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May 20, 2019

Sompo Holdings, Inc.

Summary of Consolidated Financial Results for the fiscal year ended March 31, 2019
[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 24, 2019
Scheduled date to file Securities Report: June 27, 2019
Scheduled date to start payment of dividends: June 25, 2019
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, 2019 (April 1, 2018 to March 31, 2019)

(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, 2019	3,643,040	(3.4)	198,959	40.2	146,626	4.9
Fiscal year ended March 31, 2018	3,770,052	10.3	141,890	(41.3)	139,817	(16.0)

Note) Comprehensive income: Fiscal year ended March 31, 2019 (54,460) million yen －%
Fiscal year ended March 31, 2018 177,754 million yen (21.7)%

	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, 2019	392.26	391.96	8.0	1.7	5.5
Fiscal year ended March 31, 2018	361.39	361.09	7.6	1.2	3.8

Reference) Investment gains and losses on the equity method: Fiscal year ended March 31, 2019 (593) million yen
Fiscal year ended March 31, 2018 592 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, 2019	12,018,254	1,779,911	14.6	4,720.07
As of March 31, 2018	11,948,323	1,916,210	15.8	4,960.24

Reference) Equity capital: As of March 31, 2019 1,757,879 million yen
As of March 31, 2018 1,887,769 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, 2019	78,772	13,482	(19,127)	991,295
Fiscal year ended March 31, 2018	246,433	(31,859)	(66,597)	931,033

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, 2018	—	55.00	—	55.00	110.00	42,291	30.4	2.3
Fiscal year ended March 31, 2019	—	65.00	—	65.00	130.00	48,486	33.1	2.7
Fiscal year ending March 31, 2020 (Forecast)	—	75.00	—	75.00	150.00		33.3	

3. Forecasts of Consolidated Financial Results for the fiscal year ending March 31, 2020 (April 1, 2019 to March 31, 2020)

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	250,000	25.7	168,000	14.6	451.09

(Notes)

(1) Changes in significant subsidiaries during the fiscal year ended March 31, 2019 (changes in specified subsidiaries resulting in changes in the scope of consolidation): Yes

Decrease: 1 (Company Name：Sompo Japan Nipponkoa Insurance Company of Europe Limited)

(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: None

④Retrospective restatements: None

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

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

①Total shares outstanding including treasury stock:

As of March 31, 2019	373,330,489	shares
As of March 31, 2018	415,352,294	shares

②Treasury stock:

As of March 31, 2019	904,330	shares
As of March 31, 2018	34,772,350	shares

③Average number of shares outstanding:

For the fiscal year ended March 31, 2019	373,792,262	shares
For the fiscal year ended March 31, 2018	386,879,149	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, 2020” on page 3.

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1. Overview of Results of Operations

(1)Overview of Results of Operations for the fiscal year ended March 31, 2019

During the fiscal year ended March 31, 2019, the global economy continued to gradually recover as a whole due to steady recovery in the U.S. economy, despite rising uncertainty for growth resulting from the trade dispute, gradual slowdown in Chinese economy and Brexit deal negotiation. The Japanese economy remained on a moderate recovery path, supported by improvement in corporate earnings and employment conditions as well as a rebound in personal consumption, despite of slowdowns in manufacturing and logistics due to a string of natural disasters, including heavy rains, earthquakes and typhoons, and some signs of weakness in exports and production.

Under these circumstances, the consolidated financial results of Sompo Holdings Group ("SOMPO HOLDINGS") for the fiscal year ended March 31, 2019 were as follows:

Ordinary income decreased by 127.0 billion yen to 3,643.0 billion yen compared to the previous fiscal year, the components of which were underwriting income of 3,220.0 billion yen, investment income of 273.2 billion yen and other ordinary income of 149.7 billion yen. Meanwhile, ordinary expenses decreased by 184.0 billion yen to 3,444.0 billion yen compared to the previous fiscal year, the components of which were underwriting expenses of 2,737.9 billion yen, investment expenses of 35.7 billion yen, operating, general and administrative expenses of 540.5 billion yen and other ordinary expenses of 129.7 billion yen.

As a result of the foregoing, Sompo Holdings, Inc. (the "Company") reported ordinary profit, calculated as ordinary income minus ordinary expenses, of 198.9 billion yen, an increase of 57.0 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 146.6 billion yen, an increase of 6.8 billion yen from the previous fiscal year.

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

(a) Domestic P&C insurance business

In the domestic P&C insurance business, net premiums written amounted to 2,198.7 billion yen, a decrease of 19.7 billion yen from the previous fiscal year, due to decreased net premiums written in fire, compulsory automobile liability, and other lines of insurance. The domestic P&C insurance business posted net income attributable to shareholders of the parent of 139.8 billion yen, an increase of 27.0 billion yen from the previous fiscal year. This increase was due mainly to an increase in gross investment margin from the previous fiscal year.

(b) Overseas insurance business

In the overseas insurance business, net premiums written amounted to 519.4 billion yen, a decrease of 116.8 billion yen from the previous fiscal year. This decrease was due mainly to the impact of exclusion of Canopius AG from the scope of consolidation. Net loss attributable to shareholders of the parent decreased by 26.9 billion yen to a net loss of 6.0 billion yen compared to the previous fiscal year.

(c) Domestic life insurance business

In the domestic life insurance business, life insurance premiums written amounted to 345.0 billion yen, an increase of 3.0 billion yen from the previous fiscal year. The domestic life insurance business posted net income attributable to shareholders of the parent of 14.7 billion yen, an increase of 7.2 billion yen from the previous fiscal year.

(d) Nursing care & healthcare business

Ordinary income decreased by 0.3 billion yen to 127.5 billion yen compared to the previous fiscal year. Net loss attributable to shareholders of the parent increased by 1.2 billion yen to a net loss of 0.2 billion yen compared to the previous fiscal year.

(2) Overview of Financial Condition as of March 31, 2019

Total assets as of March 31, 2019 amounted to 12,018.2 billion yen on a consolidated basis, an increase of 69.9 billion yen from March 31, 2018, due mainly to an increase in other assets, despite a decrease in securities.

Cash flows for the fiscal year ended March 31, 2019 were as follows:

Cash flows from operating activities resulted in a net inflow of 78.7 billion yen, a decrease of 167.6 billion yen from the previous fiscal year, due mainly to an increase in claims paid due to domestic natural disasters.

Cash flows from investing activities resulted in a net inflow of 13.4 billion yen, an increase of 45.3 billion yen from the previous fiscal year, due mainly to an increase in proceeds from decrease in money trusts.

Cash flows from financing activities resulted in a net outflow of 19.1 billion yen, an increase of 47.4 billion yen from the previous fiscal year, due mainly to an increase in payables under securities lending transactions.

As a result, cash and cash equivalents at the end of the period were 991.2 billion yen, an increase of 60.2 billion yen from the end of the previous fiscal year.

(3) Outlook for the fiscal year ending March 31, 2020

For the fiscal year ending March 31, 2020, the Company is forecasting consolidated ordinary profit of 250.0 billion yen and net income attributable to shareholders of the parent of 168.0 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 53.0 billion yen for net incurred losses (excluding household earthquake insurance) due to domestic natural disasters that occur in the fiscal year ending March 31, 2020, 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, 2019.

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, 2018	As of March 31, 2019
Assets:		
Cash and deposits	894,437	971,469
Receivables under resale agreements	74,998	64,999
Monetary receivables bought	6,727	11,869
Money trusts	98,744	40,993
Securities	8,275,132	8,012,734
Loans	668,419	703,255
Tangible fixed assets:	354,593	355,144
Land	132,601	128,381
Buildings	123,682	124,558
Leased assets	59,305	55,598
Construction in progress	6,935	13,260
Other tangible fixed assets	32,069	33,345
Intangible fixed assets:	402,839	401,165
Software	20,090	21,023
Goodwill	223,977	198,694
Other intangible fixed assets	158,770	181,447
Other assets	1,155,305	1,447,194
Net defined benefit asset	1,062	207
Deferred tax assets	22,312	15,663
Allowance for possible credit losses	(6,249)	(6,442)
Total assets	11,948,323	12,018,254
Liabilities:		
Underwriting funds:	8,277,130	8,348,638
Reserve for outstanding losses and claims	1,563,825	1,559,910
Underwriting reserves	6,713,304	6,788,727
Corporate bonds	512,045	510,383
Other liabilities	939,362	1,113,887
Net defined benefit liability	102,992	103,796
Reserve for retirement benefits to directors	40	31
Reserve for bonus payments	31,731	30,363
Reserve for bonus payments to directors	290	261
Reserve for stocks payments	937	1,347
Reserves under the special laws:	86,095	90,722
Reserve for price fluctuation	86,095	90,722
Deferred tax liabilities	81,487	38,910
Total liabilities	10,032,113	10,238,342

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019
Net assets:		
Shareholders' equity:		
Common stock	100,045	100,045
Capital surplus	408,335	244,170
Retained earnings	603,615	712,745
Treasury stock	(128,182)	(2,902)
Total shareholders' equity	983,814	1,054,058
Accumulated other comprehensive income:		
Unrealized gains and losses on securities available for sale	922,425	763,859
Deferred gains and losses on hedges	7,050	6,449
Foreign currency translation adjustments	(22,317)	(62,937)
Remeasurements of defined benefit plans	(3,205)	(3,551)
Total accumulated other comprehensive income	903,954	703,820
Stock acquisition rights	749	632
Non-controlling interests	27,692	21,399
Total net assets	1,916,210	1,779,911
Total liabilities and net assets	11,948,323	12,018,254

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

Consolidated Statement of Income

(Millions of yen)

	Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)	Fiscal year ended March 31, 2019 (April 1, 2018 to March 31, 2019)
Ordinary income:	3,770,052	3,643,040
Underwriting income:	3,369,720	3,220,047
Net premiums written	2,854,755	2,718,155
Deposits of premiums by policyholders	120,380	111,132
Interest and dividend income on deposits of premiums, etc.	39,333	38,203
Life insurance premiums written	346,998	349,606
Other underwriting income	8,252	2,949
Investment income:	254,395	273,249
Interest and dividend income	190,863	188,722
Investment gains on money trusts	5,476	5,445
Investment gains on trading securities	11,461	―
Gains on sales of securities	83,450	110,913
Gains on redemption of securities	756	1,709
Investment gains on special account	1,478	391
Other investment income	242	4,271
Transfer of interest and dividend income on deposits of premiums, etc.	(39,333)	(38,203)
Other ordinary income:	145,936	149,743
Investment gains on the equity method	592	―
Other ordinary income	145,344	149,743
Ordinary expenses:	3,628,162	3,444,081
Underwriting expenses:	2,868,010	2,737,949
Net claims paid	1,698,171	1,694,889
Loss adjustment expenses	138,317	135,759
Net commissions and brokerage fees	516,938	504,932
Maturity refunds to policyholders	231,367	205,423
Dividends to policyholders	186	128
Life insurance claims paid and other payments	88,899	88,471
Provision for reserve for outstanding losses and claims	75,625	13,119
Provision for underwriting reserves	113,706	89,730
Other underwriting expenses	4,797	5,494
Investment expenses:	29,270	35,798
Investment losses on money trusts	168	1,006
Investment losses on trading securities	―	195
Losses on sales of securities	9,682	10,984
Impairment losses on securities	3,745	13,425
Losses on redemption of securities	97	236
Losses on derivatives	11,546	2,766
Other investment expenses	4,030	7,184
Operating, general and administrative expenses	608,427	540,542
Other ordinary expenses:	122,453	129,792
Interest paid	14,549	13,902
Provision for allowance for possible credit losses	―	420
Losses on bad debt	60	27
Investment losses on the equity method	―	593
Other ordinary expenses	107,843	114,848
Ordinary profit	141,890	198,959

(Millions of yen)

	Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)	Fiscal year ended March 31, 2019 (April 1, 2018 to March 31, 2019)
Extraordinary gains:	30,692	12,868
Gains on disposal of fixed assets	4,714	12,868
Other extraordinary gains	25,978	—
Extraordinary losses:	58,246	9,799
Losses on disposal of fixed assets	35,200	2,427
Impairment losses	11,132	1,735
Provision for reserves under the special laws:	11,894	4,626
Provision for reserve for price fluctuation	11,894	4,626
Losses on reduction of real estate	18	—
Other extraordinary losses	—	1,009
Net income before income taxes	114,336	202,029
Income taxes	13,618	43,276
Deferred income taxes	(35,920)	16,380
Total income taxes	(22,301)	59,657
Net income	136,637	142,372
Net loss attributable to non-controlling shareholders	(3,179)	(4,253)
Net income attributable to shareholders of the parent	139,817	146,626

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)	Fiscal year ended March 31, 2019 (April 1, 2018 to March 31, 2019)
Net income	136,637	142,372
Other comprehensive income:		
Unrealized gains and losses on securities available for sale	59,196	(154,942)
Deferred gains and losses on hedges	(952)	(601)
Foreign currency translation adjustments	(43,504)	(40,913)
Remeasurements of defined benefit plans	26,458	(328)
Share of other comprehensive income of affiliates accounted for under the equity method	(81)	(47)
Total other comprehensive income	41,116	(196,832)
Comprehensive income	177,754	(54,460)
(Comprehensive income attributable to)		
Comprehensive income attributable to shareholders of the parent	180,373	(49,978)
Comprehensive income attributable to non-controlling shareholders	(2,618)	(4,481)

(3) Consolidated Statement of Changes in Net Assets

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

Fiscal year ended March 31, 2019 (April 1, 2018 to March 31, 2019)

(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	408,335	603,615	(128,182)	983,814
Cumulative effects of changes in accounting policies			3,529		3,529
Restated balance	100,045	408,335	607,144	(128,182)	987,343
Changes during the period:					
Dividends			(45,208)		(45,208)
Net income attributable to shareholders of the parent			146,626		146,626
Acquisition of treasury stock				(39,127)	(39,127)
Disposal of treasury stock		(50)		295	244
Cancellation of treasury stock		(164,112)		164,112	–
Changes in the scope of consolidation			4,182		4,182
Changes in interest of the parent related to transactions with non-controlling shareholders		(2)			(2)
Net changes in items other than shareholders' equity					
Total changes during the period	–	(164,165)	105,600	125,279	66,714
Balance at the end of the period	100,045	244,170	712,745	(2,902)	1,054,058

	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	922,425	7,050	(22,317)	(3,205)	903,954	749	27,692	1,916,210
Cumulative effects of changes in accounting policies	(3,529)				(3,529)			–
Restated balance	918,896	7,050	(22,317)	(3,205)	900,425	749	27,692	1,916,210
Changes during the period:								
Dividends								(45,208)
Net income attributable to shareholders of the parent								146,626
Acquisition of treasury stock								(39,127)
Disposal of treasury stock								244
Cancellation of treasury stock								–
Changes in the scope of consolidation								4,182
Changes in interest of the parent related to transactions with non-controlling shareholders								(2)
Net changes in items other than shareholders' equity	(155,037)	(601)	(40,620)	(346)	(196,604)	(116)	(6,292)	(203,013)
Total changes during the period	(155,037)	(601)	(40,620)	(346)	(196,604)	(116)	(6,292)	(136,298)
Balance at the end of the period	763,859	6,449	(62,937)	(3,551)	703,820	632	21,399	1,779,911

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)	Fiscal year ended March 31, 2019 (April 1, 2018 to March 31, 2019)
Cash flows from operating activities:		
Net income before income taxes	114,336	202,029
Depreciation	73,069	47,305
Impairment losses	11,132	1,735
Amortization of goodwill	25,731	24,057
Increase (decrease) in reserve for outstanding losses and claims	91,837	11,962
Increase (decrease) in underwriting reserves	110,798	85,494
Increase (decrease) in allowance for possible credit losses	(222)	255
Increase (decrease) in net defined benefit liability	4,877	1,193
Increase (decrease) in reserve for retirement benefits to directors	4	(9)
Increase (decrease) in reserve for bonus payments	(1,547)	(1,071)
Increase (decrease) in reserve for bonus payments to directors	(15)	(29)
Increase (decrease) in reserve for stocks payments	491	410
Increase (decrease) in reserve for price fluctuation	11,894	4,626
Interest and dividend income	(190,863)	(188,722)
Losses (gains) on investment in securities	(70,667)	(87,971)
Interest expenses	14,549	13,902
Foreign exchange losses (gains)	(1,349)	(1,455)
Losses (gains) related to tangible fixed assets	28,220	(10,490)
Losses (gains) related to loans	1	0
Investment losses (gains) on the equity method	(592)	593
Decrease (increase) in other assets (other than investing and financing activities)	(71,583)	(295,450)
Increase (decrease) in other liabilities (other than investing and financing activities)	9,294	82,050
Others	(15,167)	12,892
Subtotal	144,227	(96,688)
Interest and dividend received	193,223	192,623
Interest paid	(13,906)	(18,921)
Income taxes refund (paid)	(77,109)	1,758
Cash flows from operating activities	246,433	78,772

(Millions of yen)

	Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)	Fiscal year ended March 31, 2019 (April 1, 2018 to March 31, 2019)
Cash flows from investing activities:		
Net decrease (increase) in deposits	(22,547)	54
Purchase of monetary receivables bought	(415)	(6,889)
Proceeds from sales and redemption of monetary receivables bought	5,173	1,889
Increase in money trusts	(96)	(1)
Decrease in money trusts	8,531	62,125
Purchase of securities	(1,589,361)	(1,442,144)
Proceeds from sales and redemption of securities	1,581,387	1,462,201
Loans made	(198,238)	(224,725)
Collection of loans	154,792	180,906
Net increase (decrease) in receivables under securities borrowing transactions and payables under securities lending transactions	22,921	1,966
Others	(11,354)	45,248
Total of investment transactions	(49,207)	80,630
Total of operating activities and investment transactions as above	197,226	159,402
Acquisition of tangible fixed assets	(24,178)	(28,149)
Proceeds from sales of tangible fixed assets	24,298	21,154
Acquisition of stocks of subsidiaries resulting in changes in the scope of consolidation	—	(12,731)
Proceeds from sales of stocks of subsidiaries resulting in changes in the scope of consolidation	67,991	—
Others	(50,763)	(47,421)
Cash flows from investing activities	(31,859)	13,482
Cash flows from financing activities:		
Proceeds from borrowings	152,150	90
Repayments of borrowings	(15,937)	(34,758)
Proceeds from issuance of corporate bonds	100,000	—
Redemption of corporate bonds	(11,300)	—
Net increase (decrease) in payables under securities lending transactions	(154,345)	106,571
Proceeds from sales of treasury stock	46	128
Acquisition of treasury stock	(56,941)	(39,127)
Dividends paid	(40,983)	(45,159)
Dividends paid to non-controlling shareholders	(7,205)	(1,695)
Repayments to non-controlling shareholders	(25,990)	—
Acquisition of stocks of subsidiaries that do not result in changes in the scope of consolidation	(16)	—
Others	(6,073)	(5,177)
Cash flows from financing activities	(66,597)	(19,127)
Effect of exchange rate changes on cash and cash equivalents	3,365	(18,231)
Increase (decrease) in cash and cash equivalents	151,343	54,895
Cash and cash equivalents at the beginning of the period	773,466	931,033
Increase in cash and cash equivalents resulting from newly consolidated subsidiaries	6,224	5,366
Cash and cash equivalents at the end of the period	931,033	991,295

(5) Notes on Going-Concern Assumption

None.

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

(Changes in accounting policies)

ASU No.2016-01 “Recognition and Measurement of Financial Assets and Financial Liabilities.” has been early applied from the fiscal year ended March 31, 2019 at overseas consolidated subsidiaries that apply US GAAP.

ASU No.2016-01 requires equity investments except the investments in consolidated subsidiaries and affiliates accounted for under the equity method (hereinafter the “Equity Investments”) to be measured at fair value with changes in fair value recognized in net income or loss. Due to this update, previously, the Company has changed the Equity Investments classified as securities available for sale in overseas consolidated subsidiaries into trading securities from the fiscal year ended March 31, 2019 and has changed the method of recording changes in unrealized gains and losses related to the Equity Investments in the consolidated statement of comprehensive income into the method of recording changes in unrealized gains and losses related to the Equity Investments in the consolidated statement of income.

The Company has transferred unrealized gains and losses on securities available for sale related to the Equity Investments at the end of the fiscal year ended March 31, 2018 to retained earnings as of the beginning of the fiscal year ended March 31, 2019.

As a result, retained earnings have increased by 3,529 million yen and unrealized gains and losses on securities available for sale has decreased by the same amount at the beginning of the fiscal year ended March 31, 2019. The effect on ordinary profit and net income before income taxes for the fiscal year ended March 31, 2019 was immaterial.

(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 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,” “Overseas insurance business,” “Domestic life insurance business” and “Nursing care and healthcare business” are determined as the reportable segments. The Company, asset management business, risk 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. “Overseas insurance business” consists mainly of underwriting of property and casualty insurance and investment activities overseas, “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.

	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
Overseas insurance business	Sompo International Holdings Ltd. Sompo Japan Sigorta Anonim Sirketi Sompo Seguros S. A.
Domestic life insurance business	Sompo Japan Nipponkoa Himawari Life Insurance, Inc.
Nursing care and healthcare business	Sompo Care Inc. (Note 1) Sompo Care Next Inc. (Note 2) Sompo Health Support Inc. (Note 3)
Others	Sompo Holdings, Inc. (Insurance holding company) Sompo Japan Nipponkoa Asset Management Co., Ltd. Sompo Risk Management Inc. (Note 3) Sompo Japan Nipponkoa DC Securities Inc.

Notes)
1.Sompo Care Inc. changed its name from Sompo Care Message Inc. on April 1, 2018.
2.Sompo Care Next Inc. was merged by absorption into Sompo Care Inc. on July 1, 2018. Results of operations of Sompo Care Next Inc. from the beginning of the fiscal year to June 30, 2018 are included in the segment information.
3.Sompo Risk Management & Health Care Inc. (renamed Sompo Risk Management Inc. on October 1, 2018) split its healthcare business on October 1, 2018, and established Sompo Health Support 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.

As described in “(6) Changes in Accounting Policies, Changes in Accounting Estimations, and Retrospective Restatements, ASU No.2016-01 “Recognition and Measurement of Financial Assets and Financial Liabilities.” has been early applied from the fiscal year ended March 31,2019 at overseas consolidated subsidiaries that apply US GAAP. The effect of this change on segment income (loss) for the fiscal year ended March 31, 2019 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, 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	Overseas insurance business	Domestic life insurance business	Nursing care and healthcare business	Total				
Sales (Note 1):									
Sales from transactions with external customers	2,218,407	641,347	341,998	125,047	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	641,347	341,998	127,883	3,329,637	20,232	3,349,869	420,183	3,770,052
Segment income (loss)	112,765	20,892	7,462	(1,485)	139,635	182	139,817	—	139,817
Segment assets	6,736,732	2,202,596	2,796,934	187,434	11,923,697	24,626	11,948,323	—	11,948,323
Other items:									
Depreciation	13,102	54,225	428	5,135	72,891	177	73,069	—	73,069
Amortization of goodwill	147	20,167	609	4,807	25,731	—	25,731	—	25,731
Interest and dividend income	105,454	42,285	43,816	152	191,709	0	191,710	(847)	190,863
Interest paid	7,063	4,470	96	2,920	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	26,021	0	0	30,663	50	30,713	(21)	30,692
Extraordinary losses (Note 6)	47,271	9,510	1,438	46	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	(69,782)	3,166	500	(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	7,634	380	2,511	77,895	358	78,253	—	78,253

Notes)

1. Sales amounts represent the following:

Domestic P&C insurance business:	Net premiums written
Overseas insurance business:	Net premiums written and life insurance premiums written
Domestic life insurance business:	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, overseas insurance business and domestic life 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.

Fiscal year ended March 31, 2019 (April 1, 2018 to March 31, 2019)

(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	Overseas insurance business	Domestic life insurance business	Nursing care and healthcare business	Total				
Sales (Note 1):									
Sales from transactions with external customers	2,198,702	523,972	345,086	127,405	3,195,167	13,250	3,208,418	434,622	3,643,040
Sales from internal transactions or transfers among segments	—	—	—	110	110	15,985	16,095	(16,095)	—
Total	2,198,702	523,972	345,086	127,515	3,195,277	29,236	3,224,514	418,526	3,643,040
Segment income (loss)	139,821	(6,033)	14,757	(201)	148,343	(1,717)	146,626	—	146,626
Segment assets	6,539,595	2,229,930	3,006,265	177,267	11,953,060	65,194	12,018,254	—	12,018,254
Other items:									
Depreciation	14,566	26,659	456	5,243	46,924	380	47,305	—	47,305
Amortization of goodwill	100	18,539	609	4,807	24,057	—	24,057	—	24,057
Interest and dividend income	111,349	33,515	44,544	141	189,551	0	189,551	(829)	188,722
Interest paid	7,158	3,912	80	2,754	13,904	1	13,906	(3)	13,902
Investment gains (losses) on the equity method	79	(672)	—	—	(593)	—	(593)	—	(593)
Extraordinary gains (Note 5)	12,875	12	—	0	12,888	—	12,888	(20)	12,868
Extraordinary losses (Note 6)	6,556	1,448	1,694	117	9,817	1	9,819	(20)	9,799
Impairment losses	703	1,032	—	—	1,735	—	1,735	—	1,735
Income tax expenses	51,505	(445)	6,193	1,322	58,576	1,080	59,657	—	59,657
Investment in affiliates accounted for under the equity method	1,432	6,153	—	—	7,586	—	7,586	—	7,586
Increase in tangible and intangible fixed assets	62,386	23,087	332	6,313	92,120	676	92,796	—	92,796

Notes)

1. Sales amounts represent the following:
   - Domestic P&C insurance business: Net premiums written
   - Overseas insurance business: Net premiums written and life insurance premiums written
   - Domestic life insurance business: 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, risk management business and defined-contribution pension business.
3. Adjustments of sales are as follows.
   - Ordinary income related to domestic P&C insurance business, overseas insurance business and domestic life insurance business excluding net premiums written and life insurance premiums written: 434,622 million yen
   - Elimination of internal transactions among segments: (16,095) 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 12,855 million yen of gains on disposal of fixed assets.
6. Extraordinary losses for domestic P&C insurance business include 3,994 million yen of provision for reserve for price fluctuation. Also, extraordinary losses for domestic life insurance business include 1,009 million yen of the special premium to be paid out in conjunction with Special Measures for Employees’ Career Change Support.

[Related information]

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.

Fiscal year ended March 31, 2019 (April 1, 2018 to March 31, 2019)

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	375,171	81,730	180,270	1,199,516	278,788	602,677	2,718,155

(Millions of yen)

	Individual insurance	Individual annuities	Group insurance	Group annuities	Total
Life insurance premiums written	329,504	5,846	14,256	—	349,606

2. Information by geographic area

(1) Sales

(Millions of yen)

Japan	United States	Others	Total
2,626,307	232,393	336,466	3,195,167

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, 2018 (April 1, 2017 to March 31, 2018)

(Millions of yen)

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

Fiscal year ended March 31, 2019 (April 1, 2018 to March 31, 2019)

(Millions of yen)

	Reportable segments					Others	Unallocated amounts and eliminations	Total
	Domestic P&C insurance business	Overseas insurance business	Domestic life insurance business	Nursing care and healthcare business	Total			
Impairment losses	703	1,032	—	—	1,735	—	—	1,735

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

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

Fiscal year ended March 31, 2019 (April 1, 2018 to March 31, 2019)

(Millions of yen)

	Reportable segments					Others	Unallocated amounts and eliminations	Total
	Domestic P&C insurance business	Overseas insurance business	Domestic life insurance business	Nursing care and healthcare business	Total			
Amortization for the fiscal year ended March 31, 2019	100	18,539	609	4,807	24,057	—	—	24,057
Balance as of March 31, 2019	140	156,545	1,218	40,790	198,694	—	—	198,694

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

None.

(Securities)

1. Trading Securities

(Millions of yen)

	As of March 31, 2018		As of March 31, 2019	
	Carrying amount	Unrealized gains and losses recognized in statement of income	Carrying amount	Unrealized gains and losses recognized in statement of income
Trading securities	212,004	1	198,084	(7,136)

2. Bonds held to maturity

(Millions of yen)

		As of March 31, 2018			As of March 31, 2019		
		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	1,180,112	1,465,926	285,814	1,184,779	1,497,251	312,472
	Foreign securities	2,019	2,087	67	3,907	3,975	67
	Subtotal	1,182,131	1,468,013	285,881	1,188,687	1,501,226	312,539
Securities whose fair value does not exceed their carrying amount	Domestic bonds	15,129	14,694	(435)	3,216	3,139	(76)
	Foreign securities	1,996	1,979	(17)	5,855	5,742	(112)
	Subtotal	17,125	16,673	(452)	9,071	8,882	(189)
Total		1,199,257	1,484,687	285,429	1,197,758	1,510,109	312,350

3. Policy reserve matching bonds

(Millions of yen)

		As of March 31, 2018			As of March 31, 2019		
		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	231,867	255,152	23,285	361,192	401,082	39,889
Securities whose fair value does not exceed their carrying amount	Domestic bonds	36,110	34,877	(1,233)	8,888	8,844	(43)
Total		267,978	290,029	22,051	370,080	409,926	39,846

4. Securities available for sale

(Millions of yen)

		As of March 31, 2018			As of March 31, 2019		
		Carrying amount	Cost	Unrealized gains and losses	Carrying amount	Cost	Unrealized gains and losses
Securities whose carrying amount exceeds their cost	Domestic bonds	2,014,762	1,827,096	187,665	2,130,397	1,932,041	198,355
	Domestic stocks	1,560,427	560,579	999,847	1,217,908	461,936	755,971
	Foreign securities	1,355,885	1,234,891	120,994	1,590,323	1,462,884	127,438
	Others	58,933	52,793	6,139	63,892	58,153	5,739
	Subtotal	4,990,008	3,675,361	1,314,646	5,002,520	3,915,016	1,087,504
Securities whose carrying amount does not exceed their cost	Domestic bonds	133,071	136,423	(3,352)	44,163	44,858	(694)
	Domestic stocks	28,161	31,536	(3,374)	48,817	55,812	(6,994)
	Foreign securities	1,370,567	1,413,677	(43,109)	1,077,106	1,103,626	(26,520)
	Others	8,648	8,693	(45)	11,919	12,012	(92)
	Subtotal	1,540,448	1,590,330	(49,882)	1,182,007	1,216,309	(34,301)
Total		6,530,456	5,265,692	1,264,764	6,184,528	5,131,325	1,053,202

Notes)

As of March 31, 2018	As of March 31, 2019
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, 2018 (April 1, 2017 to March 31, 2018)			Fiscal year ended March 31, 2019 (April 1, 2018 to March 31, 2019)		
	Proceeds from sales	Gains on sales	Losses on sales	Proceeds from sales	Gains on sales	Losses on sales
Domestic bonds	111,882	2,830	1,679	106,408	7,311	212
Domestic stocks	112,071	69,085	491	158,313	90,954	719
Foreign securities	613,830	9,319	6,177	746,172	11,476	10,002
Others	7,301	1,616	2	999	1,108	46
Total	845,086	82,852	8,350	1,011,893	110,850	10,981

6. Securities for which impairment losses are recognized

Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)	Fiscal year ended March 31, 2019 (April 1, 2018 to March 31, 2019)
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.	For the fiscal year ended March 31, 2019, 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 9,176 million yen (domestic stocks: 6,732 million yen, foreign securities: 2,444 million yen), and impairment losses on securities available for sale which are considered extremely difficult to figure out their fair value amount to 3,616 million yen (domestic stocks: 1,050 million yen, foreign securities: 2,565 million yen, others: 0 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, 2018 (April 1, 2017 to March 31, 2018)	Fiscal year ended March 31, 2019 (April 1, 2018 to March 31, 2019)
Net assets per share	4,960.24 yen	4,720.07 yen
Net income per share	361.39 yen	392.26 yen
Diluted net income per share	361.09 yen	391.96 yen

Notes)

1. Calculations of net income per share and diluted net income per share are based on the following figures.

(Millions of yen)

	Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)	Fiscal year ended March 31, 2019 (April 1, 2018 to March 31, 2019)
Net income per share		
Net income attributable to shareholders of the parent	139,817	146,626
Amount not attributable to common stockholders	—	—
Net income attributable to shareholders of the parent to common stocks	139,817	146,626
Average number of common stocks outstanding	386,879 thousand shares	373,792 thousand shares
Diluted net income per share		
Adjustment of net income attributable to shareholders of the parent	—	—
Increase of common stocks:	328 thousand shares	282 thousand shares
Stock acquisition rights	328 thousand shares	282 thousand shares

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

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019
Total net assets	1,916,210	1,779,911
Amount to be deducted from total net assets:	28,441	22,032
Stock acquisition rights	749	632
Non-controlling interests	27,692	21,399
Net assets attributable to common stocks	1,887,769	1,757,879
Number of common stocks used for calculation of net assets per share	380,579 thousand shares	372,426 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 597 thousand for the fiscal year ended March 31, 2018 and is 553 thousand for the fiscal year ended March 31,2019. The number of the treasury stock deducted above mentioned is 596 thousand as of March 31, 2018 and is 550 thousand as of March 31, 2019.

(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 20, 2019. 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. 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, 2019.

(2) Details of stock buybacks

(a)	Class of shares	Common stock of the Company
(b)	Potential total number	12,000,000 shares (upper limit)
(c)	Total price	33,500,000,000 yen (upper limit)
(d)	Period	May 29, 2019 — November 18, 2019

4. Other

(1) Summary of Results of Operations (Consolidated)

(Millions of yen)

	Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)	Fiscal year ended March 31, 2019 (April 1, 2018 to March 31, 2019)	Increase (Decrease)	Rate of change
				%
Ordinary income and expenses:				
Underwriting income:	3,369,720	3,220,047	(149,672)	(4.4)
Net premiums written	2,854,755	2,718,155	(136,599)	(4.8)
Deposits of premiums by policyholders	120,380	111,132	(9,248)	(7.7)
Life insurance premiums written	346,998	349,606	2,608	0.8
Underwriting expenses:	2,868,010	2,737,949	(130,061)	(4.5)
Net claims paid	1,698,171	1,694,889	(3,281)	(0.2)
Loss adjustment expenses	138,317	135,759	(2,557)	(1.8)
Net commissions and brokerage fees	516,938	504,932	(12,006)	(2.3)
Maturity refunds to policyholders	231,367	205,423	(25,944)	(11.2)
Life insurance claims paid and other payments	88,899	88,471	(427)	(0.5)
Provision for reserve for outstanding losses and claims	75,625	13,119	(62,506)	(82.7)
Provision for underwriting reserves	113,706	89,730	(23,976)	(21.1)
Investment income:	254,395	273,249	18,854	7.4
Interest and dividend income	190,863	188,722	(2,140)	(1.1)
Gains on sales of securities	83,450	110,913	27,463	32.9
Investment expenses:	29,270	35,798	6,527	22.3
Losses on sales of securities	9,682	10,984	1,301	13.4
Impairment losses on securities	3,745	13,425	9,679	258.4
Operating, general and administrative expenses	608,427	540,542	(67,885)	(11.2)
Other ordinary income and expenses	23,483	19,951	(3,532)	(15.0)
Investment gains on the equity method	592	(593)	(1,186)	(200.1)
Ordinary profit	141,890	198,959	57,068	40.2
Extraordinary gains and losses:				
Extraordinary gains	30,692	12,868	(17,823)	(58.1)
Extraordinary losses	58,246	9,799	(48,447)	(83.2)
Extraordinary gains and losses	(27,554)	3,069	30,623	―
Net income before income taxes	114,336	202,029	87,692	76.7
Income taxes	13,618	43,276	29,657	217.8
Deferred income taxes	(35,920)	16,380	52,300	―
Total income taxes	(22,301)	59,657	81,958	―
Net income	136,637	142,372	5,734	4.2
Net loss attributable to non-controlling shareholders	(3,179)	(4,253)	(1,074)	―
Net income attributable to shareholders of the parent	139,817	146,626	6,808	4.9

(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, 2018 (April 1, 2017 to March 31, 2018)			Fiscal year ended March 31, 2019 (April 1, 2018 to March 31, 2019)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
		%	%		%	%
Fire and allied insurance	538,247	17.0	12.5	531,642	17.0	(1.2)
Marine insurance	104,351	3.3	17.6	88,929	2.9	(14.8)
Personal accident insurance	288,131	9.1	(3.6)	271,240	8.7	(5.9)
Voluntary automobile insurance	1,250,159	39.5	(0.1)	1,207,020	38.7	(3.5)
Compulsory automobile liability insurance	297,410	9.4	(6.6)	297,246	9.5	(0.1)
Others	687,145	21.7	57.3	722,477	23.2	5.1
Total	3,165,447	100.0	10.2	3,118,558	100.0	(1.5)
Deposits of premiums by policyholders	120,380	3.8	(8.5)	111,132	3.6	(7.7)

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, 2018 (April 1, 2017 to March 31, 2018)			Fiscal year ended March 31, 2019 (April 1, 2018 to March 31, 2019)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
		%	%		%	%
Fire and allied insurance	454,125	15.9	21.6	375,171	13.8	(17.4)
Marine insurance	105,325	3.7	32.8	81,730	3.0	(22.4)
Personal accident insurance	192,798	6.8	(0.7)	180,270	6.6	(6.5)
Voluntary automobile insurance	1,241,314	43.5	(0.3)	1,199,516	44.1	(3.4)
Compulsory automobile liability insurance	292,021	10.2	(1.3)	278,788	10.3	(4.5)
Others	569,170	19.9	57.3	602,677	22.2	5.9
Total	2,854,755	100.0	11.9	2,718,155	100.0	(4.8)

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, 2018 (April 1, 2017 to March 31, 2018)			Fiscal year ended March 31, 2019 (April 1, 2018 to March 31, 2019)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
		%	%		%	%
Fire and allied insurance	337,488	19.9	47.2	345,793	20.4	2.5
Marine insurance	63,003	3.7	52.5	53,424	3.2	(15.2)
Personal accident insurance	100,955	5.9	1.4	95,396	5.6	(5.5)
Voluntary automobile insurance	679,027	40.0	5.3	671,375	39.6	(1.1)
Compulsory automobile liability insurance	215,441	12.7	(4.0)	206,781	12.2	(4.0)
Others	302,254	17.8	60.4	322,119	19.0	6.6
Total	1,698,171	100.0	18.9	1,694,889	100.0	(0.2)

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