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May 18, 2018

Sompo Holdings, Inc.

Summary of Consolidated Financial Results for the fiscal year ended March 31, 2018
[Under Japanese GAAP]

Company Name: Sompo Holdings, Inc.
Listed on: Tokyo Stock Exchange
Securities Code: 8630
URL: https://www.sompo-hd.com/
Representative: Kengo Sakurada, President & CEO
Scheduled date to hold general meeting of stockholders: June 25, 2018
Scheduled date to file Securities Report: June 28, 2018
Scheduled date to start payment of dividends: June 26, 2018
Supplementary information for financial statements: Yes
Schedule for investor meeting: Yes (intended for institutional investors and analysts)

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

1. Consolidated Financial Results for the fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)

(1) Consolidated Results of Operations

Note) Percentages are changes from previous fiscal year.

	Ordinary income		Ordinary profit		Net income attributable to shareholders of the parent	
	millions of yen	%	millions of yen	%	millions of yen	%
Fiscal year ended March 31, 2018	3,770,052	10.3	141,890	(41.3)	139,817	(16.0)
Fiscal year ended March 31, 2017	3,419,530	5.0	241,713	11.5	166,402	4.3

Note) Comprehensive income: Fiscal year ended March 31, 2018 177,754 million yen (21.7) %
Fiscal year ended March 31, 2017 226,949 million yen — %

	Net income per share	Diluted net income per share	Return on equity	Ordinary profit to total assets	Ordinary profit to ordinary income
	yen	yen	%	%	%
Fiscal year ended March 31, 2018	361.39	361.09	7.6	1.2	3.8
Fiscal year ended March 31, 2017	419.15	418.71	9.7	2.2	7.1

Reference) Investment gains and losses on the equity method: Fiscal year ended March 31, 2018 592 million yen
Fiscal year ended March 31, 2017 398 million yen

(2) Consolidated Financial Conditions

	Total assets	Net assets	Equity ratio	Net assets per share
	millions of yen	millions of yen	%	yen
As of March 31, 2018	11,948,323	1,916,210	15.8	4,960.24
As of March 31, 2017	11,931,135	1,868,940	15.1	4,583.07

Reference) Equity capital: As of March 31, 2018 1,887,769 million yen
As of March 31, 2017 1,802,975 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the period
	millions of yen	millions of yen	millions of yen	millions of yen
Fiscal year ended March 31, 2018	246,433	(31,859)	(66,597)	931,033
Fiscal year ended March 31, 2017	362,920	(526,668)	363,835	773,466

2. Dividends

	Dividends per share					Total annual dividends	Dividend payout ratio (Consolidated)	Dividends on net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Annual			
	yen	yen	yen	yen	yen	millions of yen	%	%
Fiscal year ended March 31, 2017	—	40.00	—	50.00	90.00	35,459	21.5	2.1
Fiscal year ended March 31, 2018	—	55.00	—	55.00	110.00	42,291	30.4	2.3
Fiscal year ending March 31, 2019 (Forecast)	—	65.00	—	65.00	130.00		23.6	

3. Forecasts of Consolidated Financial Results for the fiscal year ending March 31, 2019 (April 1, 2018 to March 31, 2019)

Note) Percentages are changes from previous fiscal year.

	Ordinary profit		Net income attributable to shareholders of the parent		Net income per share
	millions of yen	%	millions of yen	%	yen
Full year	290,000	104.4	210,000	50.2	551.78

(Notes)

(1) Changes in significant subsidiaries during the fiscal year ended March 31, 2018 (changes in specified subsidiaries resulting in changes in the scope of consolidation): Yes

Decrease: 2 (Company Name：Endurance Specialty Holdings Ltd., Canopius Reinsurance AG)

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

①Changes in accounting policies due to revisions to accounting standards, etc.: None

②Changes in accounting policies due to reasons other than the above: Yes

③Changes in accounting estimations: Yes

④Retrospective restatements: None

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

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

①Total shares outstanding including treasury stock:

As of March 31, 2018	415,352,294	shares
As of March 31, 2017	415,352,294	shares

②Treasury stock:

As of March 31, 2018	34,772,350	shares
As of March 31, 2017	21,953,718	shares

③Average number of shares outstanding:

For the fiscal year ended March 31, 2018	386,879,149	shares
For the fiscal year ended March 31, 2017	396,995,036	shares

(Expression of implementation status of audit procedures)

This summary is not subject to audits by a certified public accountant or an incorporated accounting firm.

(Notes for using forecasted information, etc.)

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

For assumptions underlying the forecasts of financial results and notes for using the forecasts of financial results, please refer to “1. (3) Outlook for the fiscal year ending March 31, 2019” on page 3.

Contents – Appendices

1. Overview of Results of Operations ····· 2
(1) Overview of Results of Operations for the fiscal year ended March 31, 2018 ····· 2
(2) Overview of Financial Condition as of March 31, 2018 ····· 3
(3) Outlook for the fiscal year ending March 31, 2019 ····· 3

2. Basic Approach to Selection of Accounting Standard ····· 3

3. Consolidated Financial Statements and Major Notes ····· 4
(1) Consolidated Balance Sheet ····· 4
(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income ····· 6
(3) Consolidated Statement of Changes in Net Assets ····· 9
(4) Consolidated Statement of Cash Flows ····· 11
(5) Notes on Going-Concern Assumption ····· 13
(6) Changes in Accounting Policies, Changes in Accounting Estimations, and Retrospective Restatements ···· 13
(7) Notes to the Consolidated Financial Statements ····· 14
Segment information ····· 14
Securities ····· 24
Per share information ····· 26
Significant subsequent events ····· 27

4. Other ····· 28
(1) Summary of Results of Operations (Consolidated) ····· 28
(2) Premiums Written and Claims Paid by Business Lines (Consolidated) ····· 29

1. Overview of Results of Operations

(1)Overview of Results of Operations for the fiscal year ended March 31, 2018

During the fiscal year ended March 31, 2018, the global economy continued to gradually recover as a whole. The U.S. economy tracked a steady recovery path, while emerging countries centered on China showed signs of an upturn in economic activity. The Japanese economy remained on a moderate recovery path, supported by a rebound in exports and personal consumption, amid ongoing improvement in corporate earnings and employment conditions, along with gradual increases in production and capital investment.

Under these circumstances, the consolidated financial results of operations of Sompo Holdings Group ("SOMPO HOLDINGS") for the fiscal year ended March 31, 2018 were as follows:

Ordinary income increased by 350.5 billion yen to 3,770.0 billion yen compared to the previous fiscal year, the components of which were underwriting income of 3,369.7 billion yen, investment income of 254.3 billion yen and other ordinary income of 145.9 billion yen. Meanwhile, ordinary expenses increased by 450.3 billion yen to 3,628.1 billion yen compared to the previous fiscal year, the components of which were underwriting expenses of 2,868.0 billion yen, investment expenses of 29.2 billion yen, operating, general and administrative expenses of 608.4 billion yen and other ordinary expenses of 122.4 billion yen.

As a result of the foregoing, Sompo Holdings, Inc. (the "Company") reported ordinary profit, calculated as ordinary income minus ordinary expenses, of 141.8 billion yen, a decrease of 99.8 billion yen from the previous fiscal year. The Company posted net income attributable to shareholders of the parent, after extraordinary items, net of income taxes and deferred income taxes and others, of 139.8 billion yen, a decrease of 26.5 billion yen from the previous fiscal year.

During the fiscal year ended March 31, 2018, profits decreased due mainly to an increase in net incurred loss due to natural disasters outside Japan, including Hurricanes in North America, etc., and an increase in extraordinary losses due to an increase in losses on disposal of fixed assets, despite reflecting the recording of a gain on liquidation of subsidiaries resulting from a reorganization of overseas consolidated subsidiaries as extraordinary gains, as well as a decrease in tax expenses in associated with reorganization.

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

(a) Domestic P&C insurance business

In the domestic P&C insurance business, net premiums written amounted to 2,218.4 billion yen, an increase of 6.1 billion yen from the previous fiscal year, due to increased net premiums written in voluntary automobile and other lines of insurance. The domestic P&C insurance business posted net income attributable to shareholders of the parent of 112.7 billion yen, a decrease of 41.0 billion yen from the previous fiscal year. This decrease was due mainly to decreases in underwriting profit and gross investment margin from the previous fiscal year.

(b) Domestic life insurance business

In the domestic life insurance business, life insurance premiums written amounted to 341.9 billion yen, an increase of 24.6 billion yen from the previous fiscal year. The domestic life insurance business posted net income attributable to shareholders of the parent of 7.4 billion yen, a decrease of 0.1 billion yen from the previous fiscal year.

(c) Nursing care & healthcare business

Ordinary income increased by 8.7 billion yen to 127.8 billion yen compared to the previous fiscal year. Net loss attributable to shareholders of the parent increased by 5.3 billion yen from the previous fiscal year to a net loss of 1.4 billion yen compared to the previous fiscal year.

(d) Overseas insurance business

In the overseas insurance business, net premiums written amounted to 636.3 billion yen, an increase of 298.2 billion yen from the previous fiscal year. This increase was due mainly to the consolidation of profit and loss items from the beginning of the fiscal year ended March 31, 2018 for a subsidiary that had been included in the scope of consolidation in the previous fiscal year. The overseas insurance business posted net income attributable to

shareholders of the parent of 20.8 billion yen, an increase of 8.0 billion yen from the previous fiscal year.

(2) Overview of Financial Condition as of March 31, 2018

Total assets as of March 31, 2018 amounted to 11,948.3 billion yen on a consolidated basis, an increase of 17.1 billion yen from March 31, 2017, due mainly to an increase reflecting growth in insurance business worldwide, despite a decrease arising mainly from the transfer of shares in Sompo Canopius AG.

Cash flows for the fiscal year ended March 31, 2018 were as follows:

Cash flows from operating activities resulted in a net inflow of 246.4 billion yen, a decrease of 116.4 billion yen from the previous fiscal year, due mainly to an increase in income taxes paid.

Cash flows from investing activities resulted in a net outflow of 31.8 billion yen, an increase of 494.8 billion yen from the previous fiscal year, due mainly to the rebound from acquisition of stocks of subsidiaries recorded in the previous fiscal year.

Cash flows from financing activities resulted in a net outflow of 66.5 billion yen, a decrease of 430.4 billion yen from the previous fiscal year, due mainly to a decrease in payables under securities lending transactions.

As a result, cash and cash equivalents at the end of the period were 931.0 billion yen, an increase of 157.5 billion yen from the end of the previous fiscal year.

(3) Outlook for the fiscal year ending March 31, 2019

For the fiscal year ending March 31, 2019, the Company is forecasting consolidated ordinary profit of 290.0 billion yen and net income attributable to shareholders of the parent of 210.0 billion yen, based on the following assumptions:

- Assumptions for net premiums written are based on the Company's own projections based on extrapolation from past trends and other factors.
- The Company is forecasting 48.0 billion yen for net incurred losses (excluding household earthquake insurance) due to domestic natural disasters that occur in the fiscal year ending March 31, 2019, taking into account past trends and other factors.
- The Company assumes no major change in market interest rates, exchange rates and stock prices from their levels at March 31, 2018.

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

2. Basic Approach to Selection of Accounting Standard

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

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

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
Assets:		
Cash and deposits	814,217	894,437
Receivables under resale agreements	54,999	74,998
Monetary receivables bought	11,718	6,727
Money trusts	104,423	98,744
Securities	8,303,829	8,275,132
Loans	638,768	668,419
Tangible fixed assets:	402,480	354,593
Land	172,575	132,601
Buildings	132,909	123,682
Leased assets	63,632	59,305
Construction in progress	2,774	6,935
Other tangible fixed assets	30,589	32,069
Intangible fixed assets:	469,825	402,839
Software	11,943	20,090
Goodwill	279,386	223,977
Other intangible fixed assets	178,495	158,770
Other assets	1,119,434	1,155,305
Net defined benefit asset	756	1,062
Deferred tax assets	17,194	22,312
Allowance for possible credit losses	(6,512)	(6,249)
Total assets	11,931,135	11,948,323
Liabilities:		
Underwriting funds:	8,335,158	8,277,130
Reserve for outstanding losses and claims	1,674,277	1,563,825
Underwriting reserves	6,660,881	6,713,304
Corporate bonds	424,991	512,045
Other liabilities	978,343	939,362
Net defined benefit liability	134,263	102,992
Reserve for retirement benefits to directors	36	40
Reserve for bonus payments	35,253	31,731
Reserve for bonus payments to directors	306	290
Reserve for stocks payments	445	937
Reserves under the special laws:	74,200	86,095
Reserve for price fluctuation	74,200	86,095
Deferred tax liabilities	79,195	81,487
Total liabilities	10,062,195	10,032,113

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
Net assets:		
Shareholders' equity:		
Common stock	100,045	100,045
Capital surplus	408,382	408,335
Retained earnings	501,561	603,615
Treasury stock	(71,459)	(128,182)
Total shareholders' equity	938,529	983,814
Accumulated other comprehensive income:		
Unrealized gains and losses on securities available for sale	863,455	922,425
Deferred gains and losses on hedges	8,003	7,050
Foreign currency translation adjustments	22,663	(22,317)
Remeasurements of defined benefit plans	(29,676)	(3,205)
Total accumulated other comprehensive income	864,445	903,954
Stock acquisition rights	926	749
Non-controlling interests	65,038	27,692
Total net assets	1,868,940	1,916,210
Total liabilities and net assets	11,931,135	11,948,323

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

Consolidated Statement of Income

(Millions of yen)

	Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)	Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)
Ordinary income:	3,419,530	3,770,052
Underwriting income:	3,050,550	3,369,720
Net premiums written	2,550,336	2,854,755
Deposits of premiums by policyholders	131,617	120,380
Interest and dividend income on deposits of premiums, etc.	41,823	39,333
Life insurance premiums written	323,860	346,998
Other underwriting income	2,911	8,252
Investment income:	232,846	254,395
Interest and dividend income	173,563	190,863
Investment gains on money trusts	2,534	5,476
Investment gains on trading securities	5,574	11,461
Gains on sales of securities	81,973	83,450
Gains on redemption of securities	256	756
Investment gains on special account	1,851	1,478
Other investment income	8,918	242
Transfer of interest and dividend income on deposits of premiums, etc.	(41,823)	(39,333)
Other ordinary income:	136,133	145,936
Investment gains on the equity method	398	592
Other ordinary income	135,734	145,344
Ordinary expenses:	3,177,817	3,628,162
Underwriting expenses:	2,515,138	2,868,010
Net claims paid	1,427,712	1,698,171
Loss adjustment expenses	136,599	138,317
Net commissions and brokerage fees	484,365	516,938
Maturity refunds to policyholders	226,431	231,367
Dividends to policyholders	87	186
Life insurance claims paid and other payments	82,779	88,899
Provision for reserve for outstanding losses and claims	31,018	75,625
Provision for underwriting reserves	118,856	113,706
Other underwriting expenses	7,285	4,797
Investment expenses:	41,213	29,270
Investment losses on money trusts	198	168
Losses on sales of securities	14,560	9,682
Impairment losses on securities	3,257	3,745
Losses on redemption of securities	192	97
Losses on derivatives	18,298	11,546
Other investment expenses	4,705	4,030
Operating, general and administrative expenses	506,537	608,427
Other ordinary expenses:	114,927	122,453
Interest paid	9,657	14,549
Provision for allowance for possible credit losses	119	—
Losses on bad debt	120	60
Other ordinary expenses	105,029	107,843
Ordinary profit	241,713	141,890

(Millions of yen)

	Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)	Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)
Extraordinary gains:	9,381	30,692
Gains on disposal of fixed assets	9,312	4,714
Other extraordinary gains	69	25,978
Extraordinary losses:	19,105	58,246
Losses on disposal of fixed assets	6,983	35,200
Impairment losses	387	11,132
Provision for reserves under the special laws:	11,713	11,894
Provision for reserve for price fluctuation	11,713	11,894
Losses on reduction of real estate	20	18
Net income before income taxes	231,989	114,336
Income taxes	58,171	13,618
Deferred income taxes	7,101	(35,920)
Total income taxes	65,272	(22,301)
Net income	166,716	136,637
Net income (loss) attributable to non-controlling shareholders	313	(3,179)
Net income attributable to shareholders of the parent	166,402	139,817

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)	Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)
Net income	166,716	136,637
Other comprehensive income:		
Unrealized gains and losses on securities available for sale	37,559	59,196
Deferred gains and losses on hedges	(2,507)	(952)
Foreign currency translation adjustments	30,176	(43,504)
Remeasurements of defined benefit plans	(5,026)	26,458
Share of other comprehensive income of affiliates accounted for under the equity method	30	(81)
Total other comprehensive income	60,232	41,116
Comprehensive income	226,949	177,754
(Comprehensive income attributable to)		
Comprehensive income attributable to shareholders of the parent	227,039	180,373
Comprehensive income attributable to non-controlling shareholders	(90)	(2,618)

(3) Consolidated Statement of Changes in Net Assets

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

(Millions of yen)

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

	Accumulated other comprehensive income					Stock acquisition rights	Non-controlling interests	Total net assets
	Unrealized gains and losses on securities available for sale	Deferred gains and losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the period	825,912	10,510	(7,965)	(24,648)	803,808	1,486	8,498	1,652,839
Changes during the period:								
Dividends								(31,925)
Net income attributable to shareholders of the parent								166,402
Acquisition of treasury stock								(35,230)
Disposal of treasury stock								516
Changes in the scope of consolidation								2,195
Changes in interest of the parent related to transactions with non-controlling shareholders								(2,474)
Net changes in items other than shareholders' equity	37,542	(2,507)	30,629	(5,027)	60,636	(560)	56,539	116,615
Total changes during the period	37,542	(2,507)	30,629	(5,027)	60,636	(560)	56,539	216,100
Balance at the end of the period	863,455	8,003	22,663	(29,676)	864,445	926	65,038	1,868,940

Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	100,045	408,382	501,561	(71,459)	938,529
Changes during the period:					
Dividends			(41,027)		(41,027)
Net income attributable to shareholders of the parent			139,817		139,817
Acquisition of treasury stock				(56,941)	(56,941)
Disposal of treasury stock		(45)		219	173
Changes in the scope of consolidation			2,332		2,332
Changes in interest of the parent related to transactions with non-controlling shareholders		(1)			(1)
Others			931		931
Net changes in items other than shareholders' equity					
Total changes during the period	–	(47)	102,054	(56,722)	45,284
Balance at the end of the period	100,045	408,335	603,615	(128,182)	983,814

	Accumulated other comprehensive income					Stock acquisition rights	Non-controlling interests	Total net assets
	Unrealized gains and losses on securities available for sale	Deferred gains and losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the period	863,455	8,003	22,663	(29,676)	864,445	926	65,038	1,868,940
Changes during the period:								
Dividends								(41,027)
Net income attributable to shareholders of the parent								139,817
Acquisition of treasury stock								(56,941)
Disposal of treasury stock								173
Changes in the scope of consolidation								2,332
Changes in interest of the parent related to transactions with non-controlling shareholders								(1)
Others								931
Net changes in items other than shareholders' equity	58,970	(952)	(44,981)	26,471	39,509	(177)	(37,346)	1,985
Total changes during the period	58,970	(952)	(44,981)	26,471	39,509	(177)	(37,346)	47,269
Balance at the end of the period	922,425	7,050	(22,317)	(3,205)	903,954	749	27,692	1,916,210

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)	Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)
Cash flows from operating activities:		
Net income before income taxes	231,989	114,336
Depreciation	25,603	73,069
Impairment losses	387	11,132
Amortization of goodwill	8,907	25,731
Increase (decrease) in reserve for outstanding losses and claims	21,218	91,837
Increase (decrease) in underwriting reserves	114,436	110,798
Increase (decrease) in allowance for possible credit losses	88	(222)
Increase (decrease) in net defined benefit liability	2,985	4,877
Increase (decrease) in reserve for retirement benefits to directors	(78)	4
Increase (decrease) in reserve for bonus payments	146	(1,547)
Increase (decrease) in reserve for bonus payments to directors	125	(15)
Increase (decrease) in reserve for stocks payments	445	491
Increase (decrease) in reserve for price fluctuation	11,713	11,894
Interest and dividend income	(173,563)	(190,863)
Losses (gains) on investment in securities	(64,217)	(70,667)
Interest expenses	9,657	14,549
Foreign exchange losses (gains)	(8,623)	(1,349)
Losses (gains) related to tangible fixed assets	(7,429)	28,220
Losses (gains) related to loans	1	1
Investment losses (gains) on the equity method	(398)	(592)
Decrease (increase) in other assets (other than investing and financing activities)	(15,360)	(71,583)
Increase (decrease) in other liabilities (other than investing and financing activities)	20,947	9,294
Others	34,503	(15,167)
Subtotal	213,486	144,227
Interest and dividend received	175,913	193,223
Interest paid	(8,250)	(13,906)
Income taxes paid	(18,228)	(77,109)
Cash flows from operating activities	362,920	246,433

(Millions of yen)

	Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)	Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)
Cash flows from investing activities:		
Net decrease (increase) in deposits	(35,467)	(22,547)
Purchase of monetary receivables bought	—	(415)
Proceeds from sales and redemption of monetary receivables bought	3,410	5,173
Increase in money trusts	(16,737)	(96)
Decrease in money trusts	33,185	8,531
Purchase of securities	(1,345,927)	(1,589,361)
Proceeds from sales and redemption of securities	1,410,254	1,581,387
Loans made	(212,039)	(198,238)
Collection of loans	173,918	154,792
Net increase (decrease) in receivables under securities borrowing transactions and payables under securities lending transactions	—	22,921
Others	44,975	(11,354)
Total of investment transactions	55,573	(49,207)
Total of operating activities and investment transactions as above	418,494	197,226
Acquisition of tangible fixed assets	(15,786)	(24,178)
Proceeds from sales of tangible fixed assets	12,302	24,298
Acquisition of stocks of subsidiaries resulting in changes in the scope of consolidation	(549,226)	—
Proceeds from sales of stocks of subsidiaries resulting in changes in the scope of consolidation	—	67,991
Others	(29,531)	(50,763)
Cash flows from investing activities	(526,668)	(31,859)
Cash flows from financing activities:		
Proceeds from borrowings	50	152,150
Repayments of borrowings	(6,728)	(15,937)
Proceeds from issuance of corporate bonds	200,000	100,000
Redemption of corporate bonds	(115)	(11,300)
Net increase (decrease) in payables under securities lending transactions	250,063	(154,345)
Proceeds from sales of treasury stock	25	46
Acquisition of treasury stock	(35,230)	(56,941)
Dividends paid	(31,885)	(40,983)
Dividends paid to non-controlling shareholders	(72)	(7,205)
Repayments to non-controlling shareholders	—	(25,990)
Acquisition of stocks of subsidiaries that do not result in changes in the scope of consolidation	(4,678)	(16)
Others	(7,593)	(6,073)
Cash flows from financing activities	363,835	(66,597)
Effect of exchange rate changes on cash and cash equivalents	(5,679)	3,365
Increase (decrease) in cash and cash equivalents	194,408	151,343
Cash and cash equivalents at the beginning of the period	576,791	773,466
Increase in cash and cash equivalents resulting from newly consolidated subsidiaries	—	6,224
Increase in cash and cash equivalents resulting from merger	2,266	—
Cash and cash equivalents at the end of the period	773,466	931,033

(5) Notes on Going-Concern Assumption

None.

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

(Changes in accounting policies which are difficult to distinguish from changes in accounting estimates)

The Company and its domestic consolidated subsidiaries have changed the depreciation method for tangible fixed assets from the declining-balance method to the straight-line method since the beginning of the fiscal year 2017. Previously, the Company and its domestic consolidated subsidiaries applied the declining-balance method for depreciation of tangible fixed assets except for buildings acquired on or after April 1, 1998 and structures and fixtures attached to buildings acquired on or after April 1, 2016, to which the straight-line method was applied.

The proportion of companies adopting the straight-line method has increased due to the recent expansion in our overseas insurance business. In addition, in domestic P&C insurance business, it is expected that tangible fixed assets will be used stably over their useful lives in the future, due to the completion of combination and reorganization of bases and system integration resulting from merger. For this reason, the Company and its domestic consolidated subsidiaries reviewed unification of its depreciation methods and determined that allocating depreciation expenses equally represents the actual situation more and is a reasonable method. Herewith, SOMPO HOLDINGS will be able to unify accounting policies applied by domestic consolidated subsidiaries with those applied by overseas consolidated subsidiaries that have been using the straight-line method, and be able to provide more useful financial information.

As a result of this change, both ordinary profit and net income before income taxes for the fiscal year ended March 31, 2018 increased by 3,011 million yen, compared with the previous accounting method.

(7) Notes to the Consolidated Financial Statements

(Segment information)

[Segment information]

1. Summary of reportable segments

The reportable segment of Sompo Holdings, Inc. (“the Company”) is the component of the SOMPO HOLDINGS, for which discrete financial information is available and whose operating results are periodically reviewed by the board of directors to make decisions about resources to be allocated to the segment and assess its performance.
The respective group companies of the Company determine their comprehensive strategies for their operations as independent management unit and roll out their operations under the group-wide management policy of the Company.
Therefore, the Company is composed of business segments, which consist of the respective group companies as minimum component. “Domestic P&C insurance business,” “Domestic life insurance business,” “Nursing care and healthcare business” and “Overseas insurance business” are determined as the reportable segments. The Company, asset management business and defined-contribution pension business that are not covered by the reportable segments are included in “Others.” The major companies which constitute the reportable segments and “Others” are described below.
“Domestic P&C insurance business” consists mainly of underwriting of property and casualty insurance, investment, and related activities in Japan. “Domestic life insurance business” consists mainly of underwriting of life insurance and investment activities in Japan, “Nursing care and healthcare business” consists mainly of providing nursing care service and healthcare service, “Overseas insurance business” consists mainly of underwriting of property and casualty insurance and investment activities overseas.

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

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

The accounting methods of reportable business segments are those used in the preparation of the consolidated financial statements. Income or loss attributable to the reportable segments is the amounts based on net income attributable to shareholders of the parent in the consolidated statement of income.

Income from internal transactions among segments is based on the price of transactions among third parties and others.

(Changes in the depreciation method)

As described in "(6) Changes in Accounting Policies, Changes in Accounting Estimations, and Retrospective Restatements," the Company and its domestic consolidated subsidiaries have changed the depreciation method for tangible fixed assets from the declining balance method to the straight-line method since the beginning of the fiscal year 2017. Previously, the Company and its domestic consolidated subsidiaries applied the declining balance method for depreciation of tangible fixed assets except for buildings acquired on or after April 1, 1998 and structures and fixtures attached to buildings acquired on or after April 1, 2016, to which the straight-line method was applied. As a result of this change, regarding segment income for the fiscal year ended March 31, 2018, "Domestic P&C insurance business" segment increased 2,026 million yen and "Nursing care and healthcare business" segment increased 95 million yen, respectively, compared with the amounts calculated under the previous method. The effect of this change on the other segments was immaterial.

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

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

(Millions of yen)

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

Notes)

1. Sales amounts represent the following:

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

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

3. Adjustments of sales are as follows.

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

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

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

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

Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)

(Millions of yen)

	Reportable segments					Others (Note 2)	Total	Adjustments (Note 3)	Amount on the consolidated financial statements (Note 4)
	Domestic P&C insurance business	Domestic life insurance business	Nursing care and healthcare business	Overseas insurance business	Total				
Sales (Note 1):									
Sales from transactions with external customers	2,218,407	341,998	125,047	641,347	3,326,801	9,304	3,336,106	433,946	3,770,052
Sales from internal transactions or transfers among segments	—	—	2,835	—	2,835	10,927	13,763	(13,763)	—
Total	2,218,407	341,998	127,883	641,347	3,329,637	20,232	3,349,869	420,183	3,770,052
Segment income (loss)	112,765	7,462	(1,485)	20,892	139,635	182	139,817	—	139,817
Segment assets	6,736,732	2,796,934	187,434	2,202,596	11,923,697	24,626	11,948,323	—	11,948,323
Other items:									
Depreciation	13,102	428	5,135	54,225	72,891	177	73,069	—	73,069
Amortization of goodwill	147	609	4,807	20,167	25,731	—	25,731	—	25,731
Interest and dividend income	105,454	43,816	152	42,285	191,709	0	191,710	(847)	190,863
Interest paid	7,063	96	2,920	4,470	14,550	3	14,554	(4)	14,549
Investment gains on the equity method	33	—	—	559	592	—	592	—	592
Extraordinary gains (Note 5)	4,641	0	0	26,021	30,663	50	30,713	(21)	30,692
Extraordinary losses (Note 6)	47,271	1,438	46	9,510	58,265	2	58,268	(21)	58,246
Impairment losses	2,738	—	—	8,393	11,132	—	11,132	—	11,132
Income tax expenses	43,369	3,166	500	(69,782)	(22,746)	445	(22,301)	—	(22,301)
Investment in affiliates accounted for under the equity method	1,356	—	—	3,554	4,910	—	4,910	—	4,910
Increase in tangible and intangible fixed assets	67,367	380	2,511	7,634	77,895	358	78,253	—	78,253

Notes)

1. Sales amounts represent the following:

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

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

3. Adjustments of sales are as follows.

Ordinary income related to domestic P&C insurance business, domestic life insurance business and overseas insurance business excluding net premiums written and life insurance premiums written:	433,946	million yen
Elimination of internal transactions among segments:	(13,763)	million yen

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

5. Extraordinary gains for domestic P&C insurance business include 4,619 million yen of gains on disposal of fixed assets. Also, extraordinary gains for overseas insurance business include 25,927 million yen of gains on liquidation of overseas subsidiaries.

6. Extraordinary losses for domestic P&C insurance business include 34,041 million yen of losses on disposal of fixed assets, and

10,490 million yen of provision for reserve for price fluctuation. Also, extraordinary losses for overseas insurance business include 8,393 million yen of impairment losses.

[Related information]

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

1. Information by products and services

(Millions of yen)

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

(Millions of yen)

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

2. Information by geographic area

(1) Sales

(Millions of yen)

Japan	United States	Others	Total
2,557,488	74,313	358,887	2,990,689

Notes)

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

(2) Tangible fixed assets

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

3. Information by major customers

None.

Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)

1. Information by products and services

(Millions of yen)

	Fire and allied insurance	Marine insurance	Personal accident insurance	Voluntary automobile insurance	Compulsory automobile liability insurance	Others	Total
Net premiums written	454,125	105,325	192,798	1,241,314	292,021	569,170	2,854,755

(Millions of yen)

	Individual Insurance	Individual annuities	Group insurance	Group annuities	Total
Life insurance premiums written	325,365	6,348	15,284	—	346,998

2. Information by geographic area

(1) Sales

(Millions of yen)

Japan	United States	Others	Total
2,612,597	343,455	370,748	3,326,801

Notes)

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

(2) Tangible fixed assets

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

3. Information by major customers

None.

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

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

(Millions of yen)

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

Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)

(Millions of yen)

	Reportable segments					Others	Unallocated amounts and eliminations	Total
	Domestic P&C insurance business	Domestic life insurance business	Nursing care and healthcare business	Overseas insurance business	Total			
Impairment losses	2,738	—	—	8,393	11,132	—	—	11,132

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

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

(Millions of yen)

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

Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)

(Millions of yen)

	Reportable segments					Others	Unallocated amounts and eliminations	Total
	Domestic P&C insurance business	Domestic life insurance business	Nursing care and healthcare business	Overseas insurance business	Total			
Amortization for the fiscal year ended March 31, 2018	147	609	4,807	20,167	25,731	—	—	25,731
Balance as of March 31, 2018	241	1,827	45,598	176,310	223,977	—	—	223,977

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

None.

(Securities)

1. Trading Securities

(Millions of yen)

	As of March 31, 2017		As of March 31, 2018	
	Carrying amount	Unrealized gains and losses recognized in statement of income	Carrying amount	Unrealized gains and losses recognized in statement of income
Trading securities	630,798	2,501	212,004	1

Note)

As of March 31, 2017	As of March 31, 2018
Certificate of deposit classified as cash and deposits and commercial paper as monetary receivables bought in the consolidated balance sheet are included above.	——

2. Bonds held to maturity

(Millions of yen)

		As of March 31, 2017			As of March 31, 2018		
		Carrying amount	Fair value	Unrealized gains and losses	Carrying amount	Fair value	Unrealized gains and losses
Securities whose fair value exceeds their carrying amount	Domestic bonds	1,188,313	1,466,468	278,155	1,180,112	1,465,926	285,814
	Foreign securities	153	161	7	2,019	2,087	67
	Subtotal	1,188,467	1,466,629	278,162	1,182,131	1,468,013	285,881
Securities whose fair value does not exceed their carrying amount	Domestic bonds	15,371	14,569	(802)	15,129	14,694	(435)
	Foreign securities	1,916	1,883	(33)	1,996	1,979	(17)
	Subtotal	17,288	16,452	(836)	17,125	16,673	(452)
Total		1,205,755	1,483,082	277,326	1,199,257	1,484,687	285,429

3. Policy reserve matching bonds

(Millions of yen)

		As of March 31, 2017			As of March 31, 2018		
		Carrying amount	Fair value	Unrealized gains and losses	Carrying amount	Fair value	Unrealized gains and losses
Securities whose fair value exceeds their carrying amount	Domestic bonds	147,193	165,622	18,428	231,867	255,152	23,285
Securities whose fair value does not exceed their carrying amount	Domestic bonds	52,465	50,011	(2,453)	36,110	34,877	(1,233)
Total		199,659	215,634	15,974	267,978	290,029	22,051

4. Securities available for sale

(Millions of yen)

		As of March 31, 2017			As of March 31, 2018		
		Carrying amount	Cost	Unrealized gains and losses	Carrying amount	Cost	Unrealized gains and losses
Securities whose carrying amount exceeds their cost	Domestic bonds	1,969,971	1,777,125	192,845	2,014,762	1,827,096	187,665
	Domestic stocks	1,488,337	598,400	889,937	1,560,427	560,579	999,847
	Foreign securities	1,291,177	1,170,790	120,387	1,355,885	1,234,891	120,994
	Others	42,600	37,297	5,302	58,933	52,793	6,139
	Subtotal	4,792,087	3,583,614	1,208,472	4,990,008	3,675,361	1,314,646
Securities whose carrying amount does not exceed their cost	Domestic bonds	233,604	241,826	(8,221)	133,071	136,423	(3,352)
	Domestic stocks	31,779	33,991	(2,211)	28,161	31,536	(3,374)
	Foreign securities	1,136,603	1,153,412	(16,808)	1,370,567	1,413,677	(43,109)
	Others	21,307	21,427	(120)	8,648	8,693	(45)
	Subtotal	1,423,295	1,450,658	(27,363)	1,540,448	1,590,330	(49,882)
Total		6,215,382	5,034,273	1,181,109	6,530,456	5,265,692	1,264,764

Notes)

As of March 31, 2017	As of March 31, 2018
1. Securities available for sale which are considered extremely difficult to figure out their fair value are not included in the above table.	1. Same as on the left
2. Certificate of deposit classified as cash and deposits and beneficial interests in the loan trusts, etc. classified as monetary receivables bought in the consolidated balance sheet are included in “Others” above.	2. Same as on the left

5. Securities available for sale sold

(Millions of yen)

	Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)			Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)		
	Proceeds from sales	Gains on sales	Losses on sales	Proceeds from sales	Gains on sales	Losses on sales
Domestic bonds	312,815	9,123	4,591	111,882	2,830	1,679
Domestic stocks	109,096	66,525	218	112,071	69,085	491
Foreign securities	342,135	5,356	9,727	613,830	9,319	6,177
Others	4,033	965	22	7,301	1,616	2
Total	768,080	81,971	14,560	845,086	82,852	8,350

6. Securities for which impairment losses are recognized

Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)	Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)
For the fiscal year ended March 31, 2017, impairment losses on securities available for sale (excluding securities available for sale which are considered extremely difficult to figure out their fair value) amount to 744 million yen (domestic stocks: 527 million yen, foreign securities: 216 million yen), and impairment losses on securities available for sale which are considered extremely difficult to figure out their fair value amount to 351 million yen (domestic stocks: 9 million yen, foreign securities: 341 million yen). Basically, Sompo Holdings, Inc. and its domestic consolidated subsidiaries recognize impairment losses on securities if fair value at the end of the fiscal year declines by 30% or more from their cost.	For the fiscal year ended March 31, 2018, impairment losses on securities available for sale (excluding securities available for sale which are considered extremely difficult to figure out their fair value) amount to 1,627 million yen (foreign securities only), and impairment losses on securities available for sale which are considered extremely difficult to figure out their fair value amount to 2,051 million yen (domestic stocks: 1,248 million yen, foreign securities: 802 million yen). Basically, impairment losses on securities are recognized if fair value at the end of the fiscal year declines by 30% or more from their cost.

(Per share information)

	Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)	Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)
Net assets per share	4,583.07 yen	4,960.24 yen
Net income per share	419.15 yen	361.39 yen
Diluted net income per share	418.71 yen	361.09 yen

Notes)

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

(Millions of yen)

	Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)	Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)
Net income per share		
Net income attributable to shareholders of the parent	166,402	139,817
Amount not attributable to common stockholders	—	—
Net income attributable to shareholders of the parent to common stocks	166,402	139,817
Average number of common stocks outstanding	396,995 thousand shares	386,879 thousand shares
Diluted net income per share		
Adjustment of net income attributable to shareholders of the parent	—	—
Increase of common stocks:	419 thousand shares	328 thousand shares
Stock acquisition rights	419 thousand shares	328 thousand shares

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

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
Total net assets	1,868,940	1,916,210
Amount to be deducted from total net assets:	65,964	28,441
Stock acquisition rights	926	749
Non-controlling interests	65,038	27,692
Net assets attributable to common stocks	1,802,975	1,887,769
Number of common stocks used for calculation of net assets per share	393,398 thousand shares	380,579 thousand shares

3. In the calculation of net income per share and diluted net income per share, the Company shares outstanding in “Board Benefit Trust (BBT)” which are recognized as treasury stock in shareholders’ equity are included in treasury stock deducted from the average number of shares outstanding. In addition, in the calculation of net assets per share, such shares are included in treasury stock deducted from the number of total shares outstanding.
   The average number of the treasury stock deducted above mentioned is 458 thousand for the fiscal year ended March 31, 2017 and is 597 thousand for the fiscal year ended March 31,2018. The number of the treasury stock deducted above mentioned is 612 thousand as of March 31, 2017 and is 596 thousand as of March 31, 2018.

(Significant subsequent events)

Acquisition of treasury stock

The Company passed a resolution setting out details of the Company's stock buybacks to be conducted in accord with Article 156 of the Companies Act applied pursuant to Article 165, paragraph 3, of that Act at the Company's Board of Directors meeting on May 18, 2018. Details of the resolution are as follows.

(1) Reason for stock buybacks

While maintaining financial soundness and improving capital efficiency by investing on growing fields, etc., the Company has a shareholder return policy of paying stable dividends, with the option of stock buybacks depending on capital conditions. Regarding medium-term management plan beginning in fiscal year ended March 31, 2017, the Company has set a medium-term target of the shareholder return (dividends and stock buybacks) for the total payout ratio of 50 percent of adjusted consolidated profit. In accordance with this policy, the Company will conduct stock buybacks as a part of the shareholder return for the financial results of fiscal year ended March 31, 2018.

(2) Details of stock buybacks

(a)	Class of shares	Common stock of the Company
(b)	Potential total number	13,000,000 shares (upper limit)
(c)	Total price	39,100,000,000 yen (upper limit)
(d)	Period	May 21, 2018 — November 16, 2018

4. Other

(1) Summary of Results of Operations (Consolidated)

(Millions of yen)

	Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)	Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)	Increase (Decrease)	Rate of change
				%
Ordinary income and expenses:				
Underwriting income:	3,050,550	3,369,720	319,170	10.5
Net premiums written	2,550,336	2,854,755	304,418	11.9
Deposits of premiums by policyholders	131,617	120,380	(11,236)	(8.5)
Life insurance premiums written	323,860	346,998	23,137	7.1
Underwriting expenses:	2,515,138	2,868,010	352,872	14.0
Net claims paid	1,427,712	1,698,171	270,458	18.9
Loss adjustment expenses	136,599	138,317	1,717	1.3
Net commissions and brokerage fees	484,365	516,938	32,572	6.7
Maturity refunds to policyholders	226,431	231,367	4,936	2.2
Life insurance claims paid and other payments	82,779	88,899	6,120	7.4
Provision for reserve for outstanding losses and claims	31,018	75,625	44,606	143.8
Provision for underwriting reserves	118,856	113,706	(5,150)	(4.3)
Investment income:	232,846	254,395	21,548	9.3
Interest and dividend income	173,563	190,863	17,299	10.0
Gains on sales of securities	81,973	83,450	1,476	1.8
Investment expenses:	41,213	29,270	(11,943)	(29.0)
Losses on sales of securities	14,560	9,682	(4,878)	(33.5)
Impairment losses on securities	3,257	3,745	487	15.0
Operating, general and administrative expenses	506,537	608,427	101,889	20.1
Other ordinary income and expenses	21,206	23,483	2,277	10.7
Investment gains on the equity method	398	592	194	48.7
Ordinary profit	241,713	141,890	(99,822)	(41.3)
Extraordinary gains and losses:				
Extraordinary gains	9,381	30,692	21,310	227.2
Extraordinary losses	19,105	58,246	39,140	204.9
Extraordinary gains and losses	(9,724)	(27,554)	(17,829)	―
Net income before income taxes	231,989	114,336	(117,652)	(50.7)
Income taxes	58,171	13,618	(44,552)	(76.6)
Deferred income taxes	7,101	(35,920)	(43,021)	(605.8)
Total income taxes	65,272	(22,301)	(87,574)	(134.2)
Net income	166,716	136,637	(30,078)	(18.0)
Net income (loss) attributable to non-controlling shareholders	313	(3,179)	(3,493)	(1,113.7)
Net income attributable to shareholders of the parent	166,402	139,817	(26,585)	(16.0)

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

Direct premiums written (including deposits of premiums by policyholders)

(Millions of yen)

Business line	Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)			Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
		%	%		%	%
Fire and allied insurance	478,351	16.7	(3.5)	538,247	17.0	12.5
Marine insurance	88,710	3.1	(0.8)	104,351	3.3	17.6
Personal accident insurance	298,883	10.4	4.5	288,131	9.1	(3.6)
Voluntary automobile insurance	1,251,748	43.6	4.4	1,250,159	39.5	(0.1)
Compulsory automobile liability insurance	318,407	11.1	0.7	297,410	9.4	(6.6)
Others	436,772	15.2	3.2	687,145	21.7	57.3
Total	2,872,874	100.0	2.3	3,165,447	100.0	10.2
Deposits of premiums by policyholders	131,617	4.6	9.4	120,380	3.8	(8.5)

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

Net premiums written

(Millions of yen)

Business line	Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)			Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
		%	%		%	%
Fire and allied insurance	373,558	14.6	(8.4)	454,125	15.9	21.6
Marine insurance	79,335	3.1	(7.6)	105,325	3.7	32.8
Personal accident insurance	194,152	7.6	(0.1)	192,798	6.8	(0.7)
Voluntary automobile insurance	1,245,666	48.8	4.0	1,241,314	43.5	(0.3)
Compulsory automobile liability insurance	295,884	11.6	(3.7)	292,021	10.2	(1.3)
Others	361,739	14.2	0.7	569,170	19.9	57.3
Total	2,550,336	100.0	(0.1)	2,854,755	100.0	11.9

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

Net claims paid

(Millions of yen)

Business line	Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)			Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
		%	%		%	%
Fire and allied insurance	229,211	16.1	(8.7)	337,488	19.9	47.2
Marine insurance	41,321	2.9	(14.6)	63,003	3.7	52.5
Personal accident insurance	99,533	7.0	(5.8)	100,955	5.9	1.4
Voluntary automobile insurance	644,783	45.2	0.9	679,027	40.0	5.3
Compulsory automobile liability insurance	224,462	15.7	(1.0)	215,441	12.7	(4.0)
Others	188,400	13.2	(1.1)	302,254	17.8	60.4
Total	1,427,712	100.0	(2.3)	1,698,171	100.0	18.9

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