SOMPO HOLDINGS

UNOFFICIAL TRANSLATION

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Summary of Consolidated Financial Results for the fiscal year ended March 31, 2018

Supplementary Information

May 18, 2018

Sompo Holdings, Inc.

（ Securities Code : 8630 ）

Summary of Consolidated Financial Results for the fiscal year ended March 31, 2018

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1. Overview of Consolidated Financial Results for the fiscal year ended March 31, 2018

Sompo Holdings, Inc.

Overview of Consolidated Financial Results for the fiscal year ended March 31, 2018

(Yen in hundred millions, %)

		Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018	Increase (Decrease)	Rate of change
Ordinary income:	①	34,195	37,700	3,505	10.3
Net premiums written:	②	25,503	28,547	3,044	11.9
Sompo Japan Nipponkoa Insurance Inc.	③	21,656	21,680	23	0.1
Overseas consolidated subsidiaries	④	3,381	6,363	2,982	88.2
Others	⑤	465	503	38	8.3
Life insurance premiums written	⑥	3,238	3,469	231	7.1
Ordinary profit:	⑦	2,417	1,418	(998)	(41.3)
Sompo Japan Nipponkoa Insurance Inc.	⑧	2,304	1,752	(552)	(24.0)
Net income attributable to shareholders of the parent:	⑨	1,664	1,398	(265)	(16.0)
Sompo Japan Nipponkoa Insurance Inc.	⑩	1,644	1,700	56	3.4
Sompo Japan Nipponkoa Himawari Life Insurance, Inc.	⑪	83	81	(2)	(2.4)
Overseas consolidated subsidiaries	⑫	195	(378)	(573)	(293.7)
Nursing care and healthcare consolidated subsidiaries	⑬	(23)	31	55	—
Others and consolidation adjustment, etc.	⑭	(234)	(36)	197	—

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.

Impact of overseas natural disasters due to Hurricanes in North America, etc.

(Yen in hundred millions)

	Net incurred loss	Net income attributable to shareholders of the parent
Total	1,023	(754)
Sompo Japan Nipponkoa Insurance Inc.	68	(49)
Overseas consolidated subsidiaries	955	(705)

Note) The above figures represent the sum of six disasters, Hurricanes in North America (Harvey, Irma, Maria), Wild Fires in California (October occurred, December occurred) and Earthquakes in Mexico.

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)

Overview of Financial Results for the fiscal year ended March 31, 2018

Summary of Results of Operations

(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 and expenses:					
Direct premiums written (including deposits of premiums by policyholders)	①	2,448,355	2,457,751	9,395	0.4 %
Direct premiums written	②	2,316,780	2,337,387	20,606	0.9
(+) Net premiums written	③	2,165,694	2,168,009	2,314	0.1
(−) Net claims paid	④	1,242,843	1,272,130	29,286	2.4
(−) Loss adjustment expenses	⑤	125,894	123,507	(2,387)	(1.9)
(−) Net commissions and brokerage fees	⑥	385,963	392,329	6,365	1.6
(+) Deposits of premiums by policyholders	⑦	131,574	120,364	(11,210)	(8.5)
(+) Interest and dividend income on deposits of premiums, etc.	⑧	41,780	39,287	(2,493)	(6.0)
(−) Maturity refunds and dividends to policyholders	⑨	226,210	231,449	5,238	2.3
(−) Provision for (reversal of) reserve for outstanding losses and claims	⑩	(213)	(5,332)	(5,119)	—
(−) Provision for (reversal of) underwriting reserves	⑪	(64,905)	(89,318)	(24,413)	—
(+) Other underwriting income and expenses	⑫	(3,947)	(66)	3,880	—
Gross underwriting margin	⑬	419,307	402,827	(16,480)	(3.9)
Operating, general and administrative expenses related to underwriting	⑭	306,724	307,876	1,152	0.4
Other income and expenses	⑮	(108)	(135)	(26)	—
Underwriting profit	⑯	112,474	94,815	(17,659)	(15.7)
Investment income and expenses:					
(+) Interest and dividend income	⑰	114,898	106,234	(8,664)	(7.5)
(+) Investment gains and losses on money trusts	⑱	2,318	5,307	2,989	128.9
(+) Gains and losses on sales of securities	⑲	71,085	67,358	(3,727)	(5.2)
(−) Impairment losses on securities	⑳	1,607	26,703	25,096	1,560.9
(+) Transfer of interest and dividend income on deposits of premiums, etc.	㉑	(41,780)	(39,287)	2,493	—
(+) Gains and losses on derivatives	㉒	(16,218)	(11,326)	4,891	—
(+) Other investment income and expenses	㉓	3,679	(3,739)	(7,418)	(201.6)
Gross investment margin	㉔	132,374	97,842	(34,531)	(26.1)
(−) Operating, general and administrative expenses	㉕	322,505	325,104	2,599	0.8
(+) Other ordinary income and expenses	㉖	1,298	(344)	(1,642)	(126.6)
Ordinary profit	㉗	230,474	175,220	(55,253)	(24.0)
Extraordinary gains and losses:					
(+) Extraordinary gains	㉘	9,257	27,690	18,432	199.1
(−) Extraordinary losses	㉙	17,538	47,541	30,003	171.1
Extraordinary gains and losses	㉚	(8,280)	(19,851)	(11,570)	—
Net income before income taxes	㉛	222,194	155,369	(66,824)	(30.1)
(−) Income taxes	㉜	45,842	831	(45,011)	(98.2)
(−) Deferred income taxes	㉝	11,949	(15,494)	(27,443)	(229.7)
Total income taxes	㉞	57,792	(14,663)	(72,455)	(125.4)
Net income	㉟	164,401	170,032	5,630	3.4

		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
Underwriting result:					
(+) Net premiums written	㊱	2,165,694	2,168,009	2,314	0.1
(−) Net claims paid	㊲	1,242,843	1,272,130	29,286	2.4
(−) Loss adjustment expenses	㊳	125,894	123,507	(2,387)	(1.9)
(−) Net operating expenses:	㊴	692,688	700,206	7,518	1.1
Net commissions and brokerage fees	㊵	385,963	392,329	6,365	1.6
Operating, general and administrative expenses related to underwriting	㊶	306,724	307,876	1,152	0.4
Underwriting result	㊷	104,267	72,164	(32,103)	(30.8)
Ratios:					
Net loss ratio (%)	㊸	63.2	64.4	1.2	
Net operating expenses ratio (%)	㊹	32.0	32.3	0.3	
Combined ratio (%)	㊺	95.2	96.7	1.5	
Return on investments (income base) (%)	㊻	2.20	1.87	(0.33)	
Return on investments (realized base) (%)	㊼	3.28	2.38	(0.90)	

Reference) Total return based on the fair value: Fiscal year ended March 31, 2017 3.74 %
Fiscal year ended March 31, 2018 3.10 %

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)

Premiums Written and Claims Paid by Business Lines

Direct premiums written (excluding deposits of premiums by policyholders)

(Millions of yen)

Business line	Fiscal year ended March 31, 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	346,691	15.0	(7.5)	369,924	15.8	6.7
Marine insurance	45,224	2.0	(11.5)	46,983	2.0	3.9
Personal accident insurance	184,522	8.0	(0.4)	183,066	7.8	(0.8)
Voluntary automobile insurance	1,078,816	46.6	0.7	1,081,151	46.3	0.2
Compulsory automobile liability insurance	318,407	13.7	0.7	297,410	12.7	(6.6)
Others	343,118	14.8	4.5	358,850	15.4	4.6
Total	2,316,780	100.0	(0.4)	2,337,387	100.0	0.9
Deposits of premiums by policyholders	131,574	——	9.4	120,364	——	(8.5)

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	285,388	13.2	(13.7)	281,742	13.0	(1.3)
Marine insurance	43,985	2.0	(14.1)	47,385	2.2	7.7
Personal accident insurance	181,798	8.4	(1.3)	179,939	8.3	(1.0)
Voluntary automobile insurance	1,077,749	49.8	0.7	1,078,546	49.7	0.1
Compulsory automobile liability insurance	295,208	13.6	(3.7)	291,361	13.4	(1.3)
Others	281,564	13.0	2.2	289,032	13.3	2.7
Total	2,165,694	100.0	(2.4)	2,168,009	100.0	0.1

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	Rate of change	Net loss ratio	Amount	Rate of change	Net loss ratio
		%	%		%	%
Fire and allied insurance	187,049	(14.4)	67.3	201,675	7.8	73.3
Marine insurance	27,345	(16.5)	65.3	29,098	6.4	64.3
Personal accident insurance	95,014	(5.5)	56.5	94,919	(0.1)	56.7
Voluntary automobile insurance	565,421	(0.4)	60.1	581,583	2.9	61.5
Compulsory automobile liability insurance	223,807	(1.0)	82.6	214,806	(4.0)	80.1
Others	144,205	1.6	54.7	150,046	4.1	55.5
Total	1,242,843	(3.5)	63.2	1,272,130	2.4	64.4

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)

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

(Millions of yen)

	Fiscal year ended March 31, 2017			Fiscal year ended March 31, 2018		
	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	39,366	10,129	49,495	42,559	7,575	50,134
Voluntary automobile insurance	3,251	55	3,306	4,569	(616)	3,952
Other than the above	2,098	939	3,038	1,793	1,270	3,064
Total	44,717	11,123	55,840	48,921	8,229	57,151

Notes)

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

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

(Millions of yen)

	Fiscal year ended March 31, 2017			Fiscal year ended March 31, 2018		
	Amount	Increase (Decrease)	Rate of change	Amount	Increase (Decrease)	Rate of change
			%			%
Personnel expenses	233,810	(2,975)	(1.3)	236,896	3,085	1.3
Non-personnel expenses	196,152	11,261	6.1	193,294	(2,858)	(1.5)
Others (taxes and contributions)	18,437	(474)	(2.5)	18,422	(15)	(0.1)
Total	448,400	7,811	1.8	448,612	211	0.0

Reserve for Outstanding Losses and Claims

(Millions of yen)

	Fiscal year ended March 31, 2017		Fiscal year ended March 31, 2018	
	Balance	Change	Balance	Change
Fire and allied insurance	124,961	944	119,721	(5,239)
Marine insurance	25,860	(4,238)	23,832	(2,028)
Personal accident insurance	66,287	(2,261)	64,779	(1,508)
Voluntary automobile insurance	410,094	4,633	398,648	(11,446)
Compulsory automobile liability insurance	84,765	(4,275)	80,376	(4,389)
Others	200,792	4,983	220,072	19,279
Total	912,762	(213)	907,429	(5,332)

Ordinary Underwriting Reserves

(Millions of yen)

	Fiscal year ended March 31, 2017		Fiscal year ended March 31, 2018	
	Balance	Change	Balance	Change
Fire and allied insurance	747,137	(30,271)	737,095	(10,042)
Marine insurance	19,055	(214)	20,495	1,439
Personal accident insurance	123,434	1,401	124,980	1,545
Voluntary automobile insurance	310,704	2,765	311,824	1,119
Compulsory automobile liability insurance	419,107	3,674	429,348	10,241
Others	315,030	6,565	322,911	7,880
Total	1,934,471	(16,079)	1,946,655	12,183

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

Catastrophic Loss Reserve

(Millions of yen)

	Fiscal year ended March 31, 2017				Fiscal year ended March 31, 2018			
	Reversal	Provision	Balance	Balance ratio	Reversal	Provision	Balance	Balance ratio
				%				%
Fire and allied insurance	40,863	38,527	175,317	61.6	59,317	39,921	155,921	55.5
Marine insurance	810	1,926	48,111	109.4	1,053	2,516	49,574	104.6
Personal accident insurance	5,582	5,747	70,801	38.9	5,889	5,696	70,608	39.2
Voluntary automobile insurance	29,036	34,582	68,906	6.4	43,425	34,648	60,128	5.6
Others	3,170	14,558	201,088	71.4	5,476	14,444	210,056	72.7
Total	79,463	95,342	564,224	30.2	115,162	97,228	546,290	29.1

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

2. Forecasts for the fiscal year ending March 31, 2019 (April 1, 2018 to March 31, 2019)

Sompo Holdings, Inc. (Consolidated)

(Yen in hundred millions, %)

	Fiscal year ending March 31, 2018 Result	Fiscal year ending March 31, 2019 Forecast	Increase (Decrease)	Rate of change
Net premiums written	28,547	27,800	(747)	(2.6)
Life insurance premiums written	3,469	3,600	130	3.7
Ordinary profit	1,418	2,900	1,481	104.4
Net income attributable to shareholders of the parent:	1,398	2,100	701	50.2
Sompo Japan Nipponkoa Insurance Inc.	1,700	1,870	169	10.0
Sompo Japan Nipponkoa Himawari Life Insurance, Inc.	81	120	38	47.8
Overseas consolidated subsidiaries	(378)	301	680	—
Nursing care and healthcare consolidated subsidiaries	31	36	4	14.2
Others and consolidation adjustment, etc.	(36)	(228)	(191)	—
Dividends per share (annual)	110 yen	130 yen	20 yen	——

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

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)

(Yen in hundred millions, %)

	Fiscal year ending March 31, 2018 Result	Fiscal year ending March 31, 2019 Forecast	Increase (Decrease)	Rate of change
Net premiums written	21,680	21,460	(220)	(1.0)
(Excluding earthquake insurance and compulsory automobile liability insurance)	18,760	18,635	(124)	(0.7)
Net loss ratio	64.4	64.1	(0.3)	——
(Excluding earthquake insurance and compulsory automobile liability insurance)	62.0	61.5	(0.5)	——
Net operating expenses ratio	32.3	32.0	(0.3)	——
(Excluding earthquake insurance and compulsory automobile liability insurance)	34.0	33.6	(0.4)	——
Combined ratio	96.7	96.1	(0.6)	——
(Excluding earthquake insurance and compulsory automobile liability insurance)	95.9	95.0	(0.9)	——
Underwriting profit	948	1,280	331	35.0
Gross investment margin	978	1,421	443	45.3
Ordinary profit	1,752	2,500	747	42.7
Net income	1,700	1,870	169	10.0

3. Overview of Business Results of Principal Consolidated Subsidiaries

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)

Balance Sheet

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits:	369,971	445,878	75,906
Cash	6	2	(4)
Deposits	369,964	445,875	75,910
Receivables under resale agreements	54,999	74,998	19,999
Monetary receivables bought	7,624	6,301	(1,323)
Money trusts	104,292	98,613	(5,678)
Securities:	5,519,966	5,491,040	(28,926)
Government bonds	913,716	834,110	(79,605)
Municipal bonds	6,868	6,839	(29)
Corporate bonds	569,275	570,034	759
Domestic stocks	1,600,377	1,661,445	61,067
Foreign securities	2,379,894	2,356,282	(23,612)
Other securities	49,834	62,328	12,493
Loans:	626,474	661,399	34,924
Policy loans	8,647	7,643	(1,003)
Ordinary loans	617,827	653,756	35,928
Tangible fixed assets:	289,844	244,366	(45,477)
Land	143,299	103,348	(39,951)
Buildings	116,496	105,830	(10,665)
Leased assets	3,106	2,563	(542)
Construction in progress	2,751	6,920	4,168
Other tangible fixed assets	24,189	25,703	1,513
Intangible fixed assets:	37,608	79,404	41,795
Software	—	4,913	4,913
Other intangible fixed assets	37,608	74,490	36,882
Other assets:	568,415	596,552	28,137
Premiums receivable	2,465	2,868	403
Agency accounts receivable	171,724	173,280	1,555
Foreign agency accounts receivable	44,512	38,056	(6,456)
Coinsurance accounts receivable	10,291	11,716	1,425
Reinsurance accounts receivable	97,410	100,220	2,809
Foreign reinsurance accounts receivable	81,609	65,424	(16,184)
Proxy service receivable	688	708	19
Accounts receivable	32,137	66,125	33,988
Accrued income	10,547	10,201	(345)
Advance deposits	15,700	19,322	3,621
Earthquake insurance deposits	6,930	7,364	434
Suspense payments	70,466	69,189	(1,277)
Deposits paid for future transactions	7,415	7,744	328
Derivative assets	16,512	24,328	7,816
Other assets	1	0	(1)
Prepaid pension cost	884	669	(215)
Allowance for possible credit losses	(3,493)	(3,570)	(77)
Allowance for possible investment losses	(7,808)	(7,476)	331
Total assets	7,568,779	7,688,176	119,396

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)

Balance Sheet

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018	Increase (Decrease)
	Amount	Amount	
Liabilities:			
Underwriting funds:	4,861,584	4,766,933	(94,651)
Reserve for outstanding losses and claims	912,762	907,429	(5,332)
Underwriting reserves	3,948,822	3,859,504	(89,318)
Corporate bonds	333,560	433,560	100,000
Other liabilities:	680,506	651,635	(28,871)
Coinsurance accounts payable	5,370	5,135	(234)
Reinsurance accounts payable	93,204	81,782	(11,421)
Foreign reinsurance accounts payable	35,631	37,179	1,547
Payables under securities lending transactions	250,063	95,718	(154,345)
Borrowings	444	137,263	136,818
Income taxes payable	43,472	5,685	(37,786)
Deposits received	3,574	3,449	(125)
Unearned income	376	361	(14)
Accounts payable	144,356	173,446	29,090
Suspense receipts	87,742	84,158	(3,584)
Derivative liabilities	663	739	75
Cash collateral received for financial instruments	10,790	20,768	9,978
Lease obligations	2,693	3,968	1,274
Asset retirement obligations	2,120	1,977	(142)
Reserve for retirement benefits	88,172	92,974	4,802
Reserve for bonus payments	18,375	18,435	59
Reserve for bonus payments to directors	135	97	(37)
Reserves under the special laws:	68,706	79,193	10,486
Reserve for price fluctuation	68,706	79,193	10,486
Deferred tax liabilities	62,461	70,750	8,289
Total liabilities	6,113,502	6,113,580	77
Net assets:			
Shareholders' equity:			
Common stock	70,000	70,000	—
Capital surplus:	70,000	70,000	—
Capital reserves	70,000	70,000	—
Retained earnings:	395,486	459,119	63,632
Other retained earnings:	395,486	459,119	63,632
Reserve for advanced depreciation	4,178	4,084	(94)
General reserve	83,300	83,300	—
Retained earnings carried forward	308,007	371,735	63,727
Total shareholders' equity	535,486	599,119	63,632
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	911,787	968,426	56,638
Deferred gains and losses on hedges	8,003	7,050	(952)
Total valuation and translation adjustments	919,790	975,477	55,686
Total net assets	1,455,276	1,574,596	119,319
Total liabilities and net assets	7,568,779	7,688,176	119,396

Sompo Japan Nipponkoa Insurance Inc. (Non-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)	Increase (Decrease)	Rate of change
	Amount	Amount		
				%
Ordinary income:	2,585,968	2,590,740	4,771	0.2
Underwriting income:	2,405,516	2,424,702	19,186	0.8
Net premiums written	2,165,694	2,168,009	2,314	0.1
Deposits of premiums by policyholders	131,574	120,364	(11,210)	(8.5)
Interest and dividend income on deposits of premiums, etc.	41,780	39,287	(2,493)	(6.0)
Reversal of reserve for outstanding losses and claims	213	5,332	5,119	2,400.0
Reversal of underwriting reserves	64,905	89,318	24,413	37.6
Foreign exchange gains	—	835	835	—
Other underwriting income	1,348	1,556	207	15.4
Investment income:	168,291	155,053	(13,237)	(7.9)
Interest and dividend income	114,898	106,234	(8,664)	(7.5)
Investment gains on money trusts	2,516	5,476	2,959	117.6
Gains on sales of securities	84,070	81,469	(2,601)	(3.1)
Gains on redemption of securities	45	1,025	979	2,132.5
Foreign exchange gains	7,547	—	(7,547)	(100.0)
Other investment income	993	136	(857)	(86.3)
Transfer of interest and dividend income on deposits of premiums, etc.	(41,780)	(39,287)	2,493	—
Other ordinary income	12,160	10,983	(1,176)	(9.7)
Ordinary expenses:	2,355,493	2,415,519	60,025	2.5
Underwriting expenses:	1,986,208	2,021,875	35,666	1.8
Net claims paid	1,242,843	1,272,130	29,286	2.4
Loss adjustment expenses	125,894	123,507	(2,387)	(1.9)
Net commissions and brokerage fees	385,963	392,329	6,365	1.6
Maturity refunds to policyholders	226,123	231,262	5,139	2.3
Dividends to policyholders	87	186	99	113.2
Foreign exchange losses	2,627	—	(2,627)	(100.0)
Other underwriting expenses	2,668	2,458	(210)	(7.9)
Investment expenses:	35,917	57,210	21,293	59.3
Investment losses on money trusts	198	168	(29)	(15.0)
Investment losses on trading securities	1	—	(1)	(100.0)
Losses on sales of securities	12,984	14,110	1,126	8.7
Impairment losses on securities	1,607	26,703	25,096	1,560.9
Losses on redemption of securities	315	97	(218)	(69.2)
Losses on derivatives	16,218	11,326	(4,891)	(30.2)
Foreign exchange losses	—	1,406	1,406	—
Other investment expenses	4,590	3,396	(1,193)	(26.0)
Operating, general and administrative expenses	322,505	325,104	2,599	0.8
Other ordinary expenses:	10,862	11,328	466	4.3
Interest paid	6,496	7,058	562	8.7
Provision for allowance for possible credit losses	151	171	19	12.9
Losses on bad debt	80	11	(68)	(85.3)
Other ordinary expenses	4,133	4,087	(46)	(1.1)
Ordinary profit	230,474	175,220	(55,253)	(24.0)

Sompo Japan Nipponkoa Insurance Inc. (Non-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)	Increase (Decrease)	Rate of change
	Amount	Amount		
Extraordinary gains:	9,257	27,690	18,432	199.1
Gains on disposal of fixed assets	9,257	4,619	(4,638)	(50.1)
Other extraordinary gains	—	23,071	23,071	—
Extraordinary losses:	17,538	47,541	30,003	171.1
Losses on disposal of fixed assets	6,803	34,316	27,512	404.4
Impairment losses	197	2,738	2,541	1,285.5
Provision for reserves under the special laws:	10,536	10,486	(50)	(0.5)
Provision for reserve for price fluctuation	10,536	10,486	(50)	(0.5)
Net income before income taxes	222,194	155,369	(66,824)	(30.1)
Income taxes	45,842	831	(45,011)	(98.2)
Deferred income taxes	11,949	(15,494)	(27,443)	(229.7)
Total income taxes	57,792	(14,663)	(72,455)	(125.4)
Net income	164,401	170,032	5,630	3.4

Underwriting result:					
Net premiums written	(+)	2,165,694	2,168,009	2,314	0.1
Net claims paid	(−)	1,242,843	1,272,130	29,286	2.4
Loss adjustment expenses	(−)	125,894	123,507	(2,387)	(1.9)
Net operating expenses:	(−)	692,688	700,206	7,518	1.1
Net commissions and brokerage fees		385,963	392,329	6,365	1.6
Operating, general and administrative expenses related to underwriting		306,724	307,876	1,152	0.4
Underwriting result		104,267	72,164	(32,103)	(30.8)
Underwriting profit		112,474	94,815	(17,659)	(15.7)
Ratios:					
Net loss ratio	(%)	63.2	64.4	1.2	
Net operating expenses ratio	(%)	32.0	32.3	0.3	
Combined ratio	(%)	95.2	96.7	1.5	

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)

Premiums Written and Claims Paid by Business Lines

Direct premiums written (excluding deposits of premiums by policyholders)

(Millions of yen)

Business line	Fiscal year ended March 31, 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	346,691	15.0	(7.5)	369,924	15.8	6.7
Marine insurance	45,224	2.0	(11.5)	46,983	2.0	3.9
Personal accident insurance	184,522	8.0	(0.4)	183,066	7.8	(0.8)
Voluntary automobile insurance	1,078,816	46.6	0.7	1,081,151	46.3	0.2
Compulsory automobile liability insurance	318,407	13.7	0.7	297,410	12.7	(6.6)
Others	343,118	14.8	4.5	358,850	15.4	4.6
Total	2,316,780	100.0	(0.4)	2,337,387	100.0	0.9
Deposits of premiums by policyholders	131,574	——	9.4	120,364	——	(8.5)

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	285,388	13.2	(13.7)	281,742	13.0	(1.3)
Marine insurance	43,985	2.0	(14.1)	47,385	2.2	7.7
Personal accident insurance	181,798	8.4	(1.3)	179,939	8.3	(1.0)
Voluntary automobile insurance	1,077,749	49.8	0.7	1,078,546	49.7	0.1
Compulsory automobile liability insurance	295,208	13.6	(3.7)	291,361	13.4	(1.3)
Others	281,564	13.0	2.2	289,032	13.3	2.7
Total	2,165,694	100.0	(2.4)	2,168,009	100.0	0.1

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	Rate of change	Net loss ratio	Amount	Rate of change	Net loss ratio
		%	%		%	%
Fire and allied insurance	187,049	(14.4)	67.3	201,675	7.8	73.3
Marine insurance	27,345	(16.5)	65.3	29,098	6.4	64.3
Personal accident insurance	95,014	(5.5)	56.5	94,919	(0.1)	56.7
Voluntary automobile insurance	565,421	(0.4)	60.1	581,583	2.9	61.5
Compulsory automobile liability insurance	223,807	(1.0)	82.6	214,806	(4.0)	80.1
Others	144,205	1.6	54.7	150,046	4.1	55.5
Total	1,242,843	(3.5)	63.2	1,272,130	2.4	64.4

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)

Non-consolidated Solvency Margin Ratio

(Millions of yen)

		As of March 31, 2017	As of March 31, 2018
(A) Total Non-consolidated Solvency Margin		2,766,796	3,078,246
	Capital and funds, etc.	535,486	598,902
	Reserve for price fluctuation	68,706	79,193
	Contingency reserve	611	611
	Catastrophic loss reserve	572,867	555,293
	General allowance for possible credit losses	226	229
	Unrealized gains and losses on securities, deferred gains and losses on hedges (before tax effect deductions)	1,110,731	1,184,429
	Unrealized gains and losses on land	52,912	93,030
	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	54,455
	Others	163,342	187,451
(B) Total Non-consolidated Risks $\sqrt{(R_1+R_2)^2+(R_3+R_4)^2}+R_5+R_6$		817,299	837,472
	Underwriting risk (R_1)	185,764	187,079
	Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_2)	—	—
	Guaranteed interest rate risk (R_3)	20,722	19,350
	Investment risk (R_4)	633,600	646,159
	Business management risk (R_5)	19,160	19,583
	Major catastrophe risk (R_6)	117,957	126,585
(C) Non-consolidated Solvency Margin Ratio [(A) / {(B) × 1/2}] × 100		677.0 %	735.1 %

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

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

Balance Sheet

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits:	26,846	27,171	324
Cash	0	0	0
Deposits	26,846	27,170	324
Securities:	16,878	18,462	1,583
Government bonds	8,819	6,481	(2,337)
Municipal bonds	4,494	7,541	3,046
Corporate bonds	2,737	1,610	(1,126)
Domestic stocks	31	35	4
Foreign securities	10	1	(8)
Other securities	786	2,791	2,005
Loans:	0	0	0
Policy loans	0	0	0
Tangible fixed assets:	224	310	86
Buildings	52	87	34
Leased assets	162	185	22
Other tangible fixed assets	8	38	29
Intangible fixed assets:	2,995	2,896	(99)
Software	2,991	2,892	(99)
Other intangible fixed assets	3	3	—
Other assets:	4,710	4,998	287
Premiums receivable	1,641	1,752	110
Agency accounts receivable	77	71	(6)
Coinsurance accounts receivable	12	11	(1)
Reinsurance accounts receivable	74	66	(8)
Foreign reinsurance accounts receivable	77	45	(32)
Accounts receivable	634	599	(34)
Accrued income	35	31	(4)
Advance deposits	361	373	11
Suspense payments	1,560	1,768	208
Other assets	234	277	42
Allowance for possible credit losses	(0)	(31)	(31)
Total assets	51,655	53,807	2,151

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

Balance Sheet

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018	Increase (Decrease)
	Amount	Amount	
Liabilities:			
Underwriting funds:	38,998	41,984	2,985
Reserve for outstanding losses and claims	12,444	13,630	1,186
Underwriting reserves	26,553	28,353	1,799
Other liabilities:	2,891	3,049	158
Coinsurance accounts payable	40	36	(3)
Reinsurance accounts payable	234	190	(43)
Foreign reinsurance accounts payable	153	133	(19)
Income taxes payable	116	130	13
Deposits received	3	15	12
Accounts payable	1,469	1,534	65
Suspense receipts	707	818	111
Lease obligations	165	188	22
Reserve for retirement benefits to directors	20	25	4
Reserve for bonus payments	264	273	9
Reserve for bonus payments to directors	27	22	(5)
Reserves under the special laws:	40	44	4
Reserve for price fluctuation	40	44	4
Deferred tax liabilities	130	118	(11)
Total liabilities	42,373	45,518	3,144
Net assets:			
Shareholders' equity:			
Common stock	28,760	31,010	2,250
Capital surplus:	26,997	29,247	2,249
Capital reserves	26,997	29,247	2,249
Other capital surplus	0	0	—
Retained earnings:	(46,903)	(52,364)	(5,461)
Other retained earnings:	(46,903)	(52,364)	(5,461)
Retained earnings carried forward	(46,903)	(52,364)	(5,461)
Total shareholders' equity	8,854	7,893	(961)
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	427	396	(30)
Total valuation and translation adjustments	427	396	(30)
Total net assets	9,281	8,289	(992)
Total liabilities and net assets	51,655	53,807	2,151

SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED (Non-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)	Increase (Decrease)	Rate of change
	Amount	Amount		
				%
Ordinary income:	33,379	38,160	4,780	14.3
Underwriting income:	33,299	38,065	4,765	14.3
Net premiums written	33,223	38,012	4,788	14.4
Deposits of premiums by policyholders	42	16	(26)	(60.7)
Interest and dividend income on deposits of premiums, etc.	32	35	2	8.3
Investment income:	72	90	18	25.1
Interest and dividend income	93	83	(10)	(11.5)
Gains on sales of securities	3	37	33	874.9
Other investment income	7	5	(1)	(21.5)
Transfer of interest and dividend income on deposits of premiums, etc.	(32)	(35)	(2)	—
Other ordinary income	8	5	(3)	(37.9)
Ordinary expenses:	39,311	43,602	4,291	10.9
Underwriting expenses:	27,515	30,151	2,636	9.6
Net claims paid	19,532	23,102	3,570	18.3
Loss adjustment expenses	2,731	3,108	376	13.8
Net commissions and brokerage fees	857	841	(15)	(1.8)
Maturity refunds to policyholders	308	105	(203)	(65.9)
Provision for reserve for outstanding losses and claims	2,312	1,186	(1,126)	(48.7)
Provision for underwriting reserves	1,767	1,799	32	1.8
Foreign exchange losses	0	0	(0)	(73.9)
Other underwriting expenses	6	8	2	44.0
Investment expenses:	4	3	(0)	(7.7)
Other investment expenses	4	3	(0)	(7.7)
Operating, general and administrative expenses	11,761	13,375	1,613	13.7
Other ordinary expenses:	29	71	41	137.6
Interest paid	3	4	1	32.5
Provision for allowance for possible credit losses	—	31	31	—
Other ordinary expenses	26	35	8	33.9
Ordinary loss	(5,931)	(5,441)	489	—
Extraordinary losses:	4	4	0	6.1
Losses on disposal of fixed assets	0	0	0	78.8
Impairment losses	0	—	(0)	(100.0)
Provision for reserves under the special laws:	3	4	0	8.2
Provision for reserve for price fluctuation	3	4	0	8.2
Net loss before income taxes	(5,935)	(5,446)	489	—
Income taxes	12	15	2	21.4
Total income taxes	12	15	2	21.4
Net loss	(5,948)	(5,461)	486	—

Underwriting result:					
Net premiums written	(+)	33,223	38,012	4,788	14.4
Net claims paid	(−)	19,532	23,102	3,570	18.3
Loss adjustment expenses	(−)	2,731	3,108	376	13.8
Net operating expenses:	(−)	12,601	14,198	1,597	12.7
Net commissions and brokerage fees		857	841	(15)	(1.8)
Operating, general and administrative expenses related to underwriting		11,743	13,356	1,613	13.7
Underwriting result		(1,641)	(2,396)	(754)	—
Underwriting profit (loss)		(5,938)	(5,422)	516	—
Ratios:					
Net loss ratio	(%)	67.0	69.0	2.0	
Net operating expenses ratio	(%)	37.9	37.4	(0.5)	
Combined ratio	(%)	104.9	106.4	1.5	

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

Premiums Written and Claims Paid by Business Lines

Direct premiums written (excluding deposits of premiums by policyholders)

(Millions of yen)

Business line	Fiscal year ended March 31, 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	1,591	4.5	(3.5)	1,380	3.5	(13.3)
Marine insurance	—	—	—	—	—	—
Personal accident insurance	3,618	10.3	(5.8)	3,279	8.3	(9.4)
Voluntary automobile insurance	28,599	81.6	25.7	33,741	85.1	18.0
Compulsory automobile liability insurance	(0)	(0.0)	—	—	—	—
Others	1,253	3.6	5.4	1,257	3.2	0.3
Total	35,062	100.0	19.1	39,658	100.0	13.1
Deposits of premiums by policyholders	42	——	(55.0)	16	——	(60.7)

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	620	1.9	(10.3)	487	1.3	(21.5)
Marine insurance	1	0.0	—	0	0.0	(82.3)
Personal accident insurance	2,529	7.6	(2.0)	2,340	6.2	(7.5)
Voluntary automobile insurance	28,377	85.4	25.8	33,494	88.1	18.0
Compulsory automobile liability insurance	441	1.3	6.9	434	1.1	(1.8)
Others	1,252	3.8	5.3	1,256	3.3	0.3
Total	33,223	100.0	21.1	38,012	100.0	14.4

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	Rate of change	Net loss ratio	Amount	Rate of change	Net loss ratio
		%	%		%	%
Fire and allied insurance	471	3.0	84.7	189	(59.8)	46.2
Marine insurance	0	(71.4)	72.5	1	76.1	719.2
Personal accident insurance	1,521	4.8	70.3	1,510	(0.7)	74.0
Voluntary automobile insurance	16,891	30.6	67.6	20,689	22.5	70.0
Compulsory automobile liability insurance	408	(1.8)	95.2	403	(1.3)	95.1
Others	238	4.8	27.3	307	29.0	30.9
Total	19,532	26.1	67.0	23,102	18.3	69.0

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

Non-consolidated Solvency Margin Ratio

(Millions of yen)

		As of March 31, 2017	As of March 31, 2018
(A) Total Non-consolidated Solvency Margin		13,370	12,720
	Capital and funds, etc.	8,854	7,893
	Reserve for price fluctuation	40	44
	Contingency reserve	11	11
	Catastrophic loss reserve	3,960	4,306
	General allowance for possible credit losses	—	—
	Unrealized gains and losses on securities, deferred gains and losses on hedges (before tax effect deductions)	501	463
	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	5,482
	Underwriting risk (R_1)	3,525	4,233
	Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_2)	—	—
	Guaranteed interest rate risk (R_3)	23	21
	Investment risk (R_4)	664	702
	Business management risk (R_5)	156	178
	Major catastrophe risk (R_6)	1,009	1,008
(C) Non-consolidated Solvency Margin Ratio [(A) / {(B) × 1/2}] × 100		562.0 %	463.9 %

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

Sonpo 24 Insurance Company Limited (Non-consolidated)

Balance Sheet

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits:	15,196	20,795	5,598
Cash	—	0	0
Deposits	15,196	20,795	5,598
Securities:	7,127	2,001	(5,125)
Government bonds	7,027	2,001	(5,025)
Other securities	100	—	(100)
Tangible fixed assets:	204	188	(16)
Buildings	18	16	(2)
Other tangible fixed assets	185	171	(13)
Other assets:	909	895	(13)
Reinsurance accounts receivable	—	8	8
Accounts receivable	667	658	(8)
Accrued income	2	1	(0)
Advance deposits	171	171	0
Suspense payments	68	54	(13)
Deferred tax assets	258	219	(38)
Total assets	23,696	24,100	403
Liabilities:			
Underwriting funds:	13,427	11,933	(1,494)
Reserve for outstanding losses and claims	5,382	4,458	(924)
Underwriting reserves	8,045	7,475	(569)
Other liabilities:	2,279	2,200	(79)
Reinsurance accounts payable	4	4	0
Income taxes payable	135	198	63
Deposits received	8	5	(3)
Accounts payable	1,072	988	(83)
Suspense receipts	1,059	1,003	(55)
Reserve for retirement benefits	258	280	22
Reserve for bonus payments	97	98	0
Reserve for bonus payments to directors	5	4	(0)
Reserves under the special laws:	41	20	(21)
Reserve for price fluctuation	41	20	(21)
Total liabilities	16,110	14,537	(1,573)
Net assets:			
Shareholders' equity:			
Common stock	19,000	19,000	—
Capital surplus:	19,000	19,000	—
Capital reserves	19,000	19,000	—
Retained earnings:	(30,423)	(28,437)	1,986
Other retained earnings:	(30,423)	(28,437)	1,986
Retained earnings carried forward	(30,423)	(28,437)	1,986
Total shareholders' equity	7,576	9,562	1,986
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	9	0	(9)
Total valuation and translation adjustments	9	0	(9)
Total net assets	7,586	9,562	1,976
Total liabilities and net assets	23,696	24,100	403

Sonpo 24 Insurance Company Limited (Non-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)	Increase (Decrease)	Rate of change
	Amount	Amount		
				%
Ordinary income:	14,149	13,881	(267)	(1.9)
Underwriting income:	14,128	13,890	(237)	(1.7)
Net premiums written	13,312	12,386	(926)	(7.0)
Interest and dividend income on deposits of premiums, etc.	10	10	0	4.5
Reversal of reserve for outstanding losses and claims	494	924	429	86.8
Reversal of underwriting reserves	310	569	258	83.2
Investment income:	(1)	(10)	(8)	—
Interest and dividend income	8	0	(8)	(94.8)
Transfer of interest and dividend income on deposits of premiums, etc.	(10)	(10)	(0)	—
Other ordinary income	22	0	(21)	(95.6)
Ordinary expenses:	12,540	11,595	(945)	(7.5)
Underwriting expenses:	9,124	8,507	(616)	(6.8)
Net claims paid	7,268	6,775	(493)	(6.8)
Loss adjustment expenses	1,038	996	(41)	(4.0)
Net commissions and brokerage fees	817	735	(81)	(10.0)
Operating, general and administrative expenses	3,416	3,087	(329)	(9.6)
Other ordinary expenses:	0	0	0	539.7
Other ordinary expenses	0	0	0	539.7
Ordinary profit	1,608	2,285	677	42.1
Extraordinary gains:	—	21	21	—
Reversal of reserves under the special laws:	—	21	21	—
Reversal of reserve for price fluctuation	—	21	21	—
Extraordinary losses:	1	36	34	1,865.6
Losses on disposal of fixed assets	0	1	1	233.3
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	—	35	35	—
Net income before income taxes	1,606	2,271	664	41.3
Income taxes	153	242	88	58.0
Deferred income taxes	(262)	42	304	—
Total income taxes	(108)	284	393	—
Net income	1,715	1,986	270	15.8

Underwriting result:					
Net premiums written	(+)	13,312	12,386	(926)	(7.0)
Net claims paid	(−)	7,268	6,775	(493)	(6.8)
Loss adjustment expenses	(−)	1,038	996	(41)	(4.0)
Net operating expenses:	(−)	4,230	3,820	(409)	(9.7)
Net commissions and brokerage fees		817	735	(81)	(10.0)
Operating, general and administrative expenses related to underwriting		3,413	3,084	(328)	(9.6)
Underwriting result		775	793	17	2.3
Underwriting profit		1,591	2,297	706	44.4
Ratios:					
Net loss ratio	(%)	62.4	62.8	0.4	
Net operating expenses ratio	(%)	31.8	30.8	(0.9)	
Combined ratio	(%)	94.2	93.6	(0.6)	

Sonpo 24 Insurance Company Limited (Non-consolidated)

Premiums Written and Claims Paid by Business Lines

Direct premiums written (excluding deposits of premiums by policyholders)

(Millions of yen)

Business line	Fiscal year ended March 31, 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	—	—	—	—	—	—
Marine insurance	—	—	—	—	—	—
Personal accident insurance	—	—	—	—	—	—
Voluntary automobile insurance	13,132	100.0	(3.3)	12,215	100.0	(7.0)
Compulsory automobile liability insurance	—	—	—	—	—	—
Others	—	—	—	—	—	—
Total	13,132	100.0	(3.3)	12,215	100.0	(7.0)
Deposits of premiums by policyholders	—	——	—	—	——	—

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	—	—	—	—	—	—
Marine insurance	—	—	—	—	—	—
Personal accident insurance	—	—	—	—	—	—
Voluntary automobile insurance	13,078	98.2	(3.0)	12,160	98.2	(7.0)
Compulsory automobile liability insurance	234	1.8	(2.2)	225	1.8	(3.7)
Others	—	—	—	—	—	—
Total	13,312	100.0	(3.0)	12,386	100.0	(7.0)

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	Rate of change	Net loss ratio	Amount	Rate of change	Net loss ratio
		%	%		%	%
Fire and allied insurance	—	—	—	—	—	—
Marine insurance	—	—	—	—	—	—
Personal accident insurance	—	—	—	—	—	—
Voluntary automobile insurance	7,021	(0.5)	61.6	6,544	(6.8)	62.0
Compulsory automobile liability insurance	246	(3.6)	105.4	231	(6.3)	102.6
Others	—	—	—	—	—	—
Total	7,268	(0.6)	62.4	6,775	(6.8)	62.8

Sonpo 24 Insurance Company Limited (Non-consolidated)

Non-consolidated Solvency Margin Ratio

(Millions of yen)

		As of March 31, 2017	As of March 31, 2018
(A) Total Non-consolidated Solvency Margin		8,166	10,063
	Capital and funds, etc.	7,576	9,562
	Reserve for price fluctuation	41	20
	Contingency reserve	—	—
	Catastrophic loss reserve	535	480
	General allowance for possible credit losses	—	—
	Unrealized gains and losses on securities, deferred gains and losses on hedges (before tax effect deductions)	11	0
	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	1,860
	Underwriting risk (R_1)	1,735	1,649
	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	248
	Business management risk (R_5)	65	60
	Major catastrophe risk (R_6)	134	132
(C) Non-consolidated Solvency Margin Ratio [(A) / {(B) × 1/2}] × 100		833.0 %	1,081.6 %

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

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

Balance Sheet

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits:	58,074	90,465	32,391
Cash	0	0	(0)
Deposits	58,073	90,465	32,391
Securities:	2,434,670	2,594,537	159,866
Government bonds	1,699,212	1,773,257	74,045
Municipal bonds	58,608	61,410	2,801
Corporate bonds	343,065	354,833	11,767
Domestic stocks	7,963	9,233	1,269
Foreign securities	325,819	395,802	69,983
Loans:	38,254	39,865	1,610
Policy loans	38,254	39,865	1,610
Tangible fixed assets:	1,515	1,455	(59)
Buildings	396	433	37
Leased assets	931	759	(172)
Other tangible fixed assets	187	262	75
Agency accounts receivable	132	120	(12)
Reinsurance accounts receivable	1,756	1,925	169
Other assets:	46,196	53,984	7,788
Accounts receivable	32,785	35,828	3,043
Prepaid expenses	1,809	1,865	55
Accrued income	7,123	7,600	476
Advance deposits	2,783	2,750	(32)
Derivative assets	1,266	5,384	4,117
Suspense payments	372	481	109
Other assets	55	73	17
Deferred tax assets	8,464	13,923	5,459
Allowance for possible credit losses	(37)	(48)	(10)
Total assets	2,589,026	2,796,230	207,203

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

Balance Sheet

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018	Increase (Decrease)
	Amount	Amount	
Liabilities:			
Policy reserves:	2,417,365	2,604,810	187,444
Reserve for outstanding claims	40,870	41,979	1,109
Policy reserves	2,371,198	2,557,365	186,166
Reserve for dividends to policyholders	5,296	5,465	168
Agency accounts payable	6,073	4,506	(1,566)
Reinsurance accounts payable	987	963	(24)
Other liabilities:	17,734	41,408	23,673
Payables under securities lending transactions	—	22,921	22,921
Income taxes payable	2,936	2,544	(391)
Accounts payable	1,026	5,805	4,778
Accrued expenses	8,883	7,964	(919)
Deposits received	593	225	(368)
Derivative liabilities	1,656	203	(1,453)
Cash collateral received for financial instruments	—	100	100
Lease obligations	1,075	900	(174)
Suspense receipts	1,561	742	(818)
Reserve for bonus payments to directors	52	47	(5)
Reserve for retirement benefits	3,235	3,698	463
Reserves under the special laws:	5,412	6,838	1,425
Reserve for price fluctuation	5,412	6,838	1,425
Total liabilities	2,450,859	2,662,271	211,411
Net assets:			
Shareholders' equity:			
Common stock	17,250	17,250	—
Capital surplus:	16,300	13,333	(2,966)
Capital reserves	12,740	13,333	593
Other capital surplus	3,560	—	(3,560)
Retained earnings:	58,506	65,624	7,117
Legal reserve	—	200	200
Other retained earnings:	58,506	65,424	6,917
Reserve under Article 10 of the Supplementary Provisions of Ordinance for Enforcement of the Insurance Business Act	325	325	—
Retained earnings carried forward	58,181	65,099	6,917
Total shareholders' equity	92,056	96,207	4,151
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	46,109	37,750	(8,359)
Total valuation and translation adjustments	46,109	37,750	(8,359)
Total net assets	138,166	133,958	(4,208)
Total liabilities and net assets	2,589,026	2,796,230	207,203

Sompo Japan Nipponkoa Himawari Life Insurance, Inc. (Non-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)	Increase (Decrease)	Rate of change
	Amount	Amount		
				%
Ordinary income:	469,837	490,791	20,953	4.5
Insurance premiums and other:	419,507	438,487	18,979	4.5
Insurance premiums	415,721	434,803	19,081	4.6
Reinsurance income	3,785	3,684	(101)	(2.7)
Investment income:	48,759	49,490	730	1.5
Interest and dividend income and other:	41,676	43,880	2,203	5.3
Interest and dividends on securities	40,534	42,659	2,124	5.2
Interest on loans	1,141	1,181	40	3.5
Other interest and dividends	—	39	39	—
Gains on sales of securities	5,232	4,132	(1,100)	(21.0)
Investment gains on special account	1,851	1,478	(372)	(20.1)
Other ordinary income:	1,570	2,812	1,242	79.1
Fund receipt for annuity rider	110	1,205	1,094	986.2
Fund receipt for claim deposit payments	1,450	1,573	123	8.5
Other ordinary income	8	33	24	271.5
Ordinary expenses:	452,957	474,069	21,111	4.7
Insurance claims and other:	181,079	182,504	1,424	0.8
Insurance claims	30,695	34,636	3,941	12.8
Annuity payments	12,702	12,362	(339)	(2.7)
Insurance benefits	39,271	42,700	3,429	8.7
Surrender benefits	91,883	86,263	(5,620)	(6.1)
Other refunds	2,575	2,904	328	12.8
Reinsurance premiums	3,951	3,635	(315)	(8.0)
Provision for policy reserves and other:	159,942	187,276	27,333	17.1
Provision for reserve for outstanding claims	3,615	1,109	(2,506)	(69.3)
Provision for policy reserves	156,326	186,166	29,840	19.1
Provision for interest portion of reserve for dividends to policyholders	0	0	(0)	(80.8)
Investment expenses:	3,545	4,449	903	25.5
Interest paid	93	96	2	2.4
Losses on sales of securities	2,220	2,855	634	28.6
Losses on derivatives	1,125	1,384	259	23.1
Foreign exchange losses	26	14	(12)	(45.8)
Provision for allowance for possible credit losses	11	12	0	1.8
Other investment expenses	67	87	19	28.3
Operating expenses	104,321	95,576	(8,745)	(8.4)
Other ordinary expenses:	4,068	4,263	194	4.8
Claim deposit payments	1,071	1,291	219	20.5
Taxes	2,067	2,056	(10)	(0.5)
Depreciation	471	428	(43)	(9.2)
Provision for reserve for retirement benefits	431	463	31	7.3
Other ordinary expenses	25	23	(2)	(9.9)
Ordinary profit	16,880	16,721	(158)	(0.9)
Extraordinary gains:	0	0	(0)	(11.5)
Gains on disposal of fixed assets and other	0	0	(0)	(11.5)
Extraordinary losses:	1,172	1,438	265	22.6
Losses on disposal of fixed assets and other	1	12	11	843.1
Provision for reserves under the special laws:	1,171	1,425	254	21.7
Provision for reserve for price fluctuation	1,171	1,425	254	21.7
Provision for reserve for dividends to policyholders	3,935	3,981	46	1.2
Net income before income taxes	11,771	11,301	(469)	(4.0)
Income taxes	5,686	5,392	(293)	(5.2)
Deferred income taxes	(2,233)	(2,208)	25	—
Total income taxes	3,452	3,184	(268)	(7.8)
Net income	8,319	8,117	(201)	(2.4)

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

Major Business Results

Total amount of policies in force

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

	As of March 31, 2017				As of March 31, 2018			
	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	3,980	103.2	218,778	99.1
Individual annuities	67	98.5	2,586	96.7	63	94.9	2,479	95.9
Group insurance	——	——	27,011	95.5	——	——	27,846	103.1
Group annuities	——	——	—	—	——	——	—	—

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

Total amount of new policies

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

	Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)				Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)			
	Number		Amount		Number		Amount	
		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year
Individual insurance	421	90.7	24,305	108.8	312	74.2	14,840	61.1
Individual annuities	0	56.2	35	64.6	—	—	—	—
Group insurance	——	——	180	51.2	——	——	184	102.2
Group annuities	——	——	—	—	——	——	—	—

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

Annualized premiums

Policies in force

(Millions of yen, %)

	As of March 31, 2017		As of March 31, 2018	
		% of previous fiscal year		% of previous fiscal year
Individual insurance	338,312	107.8	351,823	104.0
Individual annuities	19,352	101.6	18,645	96.3
Total	357,664	107.5	370,468	103.6
Medical and survival benefits	136,114	105.1	142,643	104.8

New policies

(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)	
		% of previous fiscal year		% of previous fiscal year
Individual insurance	50,134	125.0	35,878	71.6
Individual annuities	126	60.7	—	—
Total	50,260	124.7	35,878	71.4
Medical and survival benefits	16,307	79.9	14,085	86.4

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 March 31, 2018
(A) Total Non-consolidated Solvency Margin		335,187	340,108
	Capital, etc.	92,056	96,207
	Reserve for price fluctuation	5,412	6,838
	Contingency reserve	29,531	30,270
	General allowance for possible credit losses	3	3
	Unrealized gains and losses on securities (before tax effect deductions) (90% of gain or 100% of loss), deferred gains and losses on hedges (before tax effect deductions) (90% of gain or 100% of loss)	57,637	47,188
	Unrealized gains and losses on land (85% of gain or 100% of loss)	—	—
	Excess amount of continued Zillmerized reserve	146,556	164,592
	Subordinated debt, etc.	—	—
	Excess amount of continued Zillmerized reserve and subordinated debt, etc. which are excluded from total solvency margin	(19,159)	(30,855)
	Brought in capital, etc.	—	—
	Deductions	—	—
	Others	23,148	25,862
(B) Total Non-consolidated Risks $\sqrt{(R_1+R_8)^2+(R_2+R_3+R_7)^2}+R_4$		42,616	44,952
	Underwriting risk (R_1)	13,620	13,508
	Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_8)	8,725	9,318
	Guaranteed interest rate risk (R_2)	8,369	8,430
	Guaranteed minimum benefit risk (R_7)	374	379
	Investment risk (R_3)	26,191	28,512
	Business management risk (R_4)	1,145	1,202
(C) Non-consolidated Solvency Margin Ratio [(A) / {(B) × 1/2}] × 100		1,573.0 %	1,513.1 %

Notes)

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

Supplementary Explanation

< Calculation of returns >

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

1. Return on investments (income base)

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

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

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

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

2. Return on investments (realized base)

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

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

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

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

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

The return on investment based on fair value is shown.

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

Denominator is based on fair value of investment assets.

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

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

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

< Calculation of ratios, etc. >

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

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

< Non-consolidated solvency margin ratio >

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

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

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

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

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

<2> Guaranteed interest rate risk:

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

<3> Investment risk:

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

<4> Business management risk:

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

<5> Major catastrophe risk:

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

<6> Guaranteed minimum benefit risk:

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

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

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

4. Supplementary Data about Financial Results for the fiscal year ended March 31, 2018 at Press Conference

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)

(1) Key figures

(Yen in hundred millions)

	Fiscal year ended March 31, 2017 (A)	Six months ended September 30, 2017 (B)	Fiscal year ended March 31, 2018 (C)	Increase (Decrease) (C) - (A)	Increase (Decrease) (C) - (B)
① Net premiums written	21,656	11,066	21,680	23	——
Rate of change	(2.4)%	1.8 %	0.1 %	2.5 %	(1.7)%
② Total assets	75,687	77,840	76,881	1,193	(958)
③ Loss ratio	63.2 %	61.3 %	64.4 %	1.2 %	3.1 %
④ Operating expenses ratio	32.0 %	32.1 %	32.3 %	0.3 %	0.2 %
⑤ Combined ratio	95.2 %	93.4 %	96.7 %	1.5 %	3.3 %
Underwriting result ratio	4.8 %	6.6 %	3.3 %	(1.5)%	(3.3)%
⑥ Voluntary automobile insurance					
・Net premiums written	10,777	5,380	10,785	7	——
Rate of change	0.7 %	0.4 %	0.1 %	(0.6)%	(0.3)%
・Underwriting result ratio	8.9 %	9.0 %	7.0 %	(1.9)%	(2.0)%
・Loss ratio	60.1 %	59.6 %	61.5 %	1.4 %	1.8 %
・Operating expenses ratio	31.1 %	31.4 %	31.6 %	0.5 %	0.2 %
⑦ Fire and allied insurance					
・Net premiums written	2,853	1,359	2,817	(36)	——
Rate of change	(13.7)%	3.6 %	(1.3)%	12.4 %	(4.8)%
・Underwriting result ratio	(9.1)%	(17.6)%	(16.4)%	(7.3)%	1.3 %
・Loss ratio	67.3 %	72.9 %	73.3 %	6.0 %	0.5 %
・Operating expenses ratio	41.8 %	44.8 %	43.1 %	1.3 %	(1.7)%
⑧ Number of employees	25,822	26,221	26,189	367	(32)
⑨ Number of agencies	58,976	57,829	56,340	(2,636)	(1,489)

<Reference> Consolidated figures of Sompo Holdings, Inc.

(Yen in hundred millions)

	Fiscal year ended March 31, 2017 (A)	Six months ended September 30, 2017 (B)	Fiscal year ended March 31, 2018 (C)	Increase (Decrease) (C) - (A)	Increase (Decrease) (C) - (B)
① Ordinary income	34,195	19,351	37,700	3,505	——
② Net premiums written	25,503	14,988	28,547	3,044	——
Rate of change	(0.1)%	17.1 %	11.9 %	12.0 %	(5.2)%
③ Life insurance premiums written	3,238	1,684	3,469	231	——
Rate of change	8.8 %	10.6 %	7.1 %	(1.6)%	(3.4)%
④ Ordinary profit	2,417	37	1,418	(998)	——
⑤ Net income attributable to shareholders of the parent	1,664	19	1,398	(265)	——

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, 2017, respectively.

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)

(2) Other figures

① Non-performing assets

Risk-monitored loans

(Yen in hundred millions)

	As of March 31, 2017	As of September 30, 2017	As of March 31, 2018
Loans to borrowers in bankruptcy	0	0	–
Overdue loans	4	3	2
Loans overdue for three months or more	0	0	0
Restructured loans	–	–	–
Total	4	4	3
Percent of total loans	0.1%	0.1%	0.0%

(Reference) Total loans	6,264	6,230	6,613

Results of self-assessment

(Yen in hundred millions)

	As of March 31, 2017	As of September 30, 2017	As of March 31, 2018
No category	75,284	77,450	76,581
Category II	405	391	302
Category III	91	89	87
Category IV	38	278	38
Subtotal (Category II-IV)	535	758	428
Total	75,819	78,209	77,010

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

② Impairment losses on securities

(Yen in hundred millions)

	Fiscal year ended March 31, 2017	Six months ended September 30, 2017	Fiscal year ended March 31, 2018
Domestic bonds	–	–	–
Domestic stocks	5	120	130
Foreign securities	10	132	136
Others	–	–	–
Total	16	253	267

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

	Fiscal year ended March 31, 2017	Six months ended September 30, 2017	Fiscal year ended March 31, 2018
Land	1	18	23
Buildings	–	2	3
Others	–	–	–
Total	1	20	27

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)

④ Unrealized gains and losses on securities

(Yen in hundred millions)

	As of March 31, 2017	As of September 30, 2017	As of March 31, 2018
Domestic bonds	1,257	1,230	1,272
Domestic stocks	10,106	11,357	11,101
Foreign securities	1,014	1,299	824
Others	47	54	56
Total	12,426	13,942	13,255

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 33 hundred million yen as of March 31, 2017, 64 hundred million yen as of September 30, 2017 and 13 hundred million yen as of March 31, 2018.

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

(Yen in hundred millions)

		Fiscal year ended March 31, 2017	Six months ended September 30, 2017	Fiscal year ended March 31, 2018
Direct claims paid	a	508	103	648
Net claims paid	b	447	103	489
Unpaid claims	c	111	153	82
Net incurred loss	b + c	558	256	571

Notes)

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

⑥ Catastrophic loss reserve

(Yen in hundred millions, %)

Business line	Fiscal year ended March 31, 2017			Six months ended September 30, 2017			Fiscal year ended March 31, 2018		
	Balance	Balance ratio	Provision	Balance	Balance ratio	Provision	Balance	Balance ratio	Provision
Fire and allied insurance	1,753	61.6	385	1,739	64.1	192	1,559	55.5	399
Marine insurance	481	109.4	19	493	105.1	12	495	104.6	25
Personal accident insurance	708	38.9	57	739	37.6	31	706	39.2	56
Voluntary automobile insurance	689	6.4	345	774	7.2	172	601	5.6	346
Others	2,010	71.4	145	2,085	66.4	81	2,100	72.7	144
Total	5,642	30.2	953	5,832	30.6	490	5,462	29.1	972

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, 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	Fiscal year ended March 31, 2017		Fiscal year ended March 31, 2018	
	Reinsurance premiums assumed	Reinsurance claims assumed	Reinsurance premiums assumed	Reinsurance claims assumed
Fire and allied insurance	707	495	555	493
Marine insurance	125	96	123	91
Personal accident insurance	13	14	11	15
Voluntary automobile insurance	18	11	9	8
Compulsory automobile liability insurance	2,177	2,238	2,093	2,148
Others	180	91	176	131
Total	3,223	2,947	2,968	2,888

⑧ Reinsurance ceded

(Yen in hundred millions)

Business line	Fiscal year ended March 31, 2017		Fiscal year ended March 31, 2018	
	Reinsurance premiums ceded	Reinsurance claims ceded	Reinsurance premiums ceded	Reinsurance claims ceded
Fire and allied insurance	1,320	1,334	1,436	311
Marine insurance	138	109	118	63
Personal accident insurance	40	18	42	19
Voluntary automobile insurance	29	5	35	16
Compulsory automobile liability insurance	2,409	2,401	2,153	2,338
Others	796	371	874	365
Total	4,734	4,240	4,662	3,115