SOMPO HOLDINGS

UNOFFICIAL TRANSLATION

This document is an unofficial English translation of the Japanese original.

Summary of Consolidated Financial Results for the six months ended September 30, 2017

Supplementary Information

November 17, 2017

Sompo Holdings, Inc.

（ Securities Code : 8630 ）

Summary of Consolidated Financial Results for the six months ended September 30, 2017

Contents -- Supplementary Information

1. Overview of Consolidated Financial Results for the six months ended September 30, 2017

Sompo Holdings, Inc.
Overview of Consolidated Financial Results for the six months ended September 30, 2017 ..... **2**

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)
Overview of Financial Results for the six months ended September 30, 2017 ..... **3**
Summary of Results of Operations 3
Premiums Written and Claims Paid by Business Lines 4
Net Incurred Loss during the period due to Natural Disasters in Japan 5
Breakdown of Operating, General and Administrative Expenses and Loss Adjustment Expenses 5
Reserve for Outstanding Losses and Claims 5
Ordinary Underwriting Reserves 5
Catastrophic Loss Reserve 5

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

Sompo Holdings, Inc. (Consolidated) 6
Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated) 6

3. Overview of Business Results of Principal Consolidated Subsidiaries

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated) **7**
Interim Balance Sheet 7
Interim Statement of Income 8
Premiums Written and Claims Paid by Business Lines 9
Non-consolidated Solvency Margin Ratio 10

SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED (Non-consolidated) **11**
Interim Balance Sheet 11
Interim Statement of Income 12
Premiums Written and Claims Paid by Business Lines 13
Non-consolidated Solvency Margin Ratio 14

Sonpo 24 Insurance Company Limited (Non-consolidated) **15**
Interim Balance Sheet 15
Interim Statement of Income 16
Premiums Written and Claims Paid by Business Lines 17
Non-consolidated Solvency Margin Ratio 18

Sompo Japan Nipponkoa Himawari Life Insurance, Inc. (Non-consolidated) **19**
Interim Balance Sheet 19
Interim Statement of Income 20
Major Business Results
(Total amount of policies in force, Total amount of new policies, and Annualized premiums) 21
Non-consolidated Solvency Margin Ratio 22

Supplementary Explanation **23**
Calculation of ratios, etc. 23
Non-consolidated solvency margin ratio 23

4. Supplementary Data about Financial Results for the six months ended September 30, 2017 at Press Conference
Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated) 24

1. Overview of Consolidated Financial Results for the six months ended September 30, 2017

Sompo Holdings, Inc.

Overview of Consolidated Financial Results for the six months ended September 30, 2017

(Yen in hundred millions, %)

		Six months ended September 30, 2016	Six months ended September 30, 2017	Increase (Decrease)	Rate of change
Ordinary income:	①	16,548	19,351	2,803	16.9
Net premiums written:	②	12,795	14,988	2,192	17.1
Sompo Japan Nipponkoa Insurance Inc.	③	10,874	11,066	192	1.8
Overseas consolidated subsidiaries	④	1,673	3,646	1,973	117.9
Others	⑤	247	275	27	11.0
Life insurance premiums written	⑥	1,523	1,684	161	10.6
Ordinary profit:	⑦	700	37	(662)	(94.7)
Sompo Japan Nipponkoa Insurance Inc.	⑧	621	475	(145)	(23.5)
Net income attributable to shareholders of the parent:	⑨	434	19	(415)	(95.6)
Sompo Japan Nipponkoa Insurance Inc.	⑩	412	324	(87)	(21.1)
Sompo Japan Nipponkoa Himawari Life Insurance, Inc.	⑪	45	42	(2)	(5.8)
Overseas consolidated subsidiaries	⑫	67	(404)	(471)	(701.7)
Nursing care and healthcare consolidated subsidiaries	⑬	(19)	7	27	—
Others and consolidation adjustment, etc.	⑭	(71)	48	119	—

Notes)

1. 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.
2. During the six months ended September 30, 2017, the adjustment are made upon consolidation for the amounts of incurred loss attributable to Hurricanes in North America in August and September, which occurred after the interium balance sheet dates of the overseas consolidated subsidiaries (June 30, 2017), because those materially affect the consolidated results of Sompo Holdings, Inc. and are significant transactions.
   In addition, the adjusted amounts upon consolidation are included in "Overseas consolidated subsidiaries" for six months ended September 30, 2017 in the above table.

Net incurred loss due to Hurricanes in North America

(Yen in hundred millions)

	Net incurred loss
Total	832
Sompo Japan Nipponkoa Insurance Inc.	51
Overseas consolidated subsidiaries	781

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)

Overview of Financial Results for the six months ended September 30, 2017

Summary of Results of Operations

(Millions of yen)

		Six months ended September 30, 2016 (April 1 to September 30, 2016)	Six months ended September 30, 2017 (April 1 to September 30, 2017)	Increase (Decrease)	Rate of change
Ordinary income and expenses:					
Underwriting income and expenses:					
Direct premiums written (including deposits of premiums by policyholders)	①	1,223,880	1,243,538	19,658	1.6 %
Direct premiums written	②	1,160,008	1,184,089	24,081	2.1
(+) Net premiums written	③	1,087,424	1,106,652	19,227	1.8
(−) Net claims paid	④	608,936	615,488	6,552	1.1
(−) Loss adjustment expenses	⑤	64,074	62,800	(1,274)	(2.0)
(−) Net commissions and brokerage fees	⑥	193,922	199,948	6,025	3.1
(+) Deposits of premiums by policyholders	⑦	63,871	59,448	(4,423)	(6.9)
(+) Interest and dividend income on deposits of premiums, etc.	⑧	22,392	20,029	(2,363)	(10.6)
(−) Maturity refunds and dividends to policyholders	⑨	98,330	98,877	547	0.6
(−) Provision for (reversal of) reserve for outstanding losses and claims	⑩	(6,375)	8,804	15,180	—
(−) Provision for (reversal of) underwriting reserves	⑪	7,492	18,621	11,129	148.5
(+) Other underwriting income and expenses	⑫	(6,807)	1,136	7,944	—
Gross underwriting margin	⑬	200,501	182,726	(17,775)	(8.9)
Operating, general and administrative expenses related to underwriting	⑭	154,900	155,169	268	0.2
Other income and expenses	⑮	9	30	21	235.9
Underwriting profit	⑯	45,610	27,587	(18,023)	(39.5)
Investment income and expenses:					
(+) Interest and dividend income	⑰	48,769	51,557	2,788	5.7
(+) Investment gains and losses on money trusts	⑱	535	2,759	2,224	415.5
(+) Gains and losses on sales of securities	⑲	7,840	24,429	16,588	211.6
(−) Impairment losses on securities	⑳	893	25,309	24,416	2,732.1
(+) Transfer of interest and dividend income on deposits of premiums, etc.	㉑	(22,392)	(20,029)	2,363	—
(+) Gains and losses on derivatives	㉒	1,105	(5,117)	(6,223)	(562.7)
(+) Other investment income and expenses	㉓	(8,994)	1,957	10,952	—
Gross investment margin	㉔	25,969	30,246	4,277	16.5
(−) Operating, general and administrative expenses	㉕	163,013	164,389	1,376	0.8
(+) Other ordinary income and expenses	㉖	(1,301)	(1,009)	291	—
Ordinary profit	㉗	62,156	47,573	(14,583)	(23.5)
Extraordinary gains and losses:					
(+) Extraordinary gains	㉘	415	308	(107)	(25.9)
(−) Extraordinary losses	㉙	9,454	5,380	(4,073)	(43.1)
Extraordinary gains and losses	㉚	(9,038)	(5,072)	3,966	—
Net income before income taxes	㉛	53,117	42,500	(10,617)	(20.0)
(−) Income taxes	㉜	3,630	28,672	25,041	689.8
(−) Deferred income taxes	㉝	8,286	(18,663)	(26,950)	(325.2)
Total income taxes	㉞	11,917	10,008	(1,908)	(16.0)
Net income	㉟	41,200	32,491	(8,708)	(21.1)

Underwriting result:					
(+) Net premiums written	㊱	1,087,424	1,106,652	19,227	1.8
(−) Net claims paid	㊲	608,936	615,488	6,552	1.1
(−) Loss adjustment expenses	㊳	64,074	62,800	(1,274)	(2.0)
(−) Net operating expenses:	㊴	348,822	355,117	6,294	1.8
Net commissions and brokerage fees	㊵	193,922	199,948	6,025	3.1
Operating, general and administrative expenses related to underwriting	㊶	154,900	155,169	268	0.2
Underwriting result	㊷	65,591	73,245	7,654	11.7
Ratios:					
Net loss ratio (%)	㊸	61.9	61.3	(0.6)	
Net operating expenses ratio (%)	㊹	32.1	32.1	0.0	
Combined ratio (%)	㊺	94.0	93.4	(0.6)	

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	Six months ended September 30, 2016 (April 1 to September 30, 2016)			Six months ended September 30, 2017 (April 1 to September 30, 2017)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
		%	%		%	%
Fire and allied insurance	162,162	14.0	(17.7)	176,055	14.9	8.6
Marine insurance	23,477	2.0	(12.2)	24,453	2.1	4.2
Personal accident insurance	99,433	8.6	(1.0)	99,807	8.4	0.4
Voluntary automobile insurance	536,429	46.2	1.1	539,229	45.5	0.5
Compulsory automobile liability insurance	154,435	13.3	(4.8)	153,007	12.9	(0.9)
Others	184,070	15.9	4.9	191,536	16.2	4.1
Total	1,160,008	100.0	(2.7)	1,184,089	100.0	2.1
Deposits of premiums by policyholders	63,871	——	1.9	59,448	——	(6.9)

Net premiums written

(Millions of yen)

Business line	Six months ended September 30, 2016 (April 1 to September 30, 2016)			Six months ended September 30, 2017 (April 1 to September 30, 2017)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
		%	%		%	%
Fire and allied insurance	131,280	12.1	(25.2)	135,956	12.3	3.6
Marine insurance	22,184	2.0	(14.9)	23,489	2.1	5.9
Personal accident insurance	98,020	9.0	(2.0)	98,193	8.9	0.2
Voluntary automobile insurance	536,085	49.3	1.1	538,053	48.6	0.4
Compulsory automobile liability insurance	147,551	13.6	(6.8)	153,933	13.9	4.3
Others	152,302	14.0	1.2	157,025	14.2	3.1
Total	1,087,424	100.0	(4.7)	1,106,652	100.0	1.8

Net claims paid

(Millions of yen)

Business line	Six months ended September 30, 2016 (April 1 to September 30, 2016)			Six months ended September 30, 2017 (April 1 to September 30, 2017)		
	Amount	Rate of change	Net loss ratio	Amount	Rate of change	Net loss ratio
		%	%		%	%
Fire and allied insurance	98,321	0.4	76.8	96,658	(1.7)	72.9
Marine insurance	13,521	5.4	64.2	12,349	(8.7)	55.4
Personal accident insurance	47,439	(5.7)	52.6	47,010	(0.9)	51.7
Voluntary automobile insurance	270,797	(1.2)	58.2	279,479	3.2	59.6
Compulsory automobile liability insurance	112,636	(0.3)	83.4	108,714	(3.5)	76.9
Others	66,220	0.8	46.8	71,277	7.6	48.5
Total	608,936	(0.8)	61.9	615,488	1.1	61.3

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)

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

(Millions of yen)

	Six months ended September 30, 2016			Six months ended September 30, 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	11,466	19,488	30,955	8,231	13,707	21,939
Voluntary automobile insurance	1,646	764	2,411	1,854	778	2,633
Other than the above	739	986	1,725	221	813	1,035
Total	13,852	21,239	35,091	10,307	15,300	25,608

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)

	Six months ended September 30, 2016			Six months ended September 30, 2017		
	Amount	Increase (Decrease)	Rate of change	Amount	Increase (Decrease)	Rate of change
			%			%
Personnel expenses	118,161	(594)	(0.5)	119,662	1,500	1.3
Non-personnel expenses	97,701	3,291	3.5	96,412	(1,288)	(1.3)
Others (taxes and contributions)	11,225	(144)	(1.3)	11,115	(109)	(1.0)
Total	227,088	2,552	1.1	227,190	101	0.0

Reserve for Outstanding Losses and Claims

(Millions of yen)

	Six months ended September 30, 2016		Six months ended September 30, 2017	
	Balance	Change	Balance	Change
Fire and allied insurance	120,453	(3,562)	129,031	4,070
Marine insurance	25,717	(4,381)	27,757	1,897
Personal accident insurance	67,261	(1,288)	66,843	555
Voluntary automobile insurance	414,180	8,720	408,151	(1,942)
Compulsory automobile liability insurance	85,239	(3,801)	81,911	(2,854)
Others	193,747	(2,061)	207,870	7,077
Total	906,599	(6,375)	921,566	8,804

Ordinary Underwriting Reserves

(Millions of yen)

	Six months ended September 30, 2016		Six months ended September 30, 2017	
	Balance	Change	Balance	Change
Fire and allied insurance	749,124	(28,284)	739,111	(8,025)
Marine insurance	16,501	(2,769)	16,929	(2,126)
Personal accident insurance	130,861	8,827	133,199	9,764
Voluntary automobile insurance	308,540	600	311,220	515
Compulsory automobile liability insurance	419,415	3,982	430,333	11,226
Others	324,864	16,398	328,783	13,752
Total	1,949,306	(1,244)	1,959,578	25,107

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)

	Six months ended September 30, 2016				Six months ended September 30, 2017				Fiscal year ended March 31, 2017	
	Reversal	Provision	Balance	Balance ratio	Reversal	Provision	Balance	Balance ratio	Balance	Balance ratio
				%				%		%
Fire and allied insurance	14,761	18,159	181,051	69.2	20,662	19,285	173,940	64.1	175,317	61.6
Marine insurance	400	1,181	47,776	107.7	—	1,259	49,370	105.1	48,111	109.4
Personal accident insurance	—	3,109	73,746	37.6	—	3,119	73,920	37.6	70,801	38.9
Voluntary automobile insurance	3,533	17,229	77,055	7.2	8,763	17,285	77,428	7.2	68,906	6.4
Others	793	7,818	196,726	64.6	646	8,102	208,545	66.4	201,088	71.4
Total	19,489	47,497	576,355	30.7	30,071	49,053	583,206	30.6	564,224	30.2

Note) Balance ratio = Balance of catastrophic loss reserve / Net premiums written (excluding earthquake insurance and compulsory automobile liability insurance) × 100
As for the six months ended September 30, 2016 and 2017, net premiums written (excluding earthquake insurance and compulsory automobile liability insurance) are doubled for the calculation of balance ratio.

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 Original forecast (A)	Fiscal year ending March 31, 2018 Revised forecast (B)	Increase (Decrease) (B)-(A)
Net premiums written	25,503	29,080	28,540	(540)
Life insurance premiums written	3,238	3,390	3,375	(15)
Ordinary profit	2,417	2,590	1,890	(700)
Net income attributable to shareholders of the parent:	1,664	1,830	1,520	(310)
Sompo Japan Nipponkoa Insurance Inc.	1,644	1,570	1,850	280
Sompo Japan Nipponkoa Himawari Life Insurance, Inc.	83	60	60	—
Overseas consolidated subsidiaries	195	505	(165)	(671)
Nursing care and healthcare consolidated subsidiaries	(23)	22	21	(1)
Others and consolidation adjustment, etc.	(234)	(327)	(245)	82
Dividends per share (annual)	90 yen	110 yen	110 yen	— 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 Original forecast (A)	Fiscal year ending March 31, 2018 Revised forecast (B)	Increase (Decrease) (B)-(A)
Net premiums written	21,656	22,054	21,740	(314)
(Excluding earthquake insurance and compulsory automobile liability insurance)	18,695	19,179	18,827	(352)
Net loss ratio	63.2	63.1	64.3	1.2
(Excluding earthquake insurance and compulsory automobile liability insurance)	59.8	59.9	61.6	1.6
Net operating expenses ratio	32.0	31.7	32.1	0.4
(Excluding earthquake insurance and compulsory automobile liability insurance)	33.7	33.2	33.7	0.6
Combined ratio	95.2	94.8	96.4	1.5
(Excluding earthquake insurance and compulsory automobile liability insurance)	93.5	93.1	95.3	2.2
Underwriting profit	1,124	1,158	1,090	(68)
Gross investment margin	1,323	1,286	1,093	(192)
Ordinary profit	2,304	2,270	2,020	(250)
Net income	1,644	1,570	1,850	280

3. Overview of Business Results of Principal Consolidated Subsidiaries

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)

Interim Balance Sheet

(Millions of yen)

	As of March 31, 2017	As of September 30, 2017	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits	369,971	434,588	64,617
Receivables under resale agreements	54,999	74,999	19,999
Monetary receivables bought	7,624	6,868	(755)
Money trusts	104,292	98,845	(5,447)
Securities	5,519,966	5,677,891	157,925
Loans	626,474	623,015	(3,459)
Tangible fixed assets	289,844	285,420	(4,423)
Intangible fixed assets	37,608	52,702	15,094
Other assets	568,415	540,073	(28,342)
Prepaid pension cost	884	776	(107)
Allowance for possible credit losses	(3,493)	(3,506)	(13)
Allowance for possible investment losses	(7,808)	(7,659)	148
Total assets	7,568,779	7,784,015	215,235
Liabilities:			
Underwriting funds:	4,861,584	4,889,011	27,426
Reserve for outstanding losses and claims	912,762	921,566	8,804
Underwriting reserves	3,948,822	3,967,444	18,621
Corporate bonds	333,560	433,560	100,000
Other liabilities	680,506	593,373	(87,133)
Reserve for retirement benefits	88,172	92,760	4,587
Reserve for bonus payments	18,375	21,094	2,718
Reserve for bonus payments to directors	135	—	(135)
Reserves under the special laws:	68,706	71,465	2,758
Reserve for price fluctuation	68,706	71,465	2,758
Deferred tax liabilities	62,461	86,916	24,455
Total liabilities	6,113,502	6,188,180	74,678
Net assets:			
Shareholders' equity:			
Common stock	70,000	70,000	—
Capital surplus	70,000	70,000	—
Retained earnings	395,486	427,978	32,491
Total shareholders' equity	535,486	567,978	32,491
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	911,787	1,022,374	110,587
Deferred gains and losses on hedges	8,003	5,481	(2,521)
Total valuation and translation adjustments	919,790	1,027,856	108,065
Total net assets	1,455,276	1,595,834	140,557
Total liabilities and net assets	7,568,779	7,784,015	215,235

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)

Interim Statement of Income

(Millions of yen)

	Six months ended September 30, 2016 (April 1 to September 30, 2016)	Six months ended September 30, 2017 (April 1 to September 30, 2017)	Increase (Decrease)	Rate of change
	Amount	Amount		
				%
Ordinary income:	1,221,788	1,255,892	34,103	2.8
Underwriting income:	1,180,850	1,188,590	7,739	0.7
Net premiums written	1,087,424	1,106,652	19,227	1.8
Deposits of premiums by policyholders	63,871	59,448	(4,423)	(6.9)
Interest and dividend income on deposits of premiums, etc.	22,392	20,029	(2,363)	(10.6)
Reversal of reserve for outstanding losses and claims	6,375	—	(6,375)	(100.0)
Investment income:	36,432	62,713	26,281	72.1
Interest and dividend income	48,769	51,557	2,788	5.7
Investment gains on money trusts	657	2,813	2,155	328.0
Gains on sales of securities	8,065	24,556	16,490	204.5
Transfer of interest and dividend income on deposits of premiums, etc.	(22,392)	(20,029)	2,363	—
Other ordinary income	4,505	4,588	82	1.8
Ordinary expenses:	1,159,632	1,208,319	48,687	4.2
Underwriting expenses:	980,348	1,005,864	25,515	2.6
Net claims paid	608,936	615,488	6,552	1.1
Loss adjustment expenses	64,074	62,800	(1,274)	(2.0)
Net commissions and brokerage fees	193,922	199,948	6,025	3.1
Maturity refunds to policyholders	98,283	98,778	495	0.5
Provision for reserve for outstanding losses and claims	—	8,804	8,804	—
Provision for underwriting reserves	7,492	18,621	11,129	148.5
Investment expenses:	10,463	32,467	22,004	210.3
Investment losses on money trusts	121	53	(68)	(56.0)
Losses on sales of securities	224	126	(97)	(43.6)
Impairment losses on securities	893	25,309	24,416	2,732.1
Operating, general and administrative expenses	163,013	164,389	1,376	0.8
Other ordinary expenses:	5,807	5,598	(208)	(3.6)
Interest paid	2,772	3,454	681	24.6
Ordinary profit	62,156	47,573	(14,583)	(23.5)
Extraordinary gains:	415	308	(107)	(25.9)
Gains on disposal of fixed assets	415	308	(107)	(25.9)
Extraordinary losses:	9,454	5,380	(4,073)	(43.1)
Losses on disposal of fixed assets	5,432	536	(4,895)	(90.1)
Impairment losses	—	2,085	2,085	—
Provision for reserves under the special laws:	4,022	2,758	(1,263)	(31.4)
Provision for reserve for price fluctuation	4,022	2,758	(1,263)	(31.4)
Net income before income taxes	53,117	42,500	(10,617)	(20.0)
Income taxes	3,630	28,672	25,041	689.8
Deferred income taxes	8,286	(18,663)	(26,950)	(325.2)
Total income taxes	11,917	10,008	(1,908)	(16.0)
Net income	41,200	32,491	(8,708)	(21.1)

Underwriting result:				
Net premiums written	(+)	1,087,424	1,106,652	19,227	1.8
Net claims paid	(−)	608,936	615,488	6,552	1.1
Loss adjustment expenses	(−)	64,074	62,800	(1,274)	(2.0)
Net operating expenses:	(−)	348,822	355,117	6,294	1.8
Net commissions and brokerage fees		193,922	199,948	6,025	3.1
Operating, general and administrative expenses related to underwriting		154,900	155,169	268	0.2
Underwriting result		65,591	73,245	7,654	11.7
Underwriting profit		45,610	27,587	(18,023)	(39.5)
Ratios:					
Net loss ratio	(%)	61.9	61.3	(0.6)	
Net operating expenses ratio	(%)	32.1	32.1	0.0	
Combined ratio	(%)	94.0	93.4	(0.6)	

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	Six months ended September 30, 2016 (April 1 to September 30, 2016)			Six months ended September 30, 2017 (April 1 to September 30, 2017)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
		%	%		%	%
Fire and allied insurance	162,162	14.0	(17.7)	176,055	14.9	8.6
Marine insurance	23,477	2.0	(12.2)	24,453	2.1	4.2
Personal accident insurance	99,433	8.6	(1.0)	99,807	8.4	0.4
Voluntary automobile insurance	536,429	46.2	1.1	539,229	45.5	0.5
Compulsory automobile liability insurance	154,435	13.3	(4.8)	153,007	12.9	(0.9)
Others	184,070	15.9	4.9	191,536	16.2	4.1
Total	1,160,008	100.0	(2.7)	1,184,089	100.0	2.1
Deposits of premiums by policyholders	63,871	——	1.9	59,448	——	(6.9)

Net premiums written

(Millions of yen)

Business line	Six months ended September 30, 2016 (April 1 to September 30, 2016)			Six months ended September 30, 2017 (April 1 to September 30, 2017)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
		%	%		%	%
Fire and allied insurance	131,280	12.1	(25.2)	135,956	12.3	3.6
Marine insurance	22,184	2.0	(14.9)	23,489	2.1	5.9
Personal accident insurance	98,020	9.0	(2.0)	98,193	8.9	0.2
Voluntary automobile insurance	536,085	49.3	1.1	538,053	48.6	0.4
Compulsory automobile liability insurance	147,551	13.6	(6.8)	153,933	13.9	4.3
Others	152,302	14.0	1.2	157,025	14.2	3.1
Total	1,087,424	100.0	(4.7)	1,106,652	100.0	1.8

Net claims paid

(Millions of yen)

Business line	Six months ended September 30, 2016 (April 1 to September 30, 2016)			Six months ended September 30, 2017 (April 1 to September 30, 2017)		
	Amount	Rate of change	Net loss ratio	Amount	Rate of change	Net loss ratio
		%	%		%	%
Fire and allied insurance	98,321	0.4	76.8	96,658	(1.7)	72.9
Marine insurance	13,521	5.4	64.2	12,349	(8.7)	55.4
Personal accident insurance	47,439	(5.7)	52.6	47,010	(0.9)	51.7
Voluntary automobile insurance	270,797	(1.2)	58.2	279,479	3.2	59.6
Compulsory automobile liability insurance	112,636	(0.3)	83.4	108,714	(3.5)	76.9
Others	66,220	0.8	46.8	71,277	7.6	48.5
Total	608,936	(0.8)	61.9	615,488	1.1	61.3

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)

Non-consolidated Solvency Margin Ratio

(Millions of yen)

		As of March 31, 2017	As of September 30, 2017
(A) Total Non-consolidated Solvency Margin		2,766,796	3,110,729
	Capital and funds, etc.	535,486	567,978
	Reserve for price fluctuation	68,706	71,465
	Contingency reserve	611	611
	Catastrophic loss reserve	572,867	592,184
	General allowance for possible credit losses	226	157
	Unrealized gains and losses on securities, deferred gains and losses on hedges (before tax effect deductions)	1,110,731	1,249,562
	Unrealized gains and losses on land	52,912	69,279
	Excess amount of reserve for maturity refunds	—	—
	Subordinated debt, etc.	333,560	433,560
	Excess amount of reserve for maturity refunds and subordinated debt, etc. which are excluded from total solvency margin	—	—
	Deductions	71,649	49,790
	Others	163,342	175,719
(B) Total Non-consolidated Risks $\sqrt{(R_1+R_2)^2+(R_3+R_4)^2}+R_5+R_6$		817,299	1,010,363
	Underwriting risk (R_1)	185,764	186,797
	Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_2)	—	—
	Guaranteed interest rate risk (R_3)	20,722	20,436
	Investment risk (R_4)	633,600	821,623
	Business management risk (R_5)	19,160	23,072
	Major catastrophe risk (R_6)	117,957	124,761
(C) Non-consolidated Solvency Margin Ratio [(A) / {(B) × 1/2}] × 100		677.0 %	615.7 %

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)

Interim Balance Sheet

(Millions of yen)

	As of March 31, 2017	As of September 30, 2017	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits	26,846	25,651	(1,194)
Securities	16,878	17,247	369
Loans	0	0	0
Tangible fixed assets	224	273	49
Intangible fixed assets	2,995	2,930	(65)
Other assets	4,710	6,639	1,928
Allowance for possible credit losses	(0)	(1)	(0)
Total assets	51,655	52,741	1,086
Liabilities:			
Underwriting funds:	38,998	44,514	5,515
Reserve for outstanding losses and claims	12,444	13,192	747
Underwriting reserves	26,553	31,322	4,768
Other liabilities	2,891	1,897	(993)
Reserve for retirement benefits to directors	20	23	2
Reserve for bonus payments	264	290	26
Reserve for bonus payments to directors	27	11	(16)
Reserves under the special laws:	40	42	1
Reserve for price fluctuation	40	42	1
Deferred tax liabilities	130	111	(18)
Total liabilities	42,373	46,891	4,517
Net assets:			
Shareholders' equity:			
Common stock	28,760	28,760	—
Capital surplus	26,997	26,997	—
Retained earnings	(46,903)	(50,286)	(3,383)
Total shareholders' equity	8,854	5,471	(3,383)
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	427	379	(47)
Total valuation and translation adjustments	427	379	(47)
Total net assets	9,281	5,850	(3,431)
Total liabilities and net assets	51,655	52,741	1,086

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

Interim Statement of Income

(Millions of yen)

	Six months ended September 30, 2016 (April 1 to September 30, 2016)	Six months ended September 30, 2017 (April 1 to September 30, 2017)	Increase (Decrease)	Rate of change
	Amount	Amount		
				%
Ordinary income:	18,307	21,419	3,112	17.0
Underwriting income:	18,275	21,373	3,097	17.0
Net premiums written	18,227	21,346	3,119	17.1
Deposits of premiums by policyholders	27	8	(18)	(67.8)
Interest and dividend income on deposits of premiums, etc.	20	17	(2)	(12.7)
Investment income:	30	44	14	48.8
Interest and dividend income	50	44	(5)	(11.5)
Gains on sales of securities	—	11	11	—
Transfer of interest and dividend income on deposits of premiums, etc.	(20)	(17)	2	—
Other ordinary income	2	1	(0)	(17.2)
Ordinary expenses:	21,947	24,795	2,847	13.0
Underwriting expenses:	16,479	18,452	1,973	12.0
Net claims paid	8,985	10,837	1,852	20.6
Loss adjustment expenses	1,384	1,586	201	14.5
Net commissions and brokerage fees	444	453	8	1.9
Maturity refunds to policyholders	166	55	(111)	(66.6)
Provision for reserve for outstanding losses and claims	1,431	747	(684)	(47.8)
Provision for underwriting reserves	4,062	4,768	705	17.4
Investment expenses	2	1	(0)	(35.2)
Operating, general and administrative expenses	5,458	6,330	872	16.0
Other ordinary expenses:	7	10	2	36.3
Interest paid	1	2	0	33.5
Ordinary loss	(3,639)	(3,375)	264	—
Extraordinary losses:	1	1	0	67.4
Losses on disposal of fixed assets	0	0	(0)	(100.0)
Provision for reserves under the special laws:	1	1	0	80.8
Provision for reserve for price fluctuation	1	1	0	80.8
Net loss before income taxes	(3,641)	(3,377)	263	—
Income taxes	6	6	—	—
Total income taxes	6	6	—	—
Net loss	(3,647)	(3,383)	263	—

Underwriting result:					
Net premiums written	(+)	18,227	21,346	3,119	17.1
Net claims paid	(−)	8,985	10,837	1,852	20.6
Loss adjustment expenses	(−)	1,384	1,586	201	14.5
Net operating expenses:	(−)	5,893	6,771	878	14.9
Net commissions and brokerage fees		444	453	8	1.9
Operating, general and administrative expenses related to underwriting		5,448	6,318	870	16.0
Underwriting result		1,963	2,151	187	9.5
Underwriting profit (loss)		(3,631)	(3,376)	254	—
Ratios:					
Net loss ratio	(%)	56.9	58.2	1.3	
Net operating expenses ratio	(%)	32.3	31.7	(0.6)	
Combined ratio	(%)	89.2	89.9	0.7	

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	Six months ended September 30, 2016 (April 1 to September 30, 2016)			Six months ended September 30, 2017 (April 1 to September 30, 2017)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
		%	%		%	%
Fire and allied insurance	810	4.2	(2.3)	749	3.4	(7.5)
Marine insurance	—	—	—	—	—	—
Personal accident insurance	1,850	9.6	(5.2)	1,743	7.8	(5.8)
Voluntary automobile insurance	15,913	82.9	30.6	19,124	85.9	20.2
Compulsory automobile liability insurance	(0)	(0.0)	—	—	—	—
Others	621	3.2	7.5	641	2.9	3.2
Total	19,196	100.0	23.5	22,259	100.0	16.0
Deposits of premiums by policyholders	27	——	(50.8)	8	——	(67.8)

Net premiums written

(Millions of yen)

Business line	Six months ended September 30, 2016 (April 1 to September 30, 2016)			Six months ended September 30, 2017 (April 1 to September 30, 2017)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
		%	%		%	%
Fire and allied insurance	331	1.8	(6.0)	273	1.3	(17.5)
Marine insurance	1	0.0	—	0	0.0	(84.2)
Personal accident insurance	1,277	7.0	(1.6)	1,252	5.9	(2.0)
Voluntary automobile insurance	15,782	86.6	31.0	18,946	88.8	20.0
Compulsory automobile liability insurance	213	1.2	(0.1)	233	1.1	9.3
Others	620	3.4	7.2	640	3.0	3.2
Total	18,227	100.0	25.8	21,346	100.0	17.1

Net claims paid

(Millions of yen)

Business line	Six months ended September 30, 2016 (April 1 to September 30, 2016)			Six months ended September 30, 2017 (April 1 to September 30, 2017)		
	Amount	Rate of change	Net loss ratio	Amount	Rate of change	Net loss ratio
		%	%		%	%
Fire and allied insurance	225	23.9	75.6	159	(29.4)	68.7
Marine insurance	0	(80.9)	40.5	0	(9.6)	231.8
Personal accident insurance	650	(3.5)	62.1	685	5.4	64.4
Voluntary automobile insurance	7,817	32.3	56.9	9,621	23.1	58.1
Compulsory automobile liability insurance	205	(1.3)	98.5	201	(2.1)	86.7
Others	85	4.4	21.7	168	97.9	33.8
Total	8,985	27.3	56.9	10,837	20.6	58.2

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

Non-consolidated Solvency Margin Ratio

(Millions of yen)

		As of March 31, 2017	As of September 30, 2017
(A) Total Non-consolidated Solvency Margin		13,370	10,918
	Capital and funds, etc.	8,854	5,471
	Reserve for price fluctuation	40	42
	Contingency reserve	11	11
	Catastrophic loss reserve	3,960	4,949
	General allowance for possible credit losses	—	—
	Unrealized gains and losses on securities, deferred gains and losses on hedges (before tax effect deductions)	501	442
	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	2	1
(B) Total Non-consolidated Risks $\sqrt{(R_1+R_2)^2+(R_3+R_4)^2}+R_5+R_6$		4,758	5,109
	Underwriting risk (R_1)	3,525	3,871
	Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_2)	—	—
	Guaranteed interest rate risk (R_3)	23	22
	Investment risk (R_4)	664	656
	Business management risk (R_5)	156	166
	Major catastrophe risk (R_6)	1,009	1,012
(C) Non-consolidated Solvency Margin Ratio [(A) / {(B) × 1/2}] × 100		562.0 %	427.3 %

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)

Interim Balance Sheet

(Millions of yen)

	As of March 31, 2017	As of September 30, 2017	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits	15,196	18,720	3,524
Securities	7,127	3,610	(3,517)
Tangible fixed assets	204	189	(15)
Other assets	909	736	(173)
Deferred tax assets	258	261	2
Total assets	23,696	23,517	(178)
Liabilities:			
Underwriting funds:	13,427	12,776	(651)
Reserve for outstanding losses and claims	5,382	5,049	(332)
Underwriting reserves	8,045	7,726	(318)
Other liabilities	2,279	1,809	(470)
Reserve for retirement benefits	258	269	11
Reserve for bonus payments	97	98	0
Reserve for bonus payments to directors	5	—	(5)
Reserves under the special laws:	41	36	(5)
Reserve for price fluctuation	41	36	(5)
Total liabilities	16,110	14,989	(1,120)
Net assets:			
Shareholders' equity:			
Common stock	19,000	19,000	—
Capital surplus	19,000	19,000	—
Retained earnings	(30,423)	(29,473)	949
Total shareholders' equity	7,576	8,526	949
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	9	2	(7)
Total valuation and translation adjustments	9	2	(7)
Total net assets	7,586	8,528	942
Total liabilities and net assets	23,696	23,517	(178)

Sonpo 24 Insurance Company Limited (Non-consolidated)

Interim Statement of Income

(Millions of yen)

	Six months ended September 30, 2016 (April 1 to September 30, 2016)	Six months ended September 30, 2017 (April 1 to September 30, 2017)	Increase (Decrease)	Rate of change
	Amount	Amount		%
Ordinary income:	6,965	6,813	(151)	(2.2)
Underwriting income:	6,945	6,818	(127)	(1.8)
Net premiums written	6,563	6,161	(401)	(6.1)
Interest and dividend income on deposits of premiums, etc.	6	5	(0)	(15.5)
Reversal of reserve for outstanding losses and claims	181	332	150	83.3
Reversal of underwriting reserves	194	318	124	64.0
Investment income:	(0)	(4)	(4)	—
Interest and dividend income	5	0	(5)	(93.9)
Transfer of interest and dividend income on deposits of premiums, etc.	(6)	(5)	0	—
Other ordinary income	20	0	(20)	(96.9)
Ordinary expenses:	6,130	5,692	(437)	(7.1)
Underwriting expenses:	4,434	4,142	(291)	(6.6)
Net claims paid	3,497	3,268	(228)	(6.5)
Loss adjustment expenses	524	500	(23)	(4.6)
Net commissions and brokerage fees	411	373	(38)	(9.4)
Operating, general and administrative expenses	1,696	1,549	(146)	(8.6)
Other ordinary expenses	0	0	0	1,638.1
Ordinary profit	834	1,121	286	34.3
Extraordinary gains:	—	5	5	—
Reversal of reserves under the special laws:	—	5	5	—
Reversal of reserve for price fluctuation	—	5	5	—
Extraordinary losses:	1	12	11	1,063.6
Losses on disposal of fixed assets	0	1	1	38,949.1
Provision for reserves under the special laws:	1	—	(1)	(100.0)
Provision for reserve for price fluctuation	1	—	(1)	(100.0)
Business structure reform expenses	—	11	11	—
Net income before income taxes	833	1,114	280	33.6
Income taxes	98	164	66	67.4
Total income taxes	98	164	66	67.4
Net income	735	949	214	29.1

Underwriting result:					
Net premiums written	(+)	6,563	6,161	(401)	(6.1)
Net claims paid	(−)	3,497	3,268	(228)	(6.5)
Loss adjustment expenses	(−)	524	500	(23)	(4.6)
Net operating expenses:	(−)	2,106	1,921	(184)	(8.8)
Net commissions and brokerage fees		411	373	(38)	(9.4)
Operating, general and administrative expenses related to underwriting		1,694	1,548	(146)	(8.6)
Underwriting result		434	470	36	8.3
Underwriting profit		816	1,127	310	38.0
Ratios:					
Net loss ratio	(%)	61.3	61.2	(0.1)	
Net operating expenses ratio	(%)	32.1	31.2	(0.9)	
Combined ratio	(%)	93.4	92.4	(1.0)	

Sonpo 24 Insurance Company Limited (Non-consolidated)

Premiums Written and Claims Paid by Business Lines

Direct premiums written (excluding deposits of premiums by policyholders)

(Millions of yen)

Business line	Six months ended September 30, 2016 (April 1 to September 30, 2016)			Six months ended September 30, 2017 (April 1 to September 30, 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	6,497	100.0	(2.6)	6,088	100.0	(6.3)
Compulsory automobile liability insurance	—	—	—	—	—	—
Others	—	—	—	—	—	—
Total	6,497	100.0	(2.6)	6,088	100.0	(6.3)
Deposits of premiums by policyholders	—	——	—	—	——	—

Net premiums written

(Millions of yen)

Business line	Six months ended September 30, 2016 (April 1 to September 30, 2016)			Six months ended September 30, 2017 (April 1 to September 30, 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	6,447	98.2	(2.5)	6,040	98.0	(6.3)
Compulsory automobile liability insurance	115	1.8	(9.2)	121	2.0	4.9
Others	—	—	—	—	—	—
Total	6,563	100.0	(2.6)	6,161	100.0	(6.1)

Net claims paid

(Millions of yen)

Business line	Six months ended September 30, 2016 (April 1 to September 30, 2016)			Six months ended September 30, 2017 (April 1 to September 30, 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	3,372	(2.4)	60.4	3,151	(6.6)	60.5
Compulsory automobile liability insurance	125	(2.3)	108.6	117	(6.4)	96.8
Others	—	—	—	—	—	—
Total	3,497	(2.4)	61.3	3,268	(6.5)	61.2

Sonpo 24 Insurance Company Limited (Non-consolidated)

Non-consolidated Solvency Margin Ratio

(Millions of yen)

		As of March 31, 2017	As of September 30, 2017
(A) Total Non-consolidated Solvency Margin		8,166	9,179
	Capital and funds, etc.	7,576	8,526
	Reserve for price fluctuation	41	36
	Contingency reserve	—	—
	Catastrophic loss reserve	535	614
	General allowance for possible credit losses	—	—
	Unrealized gains and losses on securities, deferred gains and losses on hedges (before tax effect deductions)	11	2
	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 $\sqrt{(R_1+R_2)^2+(R_3+R_4)^2}+R_5+R_6$		1,960	1,917
	Underwriting risk (R_1)	1,735	1,700
	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)	296	261
	Business management risk (R_5)	65	62
	Major catastrophe risk (R_6)	134	133
(C) Non-consolidated Solvency Margin Ratio [(A) / {(B) × 1/2}] × 100		833.0 %	957.4 %

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)

Interim Balance Sheet

(Millions of yen)

	As of March 31, 2017	As of September 30, 2017	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits	58,074	90,902	32,828
Securities:	2,434,670	2,530,201	95,530
Government bonds	1,699,212	1,732,982	33,769
Municipal bonds	58,608	56,528	(2,080)
Corporate bonds	343,065	338,136	(4,929)
Domestic stocks	7,963	8,812	848
Foreign securities	325,819	393,741	67,922
Loans:	38,254	38,818	564
Policy loans	38,254	38,818	564
Tangible fixed assets	1,515	1,544	29
Agency accounts receivable	132	111	(20)
Reinsurance accounts receivable	1,756	1,102	(653)
Other assets	46,196	41,737	(4,458)
Deferred tax assets	8,464	8,147	(316)
Allowance for possible credit losses	(37)	(41)	(4)
Total assets	2,589,026	2,712,526	123,499
Liabilities:			
Policy reserves:	2,417,365	2,508,669	91,303
Reserve for outstanding claims	40,870	42,257	1,386
Policy reserves	2,371,198	2,461,030	89,832
Reserve for dividends to policyholders	5,296	5,380	84
Agency accounts payable	6,073	3,766	(2,306)
Reinsurance accounts payable	987	915	(72)
Other liabilities	17,734	44,287	26,553
Reserve for bonus payments to directors	52	—	(52)
Reserve for retirement benefits	3,235	3,507	272
Reserves under the special laws:	5,412	6,085	673
Reserve for price fluctuation	5,412	6,085	673
Total liabilities	2,450,859	2,567,230	116,371
Net assets:			
Shareholders' equity:			
Common stock	17,250	17,250	—
Capital surplus	16,300	16,300	—
Retained earnings	58,506	62,802	4,295
Total shareholders' equity	92,056	96,352	4,295
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	46,109	48,942	2,832
Total valuation and translation adjustments	46,109	48,942	2,832
Total net assets	138,166	145,295	7,128
Total liabilities and net assets	2,589,026	2,712,526	123,499

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

Interim Statement of Income

(Millions of yen)

	Six months ended September 30, 2016 (April 1 to September 30, 2016)	Six months ended September 30, 2017 (April 1 to September 30, 2017)	Increase (Decrease)	Rate of change
	Amount	Amount		
				%
Ordinary income:	224,838	239,424	14,586	6.5
Insurance premiums and other:	202,500	213,784	11,283	5.6
Insurance premiums	200,418	211,955	11,537	5.8
Investment income:	21,911	24,369	2,457	11.2
Interest and dividend income and other	20,133	21,790	1,656	8.2
Gains on sales of securities	1,777	1,173	(604)	(34.0)
Investment gains on special account	―	1,384	1,384	―
Other ordinary income	425	1,271	845	198.5
Ordinary expenses:	215,502	230,467	14,965	6.9
Insurance claims and other:	90,117	88,994	(1,122)	(1.2)
Insurance claims	15,377	17,450	2,072	13.5
Annuity payments	5,789	6,057	268	4.6
Insurance benefits	17,956	19,409	1,453	8.1
Surrender benefits	47,681	42,858	(4,822)	(10.1)
Other refunds	1,292	1,083	(208)	(16.1)
Provision for policy reserves and other:	73,319	91,219	17,900	24.4
Provision for reserve for outstanding claims	1,273	1,386	113	8.9
Provision for policy reserves	72,045	89,832	17,786	24.7
Provision for interest portion of reserve for dividends to policyholders	0	0	(0)	(75.0)
Investment expenses:	1,374	1,971	597	43.5
Interest paid	43	49	6	14.3
Losses on sales of securities	466	1,165	698	149.7
Losses on derivatives	417	710	292	70.2
Investment losses on special account	369	―	(369)	(100.0)
Operating expenses	48,869	46,370	(2,499)	(5.1)
Other ordinary expenses	1,821	1,911	89	4.9
Ordinary profit	9,336	8,956	(379)	(4.1)
Extraordinary losses:	510	676	165	32.5
Losses on disposal of fixed assets and other	0	2	2	24,018.4
Provision for reserves under the special laws:	510	673	163	32.0
Provision for reserve for price fluctuation	510	673	163	32.0
Provision for reserve for dividends to policyholders	2,257	2,165	(92)	(4.1)
Net income before income taxes	6,568	6,115	(453)	(6.9)
Income taxes	2,707	2,604	(103)	(3.8)
Deferred income taxes	(697)	(784)	(87)	―
Total income taxes	2,010	1,819	(190)	(9.5)
Net income	4,558	4,295	(262)	(5.8)

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, 2017				As of September 30, 2017			
	Number		Amount		Number		Amount	
		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year
Individual insurance	3,858	105.5	220,669	103.2	3,917	101.5	220,162	99.8
Individual annuities	67	98.5	2,586	96.7	66	99.0	2,537	98.1
Group insurance	——	——	27,011	95.5	——	——	27,278	101.0
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, %)

	Six months ended September 30, 2016 (April 1 to September 30, 2016)				Six months ended September 30, 2017 (April 1 to September 30, 2017)			
	Number		Amount		Number		Amount	
		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year
Individual insurance	195	80.6	11,234	101.6	154	78.9	8,012	71.3
Individual annuities	0	146.4	35	159.8	—	—	—	—
Group insurance	——	——	135	62.0	——	——	119	88.5
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, 2017		As of September 30, 2017	
		% of previous fiscal year		% of previous fiscal year
Individual insurance	338,312	107.8	345,257	102.1
Individual annuities	19,352	101.6	19,518	100.9
Total	357,664	107.5	364,776	102.0
Medical and survival benefits	136,114	105.1	139,024	102.1

New policies

(Millions of yen, %)

	Six months ended September 30, 2016 (April 1 to September 30, 2016)		Six months ended September 30, 2017 (April 1 to September 30, 2017)	
		% of previous fiscal year		% of previous fiscal year
Individual insurance	21,548	106.4	18,120	84.1
Individual annuities	126	154.4	—	—
Total	21,674	106.5	18,120	83.6
Medical and survival benefits	7,895	72.1	6,679	84.6

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, 2017	As of September 30, 2017
(A) Total Non-consolidated Solvency Margin		335,187	351,038
	Capital, etc.	92,056	96,549
	Reserve for price fluctuation	5,412	6,085
	Contingency reserve	29,531	29,775
	General allowance for possible credit losses	3	6
	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)	57,637	61,178
	Unrealized gains and losses on land (85% of gain or 100% of loss)	—	—
	Excess amount of continued Zillmerized reserve	146,556	157,540
	Subordinated debt, etc.	—	—
	Excess amount of continued Zillmerized reserve and subordinated debt, etc. which are excluded from total solvency margin	(19,159)	(24,824)
	Brought in capital, etc.	—	—
	Deductions	—	—
	Others	23,148	24,727
(B) Total Non-consolidated Risks $\sqrt{(R_1+R_8)^2+(R_2+R_3+R_7)^2}+R_4$		42,616	44,849
	Underwriting risk (R_1)	13,620	13,554
	Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_8)	8,725	8,976
	Guaranteed interest rate risk (R_2)	8,369	8,397
	Guaranteed minimum benefit risk (R_7)	374	377
	Investment risk (R_3)	26,191	28,610
	Business management risk (R_4)	1,145	1,198
(C) Non-consolidated Solvency Margin Ratio [(A) / {(B) × 1/2}] × 100		1,573.0 %	1,565.4 %

Notes)

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

Supplementary Explanation

< 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 six months ended September 30, 2017 at Press Conference

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)

(1) Key figures

(Yen in hundred millions)

	Six months ended September 30, 2016 (A)	Fiscal year ended March 31, 2017 (B)	Six months ended September 30, 2017 (C)	Increase (Decrease) (C) - (B)	Increase (Decrease) (C) - (A)
① Net premiums written	10,874	21,656	11,066	——	192
Rate of change	(4.7)%	(2.4)%	1.8 %	4.1 %	6.4 %
② Total assets	70,194	75,687	77,840	2,152	7,645
③ Loss ratio	61.9 %	63.2 %	61.3 %	(1.9)%	(0.6)%
④ Operating expenses ratio	32.1 %	32.0 %	32.1 %	0.1 %	0.0 %
⑤ Combined ratio	94.0 %	95.2 %	93.4 %	(1.8)%	(0.6)%
Underwriting result ratio	6.0 %	4.8 %	6.6 %	1.8 %	0.6 %
⑥ Voluntary automobile insurance					
・Net premiums written	5,360	10,777	5,380	——	19
Rate of change	1.1 %	0.7 %	0.4 %	(0.3)%	(0.8)%
・Underwriting result ratio	10.1 %	8.9 %	9.0 %	0.1 %	(1.1)%
・Loss ratio	58.2 %	60.1 %	59.6 %	(0.4)%	1.4 %
・Operating expenses ratio	31.7 %	31.1 %	31.4 %	0.3 %	(0.3)%
⑦ Fire and allied insurance					
・Net premiums written	1,312	2,853	1,359	——	46
Rate of change	(25.2)%	(13.7)%	3.6 %	17.2 %	28.8 %
・Underwriting result ratio	(20.2)%	(9.1)%	(17.6)%	(8.5)%	2.6 %
・Loss ratio	76.8 %	67.3 %	72.9 %	5.5 %	(4.0)%
・Operating expenses ratio	43.4 %	41.8 %	44.8 %	3.0 %	1.4 %
⑧ Number of employees	26,213	25,822	26,221	399	8
⑨ Number of agencies	60,825	58,976	57,829	(1,147)	(2,996)

<Reference> Consolidated figures of Sompo Holdings, Inc.

(Yen in hundred millions)

	Six months ended September 30, 2016 (A)	Fiscal year ended March 31, 2017 (B)	Six months ended September 30, 2017 (C)	Increase (Decrease) (C) - (B)	Increase (Decrease) (C) - (A)
① Ordinary income	16,548	34,195	19,351	——	2,803
② Net premiums written	12,795	25,503	14,988	——	2,192
Rate of change	(3.8)%	(0.1)%	17.1 %	17.2 %	21.0 %
③ Life insurance premiums written	1,523	3,238	1,684	——	161
Rate of change	6.0 %	8.8 %	10.6 %	1.8 %	4.6 %
④ Ordinary profit	700	2,417	37	——	(662)
⑤ Net income attributable to shareholders of the parent	434	1,664	19	——	(415)

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, 2017 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 September 30, 2016	As of March 31, 2017	As of September 30, 2017
Loans to borrowers in bankruptcy	0	0	0
Overdue loans	3	4	3
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	5,899	6,264	6,230

Results of self-assessment

(Yen in hundred millions)

	As of September 30, 2016	As of March 31, 2017	As of September 30, 2017
No category	69,933	75,284	77,450
Category II	262	405	391
Category III	92	91	89
Category IV	33	38	278
Subtotal (Category II-IV)	388	535	758
Total	70,322	75,819	78,209

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)

	Six months ended September 30, 2016	Fiscal year ended March 31, 2017	Six months ended September 30, 2017
Domestic bonds	–	–	–
Domestic stocks	7	5	120
Foreign securities	1	10	132
Others	–	–	–
Total	8	16	253

Note) Besides the above, impairment losses on trust assets (securities) in money trusts other than trading purposes or held to maturity amount to 5 hundred million yen for the six months ended September 30, 2016, 2 hundred million yen for the fiscal year ended March 31, 2017 and 4 hundred million yen for the six months ended September 30, 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)

	Six months ended September 30, 2016	Fiscal year ended March 31, 2017	Six months ended September 30, 2017
Land	–	1	18
Buildings	–	–	2
Others	–	–	–
Total	–	1	20

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)

④ Unrealized gains and losses on securities

(Yen in hundred millions)

	As of September 30, 2016	As of March 31, 2017	As of September 30, 2017
Domestic bonds	1,643	1,257	1,230
Domestic stocks	8,495	10,106	11,357
Foreign securities	824	1,014	1,299
Others	41	47	54
Total	11,005	12,426	13,942

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 (72) hundred million yen as of September 30, 2016, 33 hundred million yen as of March 31, 2017 and 64 hundred million yen as of September 30, 2017.

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

(Yen in hundred millions)

		Six months ended September 30, 2016	Fiscal year ended March 31, 2017	Six months ended September 30, 2017
Direct claims paid	a	157	508	103
Net claims paid	b	138	447	103
Unpaid claims	c	212	111	153
Net incurred loss	b + c	350	558	256

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	Six months ended September 30, 2016			Fiscal year ended March 31, 2017			Six months ended September 30, 2017		
	Balance	Balance ratio	Provision	Balance	Balance ratio	Provision	Balance	Balance ratio	Provision
Fire and allied insurance	1,810	69.2	181	1,753	61.6	385	1,739	64.1	192
Marine insurance	477	107.7	11	481	109.4	19	493	105.1	12
Personal accident insurance	737	37.6	31	708	38.9	57	739	37.6	31
Voluntary automobile insurance	770	7.2	172	689	6.4	345	774	7.2	172
Others	1,967	64.6	78	2,010	71.4	145	2,085	66.4	81
Total	5,763	30.7	474	5,642	30.2	953	5,832	30.6	490

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 and 2017, 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	Six months ended September 30, 2016		Six months ended September 30, 2017	
	Reinsurance premiums assumed	Reinsurance claims assumed	Reinsurance premiums assumed	Reinsurance claims assumed
Fire and allied insurance	334	338	307	266
Marine insurance	60	39	54	42
Personal accident insurance	6	6	5	9
Voluntary automobile insurance	11	6	5	4
Compulsory automobile liability insurance	1,096	1,126	1,115	1,087
Others	86	42	94	56
Total	1,595	1,559	1,583	1,467

⑧ Reinsurance ceded

(Yen in hundred millions)

Business line	Six months ended September 30, 2016		Six months ended September 30, 2017	
	Reinsurance premiums ceded	Reinsurance claims ceded	Reinsurance premiums ceded	Reinsurance claims ceded
Fire and allied insurance	642	1,151	708	100
Marine insurance	73	31	64	36
Personal accident insurance	21	8	21	9
Voluntary automobile insurance	14	2	17	3
Compulsory automobile liability insurance	1,165	1,207	1,106	1,195
Others	404	147	439	150
Total	2,321	2,548	2,357	1,496