)	(56.8)
Investment gains on trading securities	3	—	(3)	(100.0)
Gains on sales of securities	62,279	84,070	21,790	35.0
Gains on redemption of securities	334	45	(288)	(86.3)
Gains on derivatives	5,649	—	(5,649)	(100.0)
Foreign exchange gains	5,500	7,547	2,046	37.2
Other investment income	1,877	993	(884)	(47.1)
Transfer of interest and dividend income on deposits of premiums, etc.	(45,841)	(41,780)	4,061	—
Other ordinary income	11,335	12,160	824	7.3
Ordinary expenses:	2,421,734	2,355,493	(66,240)	(2.7)
Underwriting expenses:	2,061,611	1,986,208	(75,402)	(3.7)
Net claims paid	1,287,493	1,242,843	(44,649)	(3.5)
Loss adjustment expenses	125,400	125,894	494	0.4
Net commissions and brokerage fees	398,265	385,963	(12,301)	(3.1)
Maturity refunds to policyholders	244,303	226,123	(18,180)	(7.4)
Dividends to policyholders	79	87	7	10.0
Foreign exchange losses	3,116	2,627	(489)	(15.7)
Other underwriting expenses	2,952	2,668	(283)	(9.6)
Investment expenses:	37,056	35,917	(1,138)	(3.1)
Investment losses on money trusts	156	198	41	26.4
Investment losses on trading securities	—	1	1	—
Losses on sales of securities	1,694	12,984	11,290	666.3
Impairment losses on securities	28,784	1,607	(27,177)	(94.4)
Losses on redemption of securities	90	315	225	250.1
Losses on derivatives	—	16,218	16,218	—
Other investment expenses	6,329	4,590	(1,738)	(27.5)
Operating, general and administrative expenses	315,188	322,505	7,316	2.3
Other ordinary expenses:	7,877	10,862	2,984	37.9
Interest paid	4,968	6,496	1,528	30.8
Provision for allowance for possible credit losses	—	151	151	—
Losses on bad debt	19	80	61	318.1
Other ordinary expenses	2,890	4,133	1,243	43.0
Ordinary profit	178,086	230,474	52,388	29.4

Sompo Japan Nipponkoa Insurance Inc. (Non-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)	Increase (Decrease)	Rate of change
	Amount	Amount		
Extraordinary gains:	12,640	9,257	(3,382)	(26.8)
Gains on disposal of fixed assets	12,640	9,257	(3,382)	(26.8)
Extraordinary losses:	19,093	17,538	(1,555)	(8.1)
Losses on disposal of fixed assets	4,618	6,803	2,185	47.3
Impairment losses	—	197	197	—
Provision for reserves under the special laws:	8,035	10,536	2,501	31.1
Provision for reserve for price fluctuation	8,035	10,536	2,501	31.1
Other extraordinary losses	6,439	—	(6,439)	(100.0)
Net income before income taxes	171,633	222,194	50,560	29.5
Income taxes	6,614	45,842	39,228	593.1
Deferred income taxes	38,729	11,949	(26,779)	(69.1)
Total income taxes	45,343	57,792	12,448	27.5
Net income	126,289	164,401	38,111	30.2

Underwriting result:					
Net premiums written	(+)	2,218,425	2,165,694	(52,731)	(2.4)
Net claims paid	(−)	1,287,493	1,242,843	(44,649)	(3.5)
Loss adjustment expenses	(−)	125,400	125,894	494	0.4
Net operating expenses:	(−)	700,759	692,688	(8,071)	(1.2)
Net commissions and brokerage fees		398,265	385,963	(12,301)	(3.1)
Operating, general and administrative expenses related to underwriting		302,494	306,724	4,229	1.4
Underwriting result		104,771	104,267	(504)	(0.5)
Underwriting profit		78,284	112,474	34,190	43.7
Ratios:					
Net loss ratio	(%)	63.7	63.2	(0.5)	
Net operating expenses ratio	(%)	31.6	32.0	0.4	
Combined ratio	(%)	95.3	95.2	(0.1)	

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)

Premiums Written and Claims Paid by Business Lines

Direct premiums written (excluding deposits of premiums by policyholders)

(Millions of yen)

Business line	Fiscal year ended March 31, 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	374,928	16.1	5.9	346,691	15.0	(7.5)
Marine insurance	51,072	2.2	(1.6)	45,224	2.0	(11.5)
Personal accident insurance	185,288	8.0	0.6	184,522	8.0	(0.4)
Voluntary automobile insurance	1,070,807	46.0	2.7	1,078,816	46.6	0.7
Compulsory automobile liability insurance	316,107	13.6	(2.5)	318,407	13.7	0.7
Others	328,411	14.1	2.6	343,118	14.8	4.5
Total	2,326,616	100.0	2.2	2,316,780	100.0	(0.4)
Deposits of premiums by policyholders	120,217	——	(16.5)	131,574	——	9.4

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	330,603	14.9	2.3	285,388	13.2	(13.7)
Marine insurance	51,203	2.3	(2.6)	43,985	2.0	(14.1)
Personal accident insurance	184,231	8.3	(0.6)	181,798	8.4	(1.3)
Voluntary automobile insurance	1,070,169	48.2	2.5	1,077,749	49.8	0.7
Compulsory automobile liability insurance	306,580	13.8	0.5	295,208	13.6	(3.7)
Others	275,636	12.4	1.6	281,564	13.0	2.2
Total	2,218,425	100.0	1.7	2,165,694	100.0	(2.4)

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	Rate of change	Net loss ratio	Amount	Rate of change	Net loss ratio
		%	%		%	%
Fire and allied insurance	218,518	(2.5)	67.5	187,049	(14.4)	67.3
Marine insurance	32,733	13.8	67.1	27,345	(16.5)	65.3
Personal accident insurance	100,507	(1.3)	58.1	95,014	(5.5)	56.5
Voluntary automobile insurance	567,681	(2.3)	60.7	565,421	(0.4)	60.1
Compulsory automobile liability insurance	226,127	0.2	80.3	223,807	(1.0)	82.6
Others	141,925	(1.3)	55.1	144,205	1.6	54.7
Total	1,287,493	(1.4)	63.7	1,242,843	(3.5)	63.2

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)

Non-consolidated Solvency Margin Ratio

(Millions of yen)

		As of March 31, 2016	As of March 31, 2017
(A) Total Non-consolidated Solvency Margin		2,363,853	2,766,796
	Capital and funds, etc.	456,986	535,486
	Reserve for price fluctuation	58,169	68,706
	Contingency reserve	611	611
	Catastrophic loss reserve	563,738	572,867
	General allowance for possible credit losses	208	226
	Unrealized gains and losses on securities, deferred gains and losses on hedges (before tax effect deductions)	1,057,747	1,110,731
	Unrealized gains and losses on land	42,989	52,912
	Excess amount of reserve for maturity refunds	—	—
	Subordinated debt, etc.	133,560	333,560
	Excess amount of reserve for maturity refunds and subordinated debt, etc. which are excluded from total solvency margin	—	—
	Deductions	74,158	71,649
	Others	124,000	163,342
(B) Total Non-consolidated Risks $\sqrt{(R_1+R_2)^2+(R_3+R_4)^2}+R_5+R_6$		648,203	817,299
	Underwriting risk (R_1)	183,289	185,764
	Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_2)	—	—
	Guaranteed interest rate risk (R_3)	22,035	20,722
	Investment risk (R_4)	440,046	633,600
	Business management risk (R_5)	15,617	19,160
	Major catastrophe risk (R_6)	135,479	117,957
(C) Non-consolidated Solvency Margin Ratio [(A) / {(B) × 1/2}] × 100		729.3 %	677.0 %

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

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

Balance Sheet

(Millions of yen)

	As of March 31, 2016	As of March 31, 2017	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits:	2,329	26,846	24,516
Cash	0	0	(0)
Deposits	2,329	26,846	24,516
Securities:	40,139	16,878	(23,261)
Government bonds	12,582	8,819	(3,762)
Municipal bonds	2,153	4,494	2,341
Corporate bonds	4,582	2,737	(1,845)
Domestic stocks	19	31	11
Foreign securities	11	10	(1)
Other securities	20,790	786	(20,004)
Loans:	1	0	(1)
Policy loans	1	0	(1)
Tangible fixed assets:	183	224	40
Buildings	49	52	2
Leased assets	127	162	34
Other tangible fixed assets	6	8	2
Intangible fixed assets:	2,966	2,995	28
Software	2,962	2,991	28
Other intangible fixed assets	3	3	(0)
Other assets:	3,652	4,710	1,058
Premiums receivable	1,485	1,641	156
Agency accounts receivable	59	77	18
Coinsurance accounts receivable	13	12	(0)
Reinsurance accounts receivable	80	74	(6)
Foreign reinsurance accounts receivable	65	77	12
Accounts receivable	562	634	71
Accrued income	44	35	(8)
Advance deposits	295	361	65
Suspense payments	1,045	1,560	514
Other assets	—	234	234
Allowance for possible credit losses	(1)	(0)	1
Total assets	49,272	51,655	2,382

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

Balance Sheet

(Millions of yen)

	As of March 31, 2016	As of March 31, 2017	Increase (Decrease)
	Amount	Amount	
Liabilities:			
Underwriting funds:	34,919	38,998	4,079
Reserve for outstanding losses and claims	10,132	12,444	2,312
Underwriting reserves	24,786	26,553	1,767
Other liabilities:	2,869	2,891	21
Coinsurance accounts payable	40	40	0
Reinsurance accounts payable	217	234	16
Foreign reinsurance accounts payable	179	153	(25)
Income taxes payable	98	116	18
Deposits received	7	3	(4)
Accounts payable	1,670	1,469	(201)
Suspense receipts	525	707	182
Lease obligations	130	165	34
Reserve for retirement benefits to directors	49	20	(28)
Reserve for bonus payments	247	264	16
Reserve for bonus payments to directors	—	27	27
Reserves under the special laws:	36	40	3
Reserve for price fluctuation	36	40	3
Deferred tax liabilities	155	130	(24)
Total liabilities	38,277	42,373	4,095
Net assets:			
Shareholders' equity:			
Common stock	26,610	28,760	2,150
Capital surplus:	24,847	26,997	2,149
Capital reserves	24,847	26,997	2,149
Other capital surplus	0	0	—
Retained earnings:	(40,954)	(46,903)	(5,948)
Other retained earnings:	(40,954)	(46,903)	(5,948)
Retained earnings carried forward	(40,954)	(46,903)	(5,948)
Total shareholders' equity	10,503	8,854	(1,648)
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	491	427	(64)
Total valuation and translation adjustments	491	427	(64)
Total net assets	10,995	9,281	(1,713)
Total liabilities and net assets	49,272	51,655	2,382

SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED (Non-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)	Increase (Decrease)	Rate of change
	Amount	Amount		
				%
Ordinary income:	27,818	33,379	5,561	20.0
Underwriting income:	27,579	33,299	5,719	20.7
Net premiums written	27,439	33,223	5,784	21.1
Deposits of premiums by policyholders	95	42	(52)	(55.0)
Interest and dividend income on deposits of premiums, etc.	43	32	(10)	(24.3)
Foreign exchange gains	0	—	(0)	(100.0)
Other underwriting income	1	—	(1)	(100.0)
Investment income:	106	72	(34)	(32.2)
Interest and dividend income	111	93	(17)	(15.9)
Gains on sales of securities	20	3	(16)	(81.1)
Other investment income	18	7	(10)	(58.6)
Transfer of interest and dividend income on deposits of premiums, etc.	(43)	(32)	10	—
Other ordinary income	131	8	(123)	(93.9)
Ordinary expenses:	34,327	39,311	4,983	14.5
Underwriting expenses:	23,286	27,515	4,228	18.2
Net claims paid	15,490	19,532	4,042	26.1
Loss adjustment expenses	2,177	2,731	553	25.4
Net commissions and brokerage fees	842	857	15	1.8
Maturity refunds to policyholders	463	308	(155)	(33.5)
Provision for reserve for outstanding losses and claims	2,502	2,312	(189)	(7.6)
Provision for underwriting reserves	1,806	1,767	(39)	(2.2)
Foreign exchange losses	—	0	0	—
Other underwriting expenses	4	6	1	40.1
Investment expenses:	3	4	0	28.6
Other investment expenses	3	4	0	28.6
Operating, general and administrative expenses	11,001	11,761	759	6.9
Other ordinary expenses:	36	29	(6)	(17.6)
Interest paid	4	3	(0)	(8.9)
Other ordinary expenses	32	26	(6)	(18.7)
Ordinary loss	(6,509)	(5,931)	578	—
Extraordinary losses:	9	4	(5)	(55.8)
Losses on disposal of fixed assets	0	0	(0)	(49.9)
Impairment losses	0	0	(0)	(65.3)
Provision for reserves under the special laws:	8	3	(4)	(55.3)
Provision for reserve for price fluctuation	8	3	(4)	(55.3)
Net loss before income taxes	(6,519)	(5,935)	584	—
Income taxes	10	12	2	27.4
Total income taxes	10	12	2	27.4
Net loss	(6,529)	(5,948)	581	—

Underwriting result:					
Net premiums written	(+)	27,439	33,223	5,784	21.1
Net claims paid	(−)	15,490	19,532	4,042	26.1
Loss adjustment expenses	(−)	2,177	2,731	553	25.4
Net operating expenses:	(−)	11,825	12,601	775	6.6
Net commissions and brokerage fees		842	857	15	1.8
Operating, general and administrative expenses related to underwriting		10,983	11,743	760	6.9
Underwriting result		(2,054)	(1,641)	412	—
Underwriting profit (loss)		(6,678)	(5,938)	739	—
Ratios:					
Net loss ratio	(%)	64.4	67.0	2.6	
Net operating expenses ratio	(%)	43.1	37.9	(5.2)	
Combined ratio	(%)	107.5	104.9	(2.6)	

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

Premiums Written and Claims Paid by Business Lines

Direct premiums written (excluding deposits of premiums by policyholders)

(Millions of yen)

Business line	Fiscal year ended March 31, 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	1,649	5.6	(13.7)	1,591	4.5	(3.5)
Marine insurance	—	—	—	—	—	—
Personal accident insurance	3,838	13.0	(4.7)	3,618	10.3	(5.8)
Voluntary automobile insurance	22,754	77.3	30.7	28,599	81.6	25.7
Compulsory automobile liability insurance	(0)	(0.0)	—	(0)	(0.0)	—
Others	1,189	4.0	9.3	1,253	3.6	5.4
Total	29,432	100.0	20.5	35,062	100.0	19.1
Deposits of premiums by policyholders	95	——	(48.2)	42	——	(55.0)

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	691	2.5	(34.1)	620	1.9	(10.3)
Marine insurance	(0)	(0.0)	(104.9)	1	0.0	—
Personal accident insurance	2,582	9.4	0.3	2,529	7.6	(2.0)
Voluntary automobile insurance	22,562	82.2	31.0	28,377	85.4	25.8
Compulsory automobile liability insurance	413	1.5	0.3	441	1.3	6.9
Others	1,189	4.3	9.0	1,252	3.8	5.3
Total	27,439	100.0	22.7	33,223	100.0	21.1

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	Rate of change	Net loss ratio	Amount	Rate of change	Net loss ratio
		%	%		%	%
Fire and allied insurance	457	(36.5)	71.7	471	3.0	84.7
Marine insurance	3	(73.6)	—	0	(71.4)	72.5
Personal accident insurance	1,451	(10.8)	65.0	1,521	4.8	70.3
Voluntary automobile insurance	12,934	37.8	65.4	16,891	30.6	67.6
Compulsory automobile liability insurance	416	(3.2)	103.4	408	(1.8)	95.2
Others	227	32.5	25.7	238	4.8	27.3
Total	15,490	25.4	64.4	19,532	26.1	67.0

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

Non-consolidated Solvency Margin Ratio

(Millions of yen)

		As of March 31, 2016	As of March 31, 2017
(A) Total Non-consolidated Solvency Margin		14,702	13,370
	Capital and funds, etc.	10,503	8,854
	Reserve for price fluctuation	36	40
	Contingency reserve	11	11
	Catastrophic loss reserve	3,563	3,960
	General allowance for possible credit losses	—	—
	Unrealized gains and losses on securities, deferred gains and losses on hedges (before tax effect deductions)	582	501
	Unrealized gains and losses on land	—	—
	Excess amount of reserve for maturity refunds	—	—
	Subordinated debt, etc.	—	—
	Excess amount of reserve for maturity refunds and subordinated debt, etc. which are excluded from total solvency margin	—	—
	Deductions	—	—
	Others	4	2
(B) Total Non-consolidated Risks $\sqrt{(R_1+R_2)^2+(R_3+R_4)^2}+R_5+R_6$		4,051	4,758
	Underwriting risk (R_1)	2,801	3,525
	Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_2)	—	—
	Guaranteed interest rate risk (R_3)	25	23
	Investment risk (R_4)	1,081	664
	Business management risk (R_5)	144	156
	Major catastrophe risk (R_6)	895	1,009
(C) Non-consolidated Solvency Margin Ratio [(A) / {(B) × 1/2}] × 100		725.8 %	562.0 %

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

Sonpo 24 Insurance Company Limited (Non-consolidated)

Balance Sheet

(Millions of yen)

	As of March 31, 2016	As of March 31, 2017	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits:	5,385	15,196	9,810
Deposits	5,385	15,196	9,810
Securities:	16,204	7,127	(9,076)
Government bonds	16,104	7,027	(9,076)
Other securities	100	100	—
Tangible fixed assets:	248	204	(44)
Buildings	21	18	(3)
Other tangible fixed assets	226	185	(41)
Other assets:	909	909	(0)
Accounts receivable	660	667	7
Accrued income	5	2	(3)
Advance deposits	171	171	0
Suspense payments	72	68	(4)
Deferred tax assets	—	258	258
Total assets	22,748	23,696	947
Liabilities:			
Underwriting funds:	14,233	13,427	(805)
Reserve for outstanding losses and claims	5,877	5,382	(494)
Underwriting reserves	8,356	8,045	(310)
Other liabilities:	2,227	2,279	51
Reinsurance accounts payable	3	4	0
Income taxes payable	137	135	(1)
Deposits received	8	8	(0)
Accounts payable	1,008	1,072	63
Suspense receipts	1,069	1,059	(9)
Reserve for retirement benefits	244	258	14
Reserve for bonus payments	101	97	(4)
Reserve for bonus payments to directors	—	5	5
Reserves under the special laws:	40	41	1
Reserve for price fluctuation	40	41	1
Deferred tax liabilities	11	—	(11)
Total liabilities	16,858	16,110	(748)
Net assets:			
Shareholders' equity:			
Common stock	19,000	19,000	—
Capital surplus:	19,000	19,000	—
Capital reserves	19,000	19,000	—
Retained earnings:	(32,139)	(30,423)	1,715
Other retained earnings:	(32,139)	(30,423)	1,715
Retained earnings carried forward	(32,139)	(30,423)	1,715
Total shareholders' equity	5,860	7,576	1,715
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	29	9	(19)
Total valuation and translation adjustments	29	9	(19)
Total net assets	5,890	7,586	1,695
Total liabilities and net assets	22,748	23,696	947

Sonpo 24 Insurance Company Limited (Non-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)	Increase (Decrease)	Rate of change
	Amount	Amount		
				%
Ordinary income:	14,006	14,149	143	1.0
Underwriting income:	14,000	14,128	128	0.9
Net premiums written	13,725	13,312	(413)	(3.0)
Interest and dividend income on deposits of premiums, etc.	12	10	(2)	(18.9)
Reversal of reserve for outstanding losses and claims	116	494	378	326.1
Reversal of underwriting reserves	145	310	165	113.8
Other underwriting income	0	—	(0)	(100.0)
Investment income:	4	(1)	(6)	(133.4)
Interest and dividend income	17	8	(8)	(49.8)
Transfer of interest and dividend income on deposits of premiums, etc.	(12)	(10)	2	—
Other ordinary income	1	22	20	1,390.3
Ordinary expenses:	13,035	12,540	(494)	(3.8)
Underwriting expenses:	9,257	9,124	(133)	(1.4)
Net claims paid	7,315	7,268	(47)	(0.6)
Loss adjustment expenses	1,066	1,038	(27)	(2.6)
Net commissions and brokerage fees	875	817	(58)	(6.7)
Other underwriting expenses	0	—	(0)	(100.0)
Operating, general and administrative expenses	3,777	3,416	(360)	(9.6)
Other ordinary expenses:	0	0	(0)	(75.8)
Other ordinary expenses	0	0	(0)	(75.8)
Ordinary profit	970	1,608	637	65.7
Extraordinary losses:	10	1	(8)	(82.3)
Losses on disposal of fixed assets	7	0	(6)	(94.0)
Provision for reserves under the special laws:	3	1	(1)	(56.0)
Provision for reserve for price fluctuation	3	1	(1)	(56.0)
Net income before income taxes	960	1,606	646	67.3
Income taxes	101	153	52	51.3
Deferred income taxes	—	(262)	(262)	—
Total income taxes	101	(108)	(210)	(207.5)
Net income	858	1,715	856	99.8

Underwriting result:					
Net premiums written	(+)	13,725	13,312	(413)	(3.0)
Net claims paid	(−)	7,315	7,268	(47)	(0.6)
Loss adjustment expenses	(−)	1,066	1,038	(27)	(2.6)
Net operating expenses:	(−)	4,649	4,230	(419)	(9.0)
Net commissions and brokerage fees		875	817	(58)	(6.7)
Operating, general and administrative expenses related to underwriting		3,774	3,413	(360)	(9.6)
Underwriting result		694	775	81	11.7
Underwriting profit		968	1,591	622	64.3
Ratios:					
Net loss ratio	(%)	61.1	62.4	1.3	
Net operating expenses ratio	(%)	33.9	31.8	(2.1)	
Combined ratio	(%)	94.9	94.2	(0.8)	

Sonpo 24 Insurance Company Limited (Non-consolidated)

Premiums Written and Claims Paid by Business Lines

Direct premiums written (excluding deposits of premiums by policyholders)

(Millions of yen)

Business line	Fiscal year ended March 31, 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	—	—	—	—	—	—
Marine insurance	—	—	—	—	—	—
Personal accident insurance	—	—	—	—	—	—
Voluntary automobile insurance	13,575	100.0	(3.0)	13,132	100.0	(3.3)
Compulsory automobile liability insurance	—	—	—	—	—	—
Others	—	—	—	—	—	—
Total	13,575	100.0	(3.0)	13,132	100.0	(3.3)
Deposits of premiums by policyholders	—	——	—	—	——	—

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	—	—	—	—	—	—
Marine insurance	—	—	—	—	—	—
Personal accident insurance	—	—	—	—	—	—
Voluntary automobile insurance	13,486	98.3	(3.0)	13,078	98.2	(3.0)
Compulsory automobile liability insurance	239	1.7	(5.8)	234	1.8	(2.2)
Others	—	—	—	—	—	—
Total	13,725	100.0	(3.1)	13,312	100.0	(3.0)

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	Rate of change	Net loss ratio	Amount	Rate of change	Net loss ratio
		%	%		%	%
Fire and allied insurance	—	—	—	—	—	—
Marine insurance	—	—	—	—	—	—
Personal accident insurance	—	—	—	—	—	—
Voluntary automobile insurance	7,059	(9.9)	60.3	7,021	(0.5)	61.6
Compulsory automobile liability insurance	256	0.4	106.9	246	(3.6)	105.4
Others	—	—	—	—	—	—
Total	7,315	(9.6)	61.1	7,268	(0.6)	62.4

Sonpo 24 Insurance Company Limited (Non-consolidated)

Non-consolidated Solvency Margin Ratio

(Millions of yen)

		As of March 31, 2016	As of March 31, 2017
(A) Total Non-consolidated Solvency Margin		6,518	8,166
	Capital and funds, etc.	5,860	7,576
	Reserve for price fluctuation	40	41
	Contingency reserve	—	—
	Catastrophic loss reserve	581	535
	General allowance for possible credit losses	—	—
	Unrealized gains and losses on securities, deferred gains and losses on hedges (before tax effect deductions)	36	11
	Unrealized gains and losses on land	—	—
	Excess amount of reserve for maturity refunds	—	—
	Subordinated debt, etc.	—	—
	Excess amount of reserve for maturity refunds and subordinated debt, etc. which are excluded from total solvency margin	—	—
	Deductions	—	—
	Others	—	—
(B) Total Non-consolidated Risks $\sqrt{(R_1+R_2)^2+(R_3+R_4)^2}+R_5+R_6$		2,035	1,960
	Underwriting risk (R_1)	1,789	1,735
	Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_2)	—	—
	Guaranteed interest rate risk (R_3)	—	—
	Investment risk (R_4)	380	296
	Business management risk (R_5)	69	65
	Major catastrophe risk (R_6)	136	134
(C) Non-consolidated Solvency Margin Ratio [(A) / {(B) × 1/2}] × 100		640.6 %	833.0 %

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

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

Balance Sheet

(Millions of yen)

	As of March 31, 2016	As of March 31, 2017	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits:	44,938	58,074	13,136
Cash	2	0	(2)
Deposits	44,935	58,073	13,138
Securities:	2,305,223	2,434,670	129,447
Government bonds	1,688,558	1,699,212	10,654
Municipal bonds	56,354	58,608	2,254
Corporate bonds	313,126	343,065	29,939
Domestic stocks	6,996	7,963	967
Foreign securities	240,186	325,819	85,632
Loans:	37,406	38,254	847
Policy loans	37,406	38,254	847
Tangible fixed assets:	1,490	1,515	25
Buildings	463	396	(67)
Leased assets	851	931	79
Other tangible fixed assets	175	187	12
Agency accounts receivable	120	132	12
Reinsurance accounts receivable	1,222	1,756	533
Other assets:	47,691	46,196	(1,495)
Accounts receivable	31,143	32,785	1,641
Prepaid expenses	1,535	1,809	273
Accrued income	6,687	7,123	435
Advance deposits	2,769	2,783	13
Derivative assets	2,631	1,266	(1,364)
Suspense payments	2,866	372	(2,494)
Other assets	56	55	(0)
Deferred tax assets	—	8,464	8,464
Allowance for possible credit losses	(37)	(37)	(0)
Total assets	2,438,055	2,589,026	150,971

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

Balance Sheet

(Millions of yen)

	As of March 31, 2016	As of March 31, 2017	Increase (Decrease)
	Amount	Amount	
Liabilities:			
Policy reserves:	2,257,402	2,417,365	159,962
Reserve for outstanding claims	37,254	40,870	3,615
Policy reserves	2,214,871	2,371,198	156,326
Reserve for dividends to policyholders	5,275	5,296	20
Agency accounts payable	4,607	6,073	1,466
Reinsurance accounts payable	974	987	12
Other liabilities:	12,498	17,734	5,236
Income taxes payable	2,560	2,936	375
Accounts payable	88	1,026	938
Accrued expenses	7,014	8,883	1,868
Deposits received	831	593	(237)
Derivative liabilities	489	1,656	1,166
Lease obligations	972	1,075	103
Suspense receipts	541	1,561	1,020
Reserve for bonus payments to directors	42	52	9
Reserve for retirement benefits	2,803	3,235	431
Reserves under the special laws:	4,240	5,412	1,171
Reserve for price fluctuation	4,240	5,412	1,171
Deferred tax liabilities	1,796	—	(1,796)
Total liabilities	2,284,365	2,450,859	166,494
Net assets:			
Shareholders' equity:			
Common stock	17,250	17,250	—
Capital surplus:	19,500	16,300	(3,200)
Capital reserves	12,100	12,740	640
Other capital surplus	7,400	3,560	(3,840)
Retained earnings:	50,187	58,506	8,319
Other retained earnings:	50,187	58,506	8,319
Reserve under Article 10 of the Supplementary Provisions of Ordinance for Enforcement of the Insurance Business Act	325	325	—
Retained earnings carried forward	49,862	58,181	8,319
Total shareholders' equity	86,937	92,056	5,119
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	66,751	46,109	(20,641)
Total valuation and translation adjustments	66,751	46,109	(20,641)
Total net assets	153,689	138,166	(15,522)
Total liabilities and net assets	2,438,055	2,589,026	150,971

Sompo Japan Nipponkoa Himawari Life Insurance, Inc. (Non-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)	Increase (Decrease)	Rate of change
	Amount	Amount		
				%
Ordinary income:	441,799	469,837	28,038	6.3
Insurance premiums and other:	396,448	419,507	23,059	5.8
Insurance premiums	393,164	415,721	22,557	5.7
Reinsurance income	3,283	3,785	502	15.3
Investment income:	43,490	48,759	5,269	12.1
Interest and dividend income and other:	40,209	41,676	1,466	3.6
Interest and dividends on securities	39,090	40,534	1,444	3.7
Interest on loans	1,113	1,141	28	2.5
Other interest and dividends	6	—	(6)	(100.0)
Gains on sales of securities	3,231	5,232	2,001	61.9
Foreign exchange gains	50	—	(50)	(100.0)
Investment gains on special account	—	1,851	1,851	—
Other ordinary income:	1,860	1,570	(289)	(15.6)
Fund receipt for annuity rider	403	110	(292)	(72.5)
Fund receipt for claim deposit payments	1,449	1,450	1	0.1
Other ordinary income	7	8	1	27.1
Ordinary expenses:	419,233	452,957	33,723	8.0
Insurance claims and other:	180,817	181,079	262	0.1
Insurance claims	31,180	30,695	(485)	(1.6)
Annuity payments	11,467	12,702	1,234	10.8
Insurance benefits	38,698	39,271	572	1.5
Surrender benefits	93,038	91,883	(1,154)	(1.2)
Other refunds	2,279	2,575	296	13.0
Reinsurance premiums	4,152	3,951	(201)	(4.9)
Provision for policy reserves and other:	137,695	159,942	22,246	16.2
Provision for reserve for outstanding claims	3,162	3,615	452	14.3
Provision for policy reserves	134,532	156,326	21,793	16.2
Provision for interest portion of reserve for dividends to policyholders	0	0	0	41.2
Investment expenses:	2,073	3,545	1,471	71.0
Interest paid	78	93	15	20.2
Losses on sales of securities	572	2,220	1,647	287.9
Losses on derivatives	545	1,125	579	106.2
Foreign exchange losses	—	26	26	—
Provision for allowance for possible credit losses	0	11	11	6,185.3
Other investment expenses	54	67	12	23.5
Investment losses on special account	822	—	(822)	(100.0)
Operating expenses	94,773	104,321	9,548	10.1
Other ordinary expenses:	3,873	4,068	194	5.0
Claim deposit payments	1,100	1,071	(29)	(2.6)
Taxes	1,892	2,067	175	9.3
Depreciation	472	471	(1)	(0.2)
Provision for reserve for retirement benefits	385	431	45	11.9
Other ordinary expenses	22	25	3	16.7
Ordinary profit	22,565	16,880	(5,685)	(25.2)
Extraordinary gains:	—	0	0	—
Gains on disposal of fixed assets and other	—	0	0	—
Extraordinary losses:	898	1,172	274	30.5
Losses on disposal of fixed assets and other	11	1	(10)	(88.5)
Provision for reserves under the special laws:	887	1,171	284	32.1
Provision for reserve for price fluctuation	887	1,171	284	32.1
Provision for reserve for dividends to policyholders	4,275	3,935	(340)	(8.0)
Net income before income taxes	17,391	11,771	(5,619)	(32.3)
Income taxes	5,366	5,686	319	6.0
Deferred income taxes	408	(2,233)	(2,642)	(646.5)
Total income taxes	5,775	3,452	(2,322)	(40.2)
Net income	11,616	8,319	(3,296)	(28.4)

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

Major Business Results

Total amount of policies in force

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

	As of March 31, 2016				As of March 31, 2017			
	Number		Amount		Number		Amount	
		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year
Individual insurance	3,658	107.1	213,748	102.9	3,858	105.5	220,669	103.2
Individual annuities	68	99.2	2,673	97.4	67	98.5	2,586	96.7
Group insurance	——	——	28,289	90.8	——	——	27,011	95.5
Group annuities	——	——	—	—	——	——	—	—

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

Total amount of new policies

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

	Fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)				Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)			
	Number		Amount		Number		Amount	
		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year
Individual insurance	464	106.4	22,347	93.8	421	90.7	24,305	108.8
Individual annuities	1	113.1	55	108.4	0	56.2	35	64.6
Group insurance	——	——	352	209.2	——	——	180	51.2
Group annuities	——	——	—	—	——	——	—	—

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

Annualized premiums

Policies in force

(Millions of yen, %)

	As of March 31, 2016		As of March 31, 2017	
		% of previous fiscal year		% of previous fiscal year
Individual insurance	313,803	105.0	338,312	107.8
Individual annuities	19,055	102.6	19,352	101.6
Total	332,859	104.8	357,664	107.5
Medical and survival benefits	129,561	108.8	136,114	105.1

New policies

(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)	
		% of previous fiscal year		% of previous fiscal year
Individual insurance	40,101	113.2	50,134	125.0
Individual annuities	208	108.9	126	60.7
Total	40,309	113.2	50,260	124.7
Medical and survival benefits	20,418	120.1	16,307	79.9

Notes)

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

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

Non-consolidated Solvency Margin Ratio

(Millions of yen)

		As of March 31, 2016	As of March 31, 2017
(A) Total Non-consolidated Solvency Margin		342,590	335,187
	Capital, etc.	86,937	92,056
	Reserve for price fluctuation	4,240	5,412
	Contingency reserve	28,221	29,531
	General allowance for possible credit losses	1	3
	Unrealized gains and losses on securities (before tax effect deductions) (90% of gain or 100% of loss), deferred gains and losses on hedges (before tax effect deductions) (90% of gain or 100% of loss)	83,439	57,637
	Unrealized gains and losses on land (85% of gain or 100% of loss)	—	—
	Excess amount of continued Zillmerized reserve	137,836	146,556
	Subordinated debt, etc.	—	—
	Excess amount of continued Zillmerized reserve and subordinated debt, etc. which are excluded from total solvency margin	(18,020)	(19,159)
	Brought in capital, etc.	—	—
	Deductions	—	—
	Others	19,933	23,148
(B) Total Non-consolidated Risks $\sqrt{(R_1+R_8)^2+(R_2+R_3+R_7)^2}+R_4$		38,678	42,616
	Underwriting risk (R_1)	13,347	13,620
	Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_8)	7,794	8,725
	Guaranteed interest rate risk (R_2)	8,335	8,369
	Guaranteed minimum benefit risk (R_7)	366	374
	Investment risk (R_3)	22,430	26,191
	Business management risk (R_4)	1,045	1,145
(C) Non-consolidated Solvency Margin Ratio [(A) / {(B) × 1/2}] × 100		1,771.4 %	1,573.0 %

Notes)

1. The above amounts and figures are calculated based on provisions of Articles 86 and 87 of the Ordinance for Enforcement of the Insurance Business Act and Public Notice No. 50 of the Ministry of Finance (1996).
2. Guaranteed minimum benefit risk is calculated by using the standard method.

Supplementary Explanation

< Calculation of returns >

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

1. Return on investments (income base)

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

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

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

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

2. Return on investments (realized base)

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

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

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

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

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

The return on investment based on fair value is shown.

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

Denominator is based on fair value of investment assets.

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

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

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

< Calculation of ratios, etc. >

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

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

< Non-consolidated solvency margin ratio >

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

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

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

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

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

<2> Guaranteed interest rate risk:

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

<3> Investment risk:

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

<4> Business management risk:

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

<5> Major catastrophe risk:

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

<6> Guaranteed minimum benefit risk:

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

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

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

4. Supplementary Data about Financial Results for the fiscal year ended March 31, 2017 at Press Conference

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)

(1) Key figures

(Yen in hundred millions)

	Fiscal year ended March 31, 2016 (A)	Six months ended September 30, 2016 (B)	Fiscal year ended March 31, 2017 (C)	Increase (Decrease) (C) - (A)	Increase (Decrease) (C) - (B)
① Net premiums written	22,184	10,874	21,656	(527)	——
Rate of change	1.7 %	(4.7)%	(2.4)%	(4.1)%	2.3 %
② Total assets	70,362	70,194	75,687	5,325	5,493
③ Loss ratio	63.7 %	61.9 %	63.2 %	(0.5)%	1.3 %
④ Operating expenses ratio	31.6 %	32.1 %	32.0 %	0.4 %	(0.1)%
⑤ Combined ratio	95.3 %	94.0 %	95.2 %	(0.1)%	1.2 %
Underwriting result ratio	4.7 %	6.0 %	4.8 %	0.1 %	(1.2)%
⑥ Voluntary automobile insurance					
・Net premiums written	10,701	5,360	10,777	75	——
Rate of change	2.5 %	1.1 %	0.7 %	(1.8)%	(0.4)%
・Underwriting result ratio	8.2 %	10.1 %	8.9 %	0.7 %	(1.3)%
・Loss ratio	60.7 %	58.2 %	60.1 %	(0.7)%	1.8 %
・Operating expenses ratio	31.1 %	31.7 %	31.1 %	0.0 %	(0.6)%
⑦ Fire and allied insurance					
・Net premiums written	3,306	1,312	2,853	(452)	——
Rate of change	2.3 %	(25.2)%	(13.7)%	(16.0)%	11.6 %
・Underwriting result ratio	(7.1)%	(20.2)%	(9.1)%	(2.0)%	11.1 %
・Loss ratio	67.5 %	76.8 %	67.3 %	(0.2)%	(9.5)%
・Operating expenses ratio	39.6 %	43.4 %	41.8 %	2.2 %	(1.6)%
⑧ Number of employees	26,380	26,213	25,822	(558)	(391)
⑨ Number of agencies	62,238	60,825	58,976	(3,262)	(1,849)

<Reference> Consolidated figures of Sompo Holdings, Inc.

(Yen in hundred millions)

	Fiscal year ended March 31, 2016 (A)	Six months ended September 30, 2016 (B)	Fiscal year ended March 31, 2017 (C)	Increase (Decrease) (C) - (A)	Increase (Decrease) (C) - (B)
① Ordinary income	32,561	16,548	34,195	1,633	——
② Net premiums written	25,521	12,795	25,503	(18)	——
Rate of change	1.8 %	(3.8)%	(0.1)%	(1.8)%	3.8 %
③ Life insurance premiums written	2,976	1,523	3,238	261	——
Rate of change	7.4 %	6.0 %	8.8 %	1.4 %	2.8 %
④ Ordinary profit	2,168	700	2,417	248	——
⑤ Net income attributable to shareholders of the parent	1,595	434	1,664	68	——

Notes)

1. Loss ratio = (Net claims paid + Loss adjustment expenses) / Net premiums written × 100
2. Operating expenses ratio = (Net commissions and brokerage fees + Operating, general and administrative expenses related to underwriting) / Net premiums written × 100
3. Combined ratio = Loss ratio + Operating expenses ratio
4. Underwriting result ratio = 100 - Combined ratio
5. Items with % within “Increase (Decrease)” represent change from the fiscal year ended March 31, 2016 and the six months ended September 30, 2016, respectively.

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)

(2) Other figures

① Non-performing assets

Risk-monitored loans

(Yen in hundred millions)

	As of March 31, 2016	As of September 30, 2016	As of March 31, 2017
Loans to borrowers in bankruptcy	0	0	0
Overdue loans	4	3	4
Loans overdue for three months or more	0	0	0
Restructured loans	–	–	–
Total	4	4	4
Percent of total loans	0.1%	0.1%	0.1%

(Reference) Total loans	6,790	5,899	6,264

Results of self-assessment

(Yen in hundred millions)

	As of March 31, 2016	As of September 30, 2016	As of March 31, 2017
No category	70,100	69,933	75,284
Category II	263	262	405
Category III	93	92	91
Category IV	175	33	38
Subtotal (Category II-IV)	532	388	535
Total	70,633	70,322	75,819

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

② Impairment losses on securities

(Yen in hundred millions)

	Fiscal year ended March 31, 2016	Six months ended September 30, 2016	Fiscal year ended March 31, 2017
Domestic bonds	–	–	–
Domestic stocks	214	7	5
Foreign securities	44	1	10
Others	29	–	–
Total	287	8	16

Note) Besides the above, impairment losses on trust assets (securities) in money trusts other than trading purposes or held to maturity amount to 11 hundred million yen for the fiscal year ended March 31, 2016, 5 hundred million yen for the six months ended September 30, 2016 and 2 hundred million yen for the fiscal year ended March 31, 2017.
These amounts are recognized in "Investment gains on money trusts" and "Investment losses on money trusts" in the statement of income.

Applied rules of impairment loss recognition

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

③ Impairment losses on fixed assets

(Yen in hundred millions)

	Fiscal year ended March 31, 2016	Six months ended September 30, 2016	Fiscal year ended March 31, 2017
Land	–	–	1
Buildings	–	–	–
Others	–	–	–
Total	–	–	1

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)

④ Unrealized gains and losses on securities

(Yen in hundred millions)

	As of March 31, 2016	As of September 30, 2016	As of March 31, 2017
Domestic bonds	1,664	1,643	1,257
Domestic stocks	8,750	8,495	10,106
Foreign securities	1,296	824	1,014
Others	39	41	47
Total	11,750	11,005	12,426

Notes)

1. Unrealized gains and losses on monetary receivables bought are included in “Others” above.
2. Besides the above, unrealized gains and losses on trust assets (securities) in money trusts other than trading purposes or held to maturity amount to (9) hundred million yen as of March 31, 2016, (72) hundred million yen as of September 30, 2016 and 33 hundred million yen as of March 31, 2017.

⑤ Claims during the period due to natural disasters in Japan (excluding household earthquake insurance)

(Yen in hundred millions)

		Fiscal year ended March 31, 2016	Six months ended September 30, 2016	Fiscal year ended March 31, 2017
Direct claims paid	a	771	157	508
Net claims paid	b	765	138	447
Unpaid claims	c	77	212	111
Net incurred loss	b + c	842	350	558

Notes)

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

⑥ Catastrophic loss reserve

(Yen in hundred millions, %)

Business line	Fiscal year ended March 31, 2016			Six months ended September 30, 2016			Fiscal year ended March 31, 2017		
	Balance	Balance ratio	Provision	Balance	Balance ratio	Provision	Balance	Balance ratio	Provision
Fire and allied insurance	1,776	53.9	459	1,810	69.2	181	1,753	61.6	385
Marine insurance	469	91.8	26	477	107.7	11	481	109.4	19
Personal accident insurance	706	38.3	58	737	37.6	31	708	38.9	57
Voluntary automobile insurance	633	5.9	343	770	7.2	172	689	6.4	345
Others	1,897	68.8	141	1,967	64.6	78	2,010	71.4	145
Total	5,483	28.7	1,028	5,763	30.7	474	5,642	30.2	953

Notes)

1. Balance ratio = Balance of catastrophic loss reserve / Net premiums written (excluding household earthquake insurance and compulsory automobile liability insurance) × 100
   As for the six months ended September 30, 2016, net premiums written (excluding household earthquake insurance and compulsory automobile liability insurance) are doubled for the calculation of balance ratio.
2. Provision represents gross amounts before deducting reversal.

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)

⑦ Reinsurance assumed

(Yen in hundred millions)

Business line	Fiscal year ended March 31, 2016		Fiscal year ended March 31, 2017	
	Reinsurance premiums assumed	Reinsurance claims assumed	Reinsurance premiums assumed	Reinsurance claims assumed
Fire and allied insurance	786	421	707	495
Marine insurance	130	166	125	96
Personal accident insurance	24	20	13	14
Voluntary automobile insurance	19	18	18	11
Compulsory automobile liability insurance	2,295	2,261	2,177	2,238
Others	208	81	180	91
Total	3,465	2,968	3,223	2,947

⑧ Reinsurance ceded

(Yen in hundred millions)

Business line	Fiscal year ended March 31, 2016		Fiscal year ended March 31, 2017	
	Reinsurance premiums ceded	Reinsurance claims ceded	Reinsurance premiums ceded	Reinsurance claims ceded
Fire and allied insurance	1,230	168	1,320	1,334
Marine insurance	128	108	138	109
Personal accident insurance	35	16	40	18
Voluntary automobile insurance	26	6	29	5
Compulsory automobile liability insurance	2,390	2,514	2,409	2,401
Others	736	387	796	371
Total	4,547	3,200	4,734	4,240