SOMPO HOLDINGS

UNOFFICIAL TRANSLATION

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

Summary of Consolidated Financial Results for the fiscal year ended March 31, 2019

Supplementary Information

May 20, 2019

Sompo Holdings, Inc.

（ Securities Code : 8630 ）

Summary of Consolidated Financial Results for the fiscal year ended March 31, 2019

Contents – Supplementary Information

1. Overview of Consolidated Financial Results for the fiscal year ended March 31, 2019

Sompo Holdings, Inc.
Overview of Consolidated Financial Results for the fiscal year ended March 31, 2019 …… 3

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)
Overview of Financial Results for the fiscal year ended March 31, 2019 …… 4
Summary of Results of Operations …… 4
Premiums Written and Claims Paid by Business Lines …… 5
Net Incurred Loss during the period due to Natural Disasters in Japan …… 6
Breakdown of Operating, General and Administrative Expenses and Loss Adjustment Expenses …… 6
Reserve for Outstanding Losses and Claims …… 6
Ordinary Underwriting Reserves …… 6
Catastrophic Loss Reserve …… 6

2. Forecasts for the fiscal year ending March 31, 2020 (April 1, 2019 to March 31, 2020)

Sompo Holdings, Inc. (Consolidated) …… 7
Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated) …… 7

3. Overview of Business Results of Principal Consolidated Subsidiaries

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated) …… 8
Balance Sheet …… 8
Statement of Income …… 10
Premiums Written and Claims Paid by Business Lines …… 12
Non-consolidated Solvency Margin Ratio …… 13

SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED (Non-consolidated) …… 14
Balance Sheet …… 14
Statement of Income …… 16
Premiums Written and Claims Paid by Business Lines …… 17
Non-consolidated Solvency Margin Ratio …… 18

Sonpo 24 Insurance Company Limited (Non-consolidated) …… 19
Balance Sheet …… 19
Statement of Income …… 20
Premiums Written and Claims Paid by Business Lines …… 21
Non-consolidated Solvency Margin Ratio …… 22

Sompo Japan Nipponkoa Himawari Life Insurance, Inc. (Non-consolidated) …… 23
Balance Sheet …… 23
Statement of Income …… 25
Major Business Results
（Total amount of policies in force, Total amount of new policies, and Annualized premiums） …… 26
Non-consolidated Solvency Margin Ratio …… 27

Supplementary Explanation ····· 28
Calculation of returns ····· 28
Calculation of ratios, etc. ····· 28
Non-consolidated solvency margin ratio ····· 29

4. Supplementary Data about Financial Results for the fiscal year ended March 31, 2019 at Press Conference

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated) ····· 30

1. Overview of Consolidated Financial Results for the fiscal year ended March 31, 2019

Sompo Holdings, Inc.

Overview of Consolidated Financial Results for the fiscal year ended March 31, 2019

(Yen in hundred millions, %)

		Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Increase (Decrease)	Rate of change
Ordinary income:	①	37,700	36,430	(1,270)	(3.4)
Net premiums written:	②	28,547	27,181	(1,365)	(4.8)
Sompo Japan Nipponkoa Insurance Inc.	③	21,680	21,486	(193)	(0.9)
Overseas consolidated subsidiaries	④	6,363	5,194	(1,168)	(18.4)
Others	⑤	503	500	(3)	(0.7)
Life insurance premiums written	⑥	3,469	3,496	26	0.8
Ordinary profit:	⑦	1,418	1,989	570	40.2
Sompo Japan Nipponkoa Insurance Inc.	⑧	1,752	2,155	403	23.0
Net income attributable to shareholders of the parent:	⑨	1,398	1,466	68	4.9
Sompo Japan Nipponkoa Insurance Inc.	⑩	1,700	1,757	56	3.3
Overseas consolidated subsidiaries	⑪	(378)	(61)	317	―
Sompo Japan Nipponkoa Himawari Life Insurance, Inc.	⑫	81	153	72	89.6
Nursing care and healthcare consolidated subsidiaries	⑬	31	42	10	32.5
Others and consolidation adjustment, etc.	⑭	(36)	(425)	(389)	

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

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)

Overview of Financial Results for the fiscal year ended March 31, 2019

Summary of Results of Operations

(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 and expenses:					
Direct premiums written (including deposits of premiums by policyholders)	①	2,457,751	2,492,362	34,611	1.4 %
Direct premiums written	②	2,337,387	2,381,234	43,847	1.9
(+) Net premiums written	③	2,168,009	2,148,632	(19,376)	(0.9)
(−) Net claims paid	④	1,272,130	1,377,796	105,665	8.3
(−) Loss adjustment expenses	⑤	123,507	121,930	(1,577)	(1.3)
(−) Net commissions and brokerage fees	⑥	392,329	388,839	(3,490)	(0.9)
(+) Deposits of premiums by policyholders	⑦	120,364	111,128	(9,235)	(7.7)
(+) Interest and dividend income on deposits of premiums, etc.	⑧	39,287	38,153	(1,133)	(2.9)
(−) Maturity refunds and dividends to policyholders	⑨	231,449	205,459	(25,990)	(11.2)
(−) Provision for (reversal of) reserve for outstanding losses and claims	⑩	(5,332)	(21,725)	(16,393)	—
(−) Provision for (reversal of) underwriting reserves	⑪	(89,318)	(118,590)	(29,271)	—
(+) Other underwriting income and expenses	⑫	(66)	(207)	(141)	—
Gross underwriting margin	⑬	402,827	343,998	(58,829)	(14.6)
Operating, general and administrative expenses related to underwriting	⑭	307,876	300,995	(6,881)	(2.2)
Other income and expenses	⑮	(135)	(1,011)	(876)	—
Underwriting profit	⑯	94,815	41,990	(52,824)	(55.7)
Investment income and expenses:					
(+) Interest and dividend income	⑰	106,234	134,644	28,410	26.7
(+) Investment gains and losses on money trusts	⑱	5,307	4,438	(868)	(16.4)
(+) Gains and losses on sales of securities	⑲	67,358	100,060	32,702	48.5
(−) Impairment losses on securities	⑳	26,703	4,807	(21,896)	(82.0)
(+) Transfer of interest and dividend income on deposits of premiums, etc.	㉑	(39,287)	(38,153)	1,133	—
(+) Gains and losses on derivatives	㉒	(11,326)	(6,438)	4,888	—
(+) Other investment income and expenses	㉓	(3,739)	84	3,824	—
Gross investment margin	㉔	97,842	189,830	91,987	94.0
(−) Operating, general and administrative expenses	㉕	325,104	321,281	(3,823)	(1.2)
(+) Other ordinary income and expenses	㉖	(344)	2,990	3,334	—
Ordinary profit	㉗	175,220	215,537	40,316	23.0
Extraordinary gains and losses:					
(+) Extraordinary gains	㉘	27,690	18,937	(8,752)	(31.6)
(−) Extraordinary losses	㉙	47,541	7,256	(40,285)	(84.7)
Extraordinary gains and losses	㉚	(19,851)	11,681	31,532	—
Net income before income taxes	㉛	155,369	227,218	71,849	46.2
(−) Income taxes	㉜	831	29,480	28,649	3,447.1
(−) Deferred income taxes	㉝	(15,494)	22,029	37,523	—
Total income taxes	㉞	(14,663)	51,510	66,173	—
Net income	㉟	170,032	175,708	5,675	3.3

Underwriting result:					
(+) Net premiums written	㊱	2,168,009	2,148,632	(19,376)	(0.9)
(−) Net claims paid	㊲	1,272,130	1,377,796	105,665	8.3
(−) Loss adjustment expenses	㊳	123,507	121,930	(1,577)	(1.3)
(−) Net operating expenses:	㊴	700,206	689,835	(10,371)	(1.5)
Net commissions and brokerage fees	㊵	392,329	388,839	(3,490)	(0.9)
Operating, general and administrative expenses related to underwriting	㊶	307,876	300,995	(6,881)	(2.2)
Underwriting result	㊷	72,164	(40,928)	(113,093)	(156.7)
Ratios:					
Net loss ratio (%)	㊸	64.4	69.8	5.4	
Net operating expenses ratio (%)	㊹	32.3	32.1	(0.2)	
Combined ratio (%)	㊺	96.7	101.9	5.2	
Return on investments (income base) (%)	㊻	1.87	2.45	0.59	
Return on investments (realized base) (%)	㊼	2.38	4.13	1.74	

Reference) Total return based on the fair value: Fiscal year ended March 31, 2018 3.10 %
Fiscal year ended March 31, 2019 (0.12) %

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, 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	369,924	15.8	6.7	399,559	16.8	8.0
Marine insurance	46,983	2.0	3.9	46,123	1.9	(1.8)
Personal accident insurance	183,066	7.8	(0.8)	174,421	7.3	(4.7)
Voluntary automobile insurance	1,081,151	46.3	0.2	1,077,178	45.2	(0.4)
Compulsory automobile liability insurance	297,410	12.7	(6.6)	297,246	12.5	(0.1)
Others	358,850	15.4	4.6	386,703	16.2	7.8
Total	2,337,387	100.0	0.9	2,381,234	100.0	1.9
Deposits of premiums by policyholders	120,364	——	(8.5)	111,128	——	(7.7)

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	281,742	13.0	(1.3)	265,070	12.3	(5.9)
Marine insurance	47,385	2.2	7.7	44,315	2.1	(6.5)
Personal accident insurance	179,939	8.3	(1.0)	170,725	7.9	(5.1)
Voluntary automobile insurance	1,078,546	49.7	0.1	1,073,139	49.9	(0.5)
Compulsory automobile liability insurance	291,361	13.4	(1.3)	278,172	12.9	(4.5)
Others	289,032	13.3	2.7	317,208	14.8	9.7
Total	2,168,009	100.0	0.1	2,148,632	100.0	(0.9)

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	Rate of change	Net loss ratio	Amount	Rate of change	Net loss ratio
		%	%		%	%
Fire and allied insurance	201,675	7.8	73.3	275,632	36.7	107.2
Marine insurance	29,098	6.4	64.3	34,115	17.2	80.2
Personal accident insurance	94,919	(0.1)	56.7	90,435	(4.7)	56.8
Voluntary automobile insurance	581,583	2.9	61.5	590,248	1.5	62.2
Compulsory automobile liability insurance	214,806	(4.0)	80.1	206,151	(4.0)	80.6
Others	150,046	4.1	55.5	181,211	20.8	60.3
Total	1,272,130	2.4	64.4	1,377,796	8.3	69.8

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, 2018			Fiscal year ended March 31, 2019		
	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	42,559	7,575	50,134	132,831	19,072	151,904
Voluntary automobile insurance	4,569	(616)	3,952	10,374	(1,882)	8,492
Other than the above	1,793	1,270	3,064	15,412	2,024	17,437
Total	48,921	8,229	57,151	158,619	19,214	177,834

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, 2018			Fiscal year ended March 31, 2019		
	Amount	Increase (Decrease)	Rate of change	Amount	Increase (Decrease)	Rate of change
			%			%
Personnel expenses	236,896	3,085	1.3	232,848	(4,047)	(1.7)
Non-personnel expenses	193,294	(2,858)	(1.5)	192,012	(1,281)	(0.7)
Others (taxes and contributions)	18,422	(15)	(0.1)	18,350	(71)	(0.4)
Total	448,612	211	0.0	443,211	(5,401)	(1.2)

Reserve for Outstanding Losses and Claims

(Millions of yen)

	Fiscal year ended March 31, 2018		Fiscal year ended March 31, 2019	
	Balance	Change	Balance	Change
Fire and allied insurance	119,721	(5,239)	123,966	4,245
Marine insurance	23,832	(2,028)	26,550	2,718
Personal accident insurance	64,779	(1,508)	58,233	(6,545)
Voluntary automobile insurance	398,648	(11,446)	389,588	(9,059)
Compulsory automobile liability insurance	80,376	(4,389)	74,042	(6,333)
Others	220,072	19,279	213,321	(6,750)
Total	907,429	(5,332)	885,703	(21,725)

Ordinary Underwriting Reserves

(Millions of yen)

	Fiscal year ended March 31, 2018		Fiscal year ended March 31, 2019	
	Balance	Change	Balance	Change
Fire and allied insurance	737,095	(10,042)	717,650	(19,444)
Marine insurance	20,495	1,439	14,722	(5,773)
Personal accident insurance	124,980	1,545	125,646	666
Voluntary automobile insurance	311,824	1,119	314,367	2,542
Compulsory automobile liability insurance	429,348	10,241	438,806	9,458
Others	322,911	7,880	340,626	17,715
Total	1,946,655	12,183	1,951,820	5,165

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, 2018				Fiscal year ended March 31, 2019			
	Reversal	Provision	Balance	Balance ratio	Reversal	Provision	Balance	Balance ratio
				%				%
Fire and allied insurance	59,317	39,921	155,921	55.5	138,371	117,606	135,156	51.1
Marine insurance	1,053	2,516	49,574	104.6	8,204	2,376	43,747	98.7
Personal accident insurance	5,889	5,696	70,608	39.2	6,517	5,394	69,485	40.7
Voluntary automobile insurance	43,425	34,648	60,128	5.6	55,880	34,796	39,044	3.6
Others	5,476	14,444	210,056	72.7	21,497	15,579	204,139	64.4
Total	115,162	97,228	546,290	29.1	230,471	175,753	491,572	26.3

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, 2020 (April 1, 2019 to March 31, 2020)

Sompo Holdings, Inc. (Consolidated)

(Yen in hundred millions, %)

	Fiscal year ended March 31, 2019 Result	Fiscal year ending March 31, 2020 Forecast	Increase (Decrease)	Rate of change
Net premiums written	27,181	28,200	1,018	3.7
Life insurance premiums written	3,496	3,630	133	3.8
Ordinary profit	1,989	2,500	510	25.7
Net income attributable to shareholders of the parent:	1,466	1,680	213	14.6
Sompo Japan Nipponkoa Insurance Inc.	1,757	1,630	(127)	(7.2)
Overseas consolidated subsidiaries (Note)	(61)	583	644	—
Sompo Japan Nipponkoa Himawari Life Insurance, Inc.	153	160	6	3.9
Nursing care and healthcare consolidated subsidiaries	42	38	(3)	(9.4)
Others and consolidation adjustment, etc. (Note)	(425)	(732)	(306)	—
Dividends per share (annual)	130 yen	150 yen	20 yen	——

Note) Sompo International Holdings Ltd. among overseas consolidated subsidiaries will change the accounting standard applied since the beginning of the fiscal year 2019 from US GAAP to International Accounting Standards. Therefore, consolidated adjustment amount related to the market valuation by reorganization of Sompo International Holdings Ltd. that were required under US GAAP (minus 26.5 billion yen) is included in the result during the fiscal year ended March 31, 2019, but such adjustment is not necessary during the fiscal year ending March 31, 2020. The same amount as the adjustment amount is excluded in “Consolidation adjustment, etc.” at the fiscal year ended March 31, 2019.

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)

(Yen in hundred millions, %)

	Fiscal year ended March 31, 2019 Result	Fiscal year ending March 31, 2020 Forecast	Increase (Decrease)	Rate of change
Net premiums written	21,486	21,720	233	1.1
(Excluding earthquake insurance and compulsory automobile liability insurance)	18,698	18,926	227	1.2
Net loss ratio	69.8	65.0	(4.8)	——
(Excluding earthquake insurance and compulsory automobile liability insurance)	68.0	63.0	(5.0)	——
Net operating expenses ratio	32.1	32.0	(0.1)	——
(Excluding earthquake insurance and compulsory automobile liability insurance)	33.6	33.5	(0.1)	——
Combined ratio	101.9	97.1	(4.8)	——
(Excluding earthquake insurance and compulsory automobile liability insurance)	101.6	96.5	(5.1)	——
Underwriting profit	419	980	560	133.4
Gross investment margin	1,898	1,431	(466)	(24.6)
Ordinary profit	2,155	2,260	104	4.9
Net income	1,757	1,630	(127)	(7.2)

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, 2018	As of March 31, 2019	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits:	445,878	459,769	13,891
Cash	2	6	3
Deposits	445,875	459,762	13,887
Receivables under resale agreements	74,998	64,999	(9,999)
Monetary receivables bought	6,301	11,703	5,402
Money trusts	98,613	40,862	(57,751)
Securities:	5,491,040	5,056,187	(434,852)
Government bonds	834,110	779,818	(54,292)
Municipal bonds	6,839	6,366	(472)
Corporate bonds	570,034	603,468	33,433
Domestic stocks	1,661,445	1,345,501	(315,943)
Foreign securities	2,356,282	2,255,634	(100,647)
Other securities	62,328	65,398	3,070
Loans:	661,399	685,377	23,978
Policy loans	7,643	6,788	(855)
Ordinary loans	653,756	678,589	24,833
Tangible fixed assets:	244,366	249,654	5,287
Land	103,348	101,753	(1,595)
Buildings	105,830	104,267	(1,563)
Leased assets	2,563	3,377	814
Construction in progress	6,920	12,700	5,779
Other tangible fixed assets	25,703	27,555	1,851
Intangible fixed assets:	79,404	114,753	35,349
Software	4,913	3,583	(1,330)
Other intangible fixed assets	74,490	111,169	36,679
Other assets:	596,552	842,663	246,110
Premiums receivable	2,868	2,921	53
Agency accounts receivable	173,280	179,302	6,022
Foreign agency accounts receivable	38,056	33,174	(4,882)
Coinsurance accounts receivable	11,716	21,708	9,992
Reinsurance accounts receivable	100,220	173,825	73,605
Foreign reinsurance accounts receivable	65,424	187,352	121,927
Proxy service receivable	708	528	(179)
Accounts receivable	66,125	121,641	55,515
Accrued income	10,201	9,462	(739)
Advance deposits	19,322	22,625	3,303
Earthquake insurance deposits	7,364	4,358	(3,006)
Suspense payments	69,189	65,487	(3,701)
Deposits paid for future transactions	7,744	9,248	1,504
Derivative assets	24,328	10,881	(13,447)
Cash collateral paid for financial instruments	—	144	144
Other assets	0	0	—
Prepaid pension cost	669	477	(191)
Allowance for possible credit losses	(3,570)	(3,471)	98
Allowance for possible investment losses	(7,476)	(7,089)	387
Total assets	7,688,176	7,515,887	(172,289)

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)

Balance Sheet

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019	Increase (Decrease)
	Amount	Amount	
Liabilities:			
Underwriting funds:	4,766,933	4,626,617	(140,316)
Reserve for outstanding losses and claims	907,429	885,703	(21,725)
Underwriting reserves	3,859,504	3,740,913	(118,590)
Corporate bonds	433,560	433,560	—
Other liabilities:	651,635	760,883	109,248
Coinsurance accounts payable	5,135	5,179	43
Reinsurance accounts payable	81,782	91,235	9,453
Foreign reinsurance accounts payable	37,179	40,761	3,581
Payables under securities lending transactions	95,718	202,289	106,571
Borrowings	137,263	106,771	(30,492)
Income taxes payable	5,685	27,888	22,202
Deposits received	3,449	3,106	(342)
Unearned income	361	312	(49)
Accounts payable	173,446	155,882	(17,563)
Suspense receipts	84,158	88,162	4,004
Derivative liabilities	739	4,340	3,600
Cash collateral received for financial instruments	20,768	28,608	7,840
Lease obligations	3,968	4,321	353
Asset retirement obligations	1,977	2,024	46
Reserve for retirement benefits	92,974	93,600	626
Reserve for bonus payments	18,435	18,325	(110)
Reserve for bonus payments to directors	97	64	(33)
Reserves under the special laws:	79,193	83,183	3,990
Reserve for price fluctuation	79,193	83,183	3,990
Deferred tax liabilities	70,750	30,352	(40,398)
Total liabilities	6,113,580	6,046,586	(66,993)
Net assets:			
Shareholders' equity:			
Common stock	70,000	70,000	—
Capital surplus:	70,000	70,000	—
Capital reserves	70,000	70,000	—
Retained earnings:	459,119	527,900	68,781
Other retained earnings:	459,119	527,900	68,781
Reserve for advanced depreciation	4,084	8,421	4,337
General reserve	83,300	83,300	—
Retained earnings carried forward	371,735	436,179	64,444
Total shareholders' equity	599,119	667,900	68,781
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	968,426	794,949	(173,476)
Deferred gains and losses on hedges	7,050	6,449	(601)
Total valuation and translation adjustments	975,477	801,399	(174,077)
Total net assets	1,574,596	1,469,300	(105,295)
Total liabilities and net assets	7,688,176	7,515,887	(172,289)

Sompo Japan Nipponkoa Insurance Inc. (Non-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)	Increase (Decrease)	Rate of change
	Amount	Amount		
				%
Ordinary income:	2,590,740	2,678,209	87,469	3.4
Underwriting income:	2,424,702	2,440,115	15,412	0.6
Net premiums written	2,168,009	2,148,632	(19,376)	(0.9)
Deposits of premiums by policyholders	120,364	111,128	(9,235)	(7.7)
Interest and dividend income on deposits of premiums, etc.	39,287	38,153	(1,133)	(2.9)
Reversal of reserve for outstanding losses and claims	5,332	21,725	16,393	307.4
Reversal of underwriting reserves	89,318	118,590	29,271	32.8
Foreign exchange gains	835	939	104	12.5
Other underwriting income	1,556	945	(611)	(39.3)
Investment income:	155,053	225,397	70,343	45.4
Interest and dividend income	106,234	134,644	28,410	26.7
Investment gains on money trusts	5,476	5,445	(30)	(0.6)
Gains on sales of securities	81,469	116,389	34,920	42.9
Gains on redemption of securities	1,025	1,709	684	66.8
Foreign exchange gains	—	3,276	3,276	—
Other investment income	136	2,085	1,949	1,431.1
Transfer of interest and dividend income on deposits of premiums, etc.	(39,287)	(38,153)	1,133	—
Other ordinary income	10,983	12,696	1,712	15.6
Ordinary expenses:	2,415,519	2,462,672	47,152	2.0
Underwriting expenses:	2,021,875	2,096,117	74,242	3.7
Net claims paid	1,272,130	1,377,796	105,665	8.3
Loss adjustment expenses	123,507	121,930	(1,577)	(1.3)
Net commissions and brokerage fees	392,329	388,839	(3,490)	(0.9)
Maturity refunds to policyholders	231,262	205,330	(25,931)	(11.2)
Dividends to policyholders	186	128	(58)	(31.4)
Other underwriting expenses	2,458	2,092	(365)	(14.9)
Investment expenses:	57,210	35,567	(21,643)	(37.8)
Investment losses on money trusts	168	1,006	837	497.3
Losses on sales of securities	14,110	16,329	2,218	15.7
Impairment losses on securities	26,703	4,807	(21,896)	(82.0)
Losses on redemption of securities	97	342	245	251.7
Losses on derivatives	11,326	6,438	(4,888)	(43.2)
Foreign exchange losses	1,406	—	(1,406)	(100.0)
Other investment expenses	3,396	6,644	3,247	95.6
Operating, general and administrative expenses	325,104	321,281	(3,823)	(1.2)
Other ordinary expenses:	11,328	9,706	(1,622)	(14.3)
Interest paid	7,058	7,152	93	1.3
Provision for allowance for possible credit losses	171	11	(159)	(93.1)
Losses on bad debt	11	28	16	142.5
Other ordinary expenses	4,087	2,513	(1,573)	(38.5)
Ordinary profit	175,220	215,537	40,316	23.0

Sompo Japan Nipponkoa Insurance Inc. (Non-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)	Increase (Decrease)	Rate of change
	Amount	Amount		
Extraordinary gains:	27,690	18,937	(8,752)	(31.6)
Gains on disposal of fixed assets	4,619	18,937	14,318	309.9
Other extraordinary gains	23,071	—	(23,071)	(100.0)
Extraordinary losses:	47,541	7,256	(40,285)	(84.7)
Losses on disposal of fixed assets	34,316	2,562	(31,753)	(92.5)
Impairment losses	2,738	703	(2,035)	(74.3)
Provision for reserves under the special laws:	10,486	3,990	(6,496)	(62.0)
Provision for reserve for price fluctuation	10,486	3,990	(6,496)	(62.0)
Net income before income taxes	155,369	227,218	71,849	46.2
Income taxes	831	29,480	28,649	3,447.1
Deferred income taxes	(15,494)	22,029	37,523	—
Total income taxes	(14,663)	51,510	66,173	—
Net income	170,032	175,708	5,675	3.3

Underwriting result:					
Net premiums written	(+)	2,168,009	2,148,632	(19,376)	(0.9)
Net claims paid	(−)	1,272,130	1,377,796	105,665	8.3
Loss adjustment expenses	(−)	123,507	121,930	(1,577)	(1.3)
Net operating expenses:	(−)	700,206	689,835	(10,371)	(1.5)
Net commissions and brokerage fees		392,329	388,839	(3,490)	(0.9)
Operating, general and administrative expenses related to underwriting		307,876	300,995	(6,881)	(2.2)
Underwriting result		72,164	(40,928)	(113,093)	(156.7)
Underwriting profit		94,815	41,990	(52,824)	(55.7)
Ratios:					
Net loss ratio	(%)	64.4	69.8	5.4	
Net operating expenses ratio	(%)	32.3	32.1	(0.2)	
Combined ratio	(%)	96.7	101.9	5.2	

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, 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	369,924	15.8	6.7	399,559	16.8	8.0
Marine insurance	46,983	2.0	3.9	46,123	1.9	(1.8)
Personal accident insurance	183,066	7.8	(0.8)	174,421	7.3	(4.7)
Voluntary automobile insurance	1,081,151	46.3	0.2	1,077,178	45.2	(0.4)
Compulsory automobile liability insurance	297,410	12.7	(6.6)	297,246	12.5	(0.1)
Others	358,850	15.4	4.6	386,703	16.2	7.8
Total	2,337,387	100.0	0.9	2,381,234	100.0	1.9
Deposits of premiums by policyholders	120,364	——	(8.5)	111,128	——	(7.7)

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	281,742	13.0	(1.3)	265,070	12.3	(5.9)
Marine insurance	47,385	2.2	7.7	44,315	2.1	(6.5)
Personal accident insurance	179,939	8.3	(1.0)	170,725	7.9	(5.1)
Voluntary automobile insurance	1,078,546	49.7	0.1	1,073,139	49.9	(0.5)
Compulsory automobile liability insurance	291,361	13.4	(1.3)	278,172	12.9	(4.5)
Others	289,032	13.3	2.7	317,208	14.8	9.7
Total	2,168,009	100.0	0.1	2,148,632	100.0	(0.9)

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	Rate of change	Net loss ratio	Amount	Rate of change	Net loss ratio
		%	%		%	%
Fire and allied insurance	201,675	7.8	73.3	275,632	36.7	107.2
Marine insurance	29,098	6.4	64.3	34,115	17.2	80.2
Personal accident insurance	94,919	(0.1)	56.7	90,435	(4.7)	56.8
Voluntary automobile insurance	581,583	2.9	61.5	590,248	1.5	62.2
Compulsory automobile liability insurance	214,806	(4.0)	80.1	206,151	(4.0)	80.6
Others	150,046	4.1	55.5	181,211	20.8	60.3
Total	1,272,130	2.4	64.4	1,377,796	8.3	69.8

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)

Non-consolidated Solvency Margin Ratio

(Millions of yen)

		As of March 31, 2018	As of March 31, 2019
(A) Total Non-consolidated Solvency Margin		3,078,246	2,925,752
	Capital and funds, etc.	598,902	667,900
	Reserve for price fluctuation	79,193	83,183
	Contingency reserve	611	917
	Catastrophic loss reserve	555,293	497,090
	General allowance for possible credit losses	229	296
	Unrealized gains and losses on securities, deferred gains and losses on hedges (before tax effect deductions)	1,184,429	979,958
	Unrealized gains and losses on land	93,030	102,267
	Excess amount of reserve for maturity refunds	—	—
	Subordinated debt, etc.	433,560	433,560
	Excess amount of reserve for maturity refunds and subordinated debt, etc. which are excluded from total solvency margin	—	—
	Deductions	54,455	53,329
	Others	187,451	213,906
(B) Total Non-consolidated Risks $\sqrt{(R_1+R_2)^2+(R_3+R_4)^2}+R_5+R_6$		837,472	810,142
	Underwriting risk (R_1)	187,079	185,722
	Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_2)	—	—
	Guaranteed interest rate risk (R_3)	19,350	18,070
	Investment risk (R_4)	646,159	584,923
	Business management risk (R_5)	19,583	18,978
	Major catastrophe risk (R_6)	126,585	160,215
(C) Non-consolidated Solvency Margin Ratio [(A) / {(B) × 1/2}] × 100		735.1 %	722.2 %

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, 2018	As of March 31, 2019	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits:	27,171	26,063	(1,107)
Cash	0	0	(0)
Deposits	27,170	26,063	(1,107)
Securities:	18,462	18,070	(391)
Government bonds	6,481	2,535	(3,946)
Municipal bonds	7,541	10,991	3,450
Corporate bonds	1,610	601	(1,009)
Domestic stocks	35	29	(6)
Foreign securities	1	1,044	1,043
Other securities	2,791	2,869	77
Loans:	0	0	0
Policy loans	0	0	0
Tangible fixed assets:	310	454	143
Buildings	87	80	(6)
Leased assets	185	326	141
Other tangible fixed assets	38	47	9
Intangible fixed assets:	2,896	3,436	540
Software	2,892	3,432	540
Other intangible fixed assets	3	3	—
Other assets:	4,998	6,289	1,291
Premiums receivable	1,752	1,956	204
Agency accounts receivable	71	76	5
Coinsurance accounts receivable	11	10	(0)
Reinsurance accounts receivable	66	496	429
Foreign reinsurance accounts receivable	45	39	(6)
Accounts receivable	599	704	104
Accrued income	31	17	(13)
Advance deposits	373	428	54
Suspense payments	1,768	2,378	609
Other assets	277	182	(95)
Allowance for possible credit losses	(31)	(45)	(14)
Total assets	53,807	54,269	461

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

Balance Sheet

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019	Increase (Decrease)
	Amount	Amount	
Liabilities:			
Underwriting funds:	41,984	44,331	2,347
Reserve for outstanding losses and claims	13,630	14,929	1,298
Underwriting reserves	28,353	29,401	1,048
Other liabilities:	3,049	3,222	172
Coinsurance accounts payable	36	36	(0)
Reinsurance accounts payable	190	209	18
Foreign reinsurance accounts payable	133	115	(18)
Income taxes payable	130	134	4
Deposits received	15	20	5
Accounts payable	1,534	1,492	(42)
Suspense receipts	818	881	62
Lease obligations	188	330	142
Reserve for retirement benefits to directors	25	24	(1)
Reserve for bonus payments	273	329	55
Reserve for bonus payments to directors	22	24	2
Reserves under the special laws:	44	49	4
Reserve for price fluctuation	44	49	4
Deferred tax liabilities	118	179	61
Total liabilities	45,518	48,160	2,642
Net assets:			
Shareholders' equity:			
Common stock	31,010	32,260	1,250
Capital surplus:	29,247	30,497	1,249
Capital reserves	29,247	30,497	1,249
Other capital surplus	0	0	—
Retained earnings:	(52,364)	(57,203)	(4,838)
Other retained earnings:	(52,364)	(57,203)	(4,838)
Retained earnings carried forward	(52,364)	(57,203)	(4,838)
Total shareholders' equity	7,893	5,554	(2,338)
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	396	554	158
Total valuation and translation adjustments	396	554	158
Total net assets	8,289	6,108	(2,180)
Total liabilities and net assets	53,807	54,269	461

SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED (Non-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)	Increase (Decrease)	Rate of change
	Amount	Amount		
				%
Ordinary income:	38,160	41,363	3,203	8.4
Underwriting income:	38,065	41,308	3,243	8.5
Net premiums written	38,012	41,265	3,252	8.6
Deposits of premiums by policyholders	16	3	(12)	(77.1)
Interest and dividend income on deposits of premiums, etc.	35	39	3	9.8
Investment income:	90	41	(48)	(53.7)
Interest and dividend income	83	75	(7)	(9.5)
Gains on sales of securities	37	―	(37)	(100.0)
Other investment income	5	5	(0)	(1.0)
Transfer of interest and dividend income on deposits of premiums, etc.	(35)	(39)	(3)	―
Other ordinary income	5	13	8	175.8
Ordinary expenses:	43,602	46,179	2,577	5.9
Underwriting expenses:	30,151	33,385	3,233	10.7
Net claims paid	23,102	26,711	3,608	15.6
Loss adjustment expenses	3,108	3,534	426	13.7
Net commissions and brokerage fees	841	683	(158)	(18.8)
Maturity refunds to policyholders	105	92	(12)	(11.9)
Provision for reserve for outstanding losses and claims	1,186	1,298	112	9.5
Provision for underwriting reserves	1,799	1,048	(751)	(41.8)
Foreign exchange losses	0	0	0	301.1
Other underwriting expenses	8	17	8	92.7
Investment expenses:	3	3	(0)	(13.5)
Other investment expenses	3	3	(0)	(13.5)
Operating, general and administrative expenses	13,375	12,748	(627)	(4.7)
Other ordinary expenses:	71	42	(28)	(39.9)
Interest paid	4	6	1	23.4
Provision for allowance for possible credit losses	31	14	(16)	(54.2)
Other ordinary expenses	35	22	(12)	(35.9)
Ordinary loss	(5,441)	(4,815)	625	―
Extraordinary losses:	4	7	2	52.7
Losses on disposal of fixed assets	0	0	(0)	(32.2)
Provision for reserves under the special laws:	4	4	0	16.4
Provision for reserve for price fluctuation	4	4	0	16.4
Business structure reform expenses	―	1	1	―
Net loss before income taxes	(5,446)	(4,823)	623	―
Income taxes	15	15	0	1.6
Total income taxes	15	15	0	1.6
Net loss	(5,461)	(4,838)	622	―

Underwriting result:					
Net premiums written	(+)	38,012	41,265	3,252	8.6
Net claims paid	(−)	23,102	26,711	3,608	15.6
Loss adjustment expenses	(−)	3,108	3,534	426	13.7
Net operating expenses:	(−)	14,198	13,411	(786)	(5.5)
Net commissions and brokerage fees		841	683	(158)	(18.8)
Operating, general and administrative expenses related to underwriting		13,356	12,728	(628)	(4.7)
Underwriting result		(2,396)	(2,392)	3	―
Underwriting profit (loss)		(5,422)	(4,791)	630	―
Ratios:					
Net loss ratio	(%)	69.0	73.3	4.3	
Net operating expenses ratio	(%)	37.4	32.5	(4.9)	
Combined ratio	(%)	106.4	105.8	(0.5)	

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, 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	1,380	3.5	(13.3)	1,175	2.8	(14.8)
Marine insurance	—	—	—	—	—	—
Personal accident insurance	3,279	8.3	(9.4)	2,942	6.9	(10.3)
Voluntary automobile insurance	33,741	85.1	18.0	37,346	87.4	10.7
Compulsory automobile liability insurance	—	—	—	—	—	—
Others	1,257	3.2	0.3	1,250	2.9	(0.5)
Total	39,658	100.0	13.1	42,716	100.0	7.7
Deposits of premiums by policyholders	16	——	(60.7)	3	——	(77.1)

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	487	1.3	(21.5)	448	1.1	(7.9)
Marine insurance	0	0.0	(82.3)	(0)	—	(104.5)
Personal accident insurance	2,340	6.2	(7.5)	2,130	5.2	(9.0)
Voluntary automobile insurance	33,494	88.1	18.0	37,028	89.7	10.6
Compulsory automobile liability insurance	434	1.1	(1.8)	407	1.0	(6.1)
Others	1,256	3.3	0.3	1,249	3.0	(0.5)
Total	38,012	100.0	14.4	41,265	100.0	8.6

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	Rate of change	Net loss ratio	Amount	Rate of change	Net loss ratio
		%	%		%	%
Fire and allied insurance	189	(59.8)	46.2	742	292.2	175.5
Marine insurance	1	76.1	719.2	0	(88.3)	—
Personal accident insurance	1,510	(0.7)	74.0	1,315	(12.9)	68.8
Voluntary automobile insurance	20,689	22.5	70.0	23,985	15.9	73.6
Compulsory automobile liability insurance	403	(1.3)	95.1	407	1.0	103.2
Others	307	29.0	30.9	259	(15.5)	26.0
Total	23,102	18.3	69.0	26,711	15.6	73.3

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

Non-consolidated Solvency Margin Ratio

(Millions of yen)

		As of March 31, 2018	As of March 31, 2019
(A) Total Non-consolidated Solvency Margin		12,720	10,676
	Capital and funds, etc.	7,893	5,554
	Reserve for price fluctuation	44	49
	Contingency reserve	11	11
	Catastrophic loss reserve	4,306	4,400
	General allowance for possible credit losses	—	—
	Unrealized gains and losses on securities, deferred gains and losses on hedges (before tax effect deductions)	463	660
	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	1	0
(B) Total Non-consolidated Risks $\sqrt{(R_1+R_2)^2+(R_3+R_4)^2}+R_5+R_6$		5,482	6,248
	Underwriting risk (R_1)	4,233	4,893
	Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_2)	—	—
	Guaranteed interest rate risk (R_3)	21	19
	Investment risk (R_4)	702	693
	Business management risk (R_5)	178	201
	Major catastrophe risk (R_6)	1,008	1,101
(C) Non-consolidated Solvency Margin Ratio [(A) / {(B) × 1/2}] × 100		463.9 %	341.7 %

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

Sonpo 24 Insurance Company Limited (Non-consolidated)

Balance Sheet

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits:	20,795	20,145	(650)
Cash	0	0	(0)
Deposits	20,795	20,144	(650)
Securities:	2,001	—	(2,001)
Government bonds	2,001	—	(2,001)
Tangible fixed assets:	188	148	(39)
Buildings	16	24	8
Other tangible fixed assets	171	123	(48)
Other assets:	895	584	(310)
Reinsurance accounts receivable	8	—	(8)
Proxy service receivable	—	2	2
Accounts receivable	658	368	(290)
Accrued income	1	—	(1)
Advance deposits	171	171	(0)
Suspense payments	54	42	(12)
Deferred tax assets	219	—	(219)
Total assets	24,100	20,878	(3,221)
Liabilities:			
Underwriting funds:	11,933	8,684	(3,249)
Reserve for outstanding losses and claims	4,458	4,009	(449)
Underwriting reserves	7,475	4,674	(2,800)
Other liabilities:	2,200	1,629	(570)
Reinsurance accounts payable	4	6	2
Income taxes payable	198	14	(184)
Deposits received	5	21	16
Accounts payable	988	1,097	108
Suspense receipts	1,003	490	(512)
Reserve for retirement benefits	280	544	264
Reserve for bonus payments	98	74	(24)
Reserve for bonus payments to directors	4	4	—
Reserves under the special laws:	20	—	(20)
Reserve for price fluctuation	20	—	(20)
Total liabilities	14,537	10,937	(3,599)
Net assets:			
Shareholders' equity:			
Common stock	19,000	19,000	—
Capital surplus:	19,000	19,000	—
Capital reserves	19,000	19,000	—
Retained earnings:	(28,437)	(28,059)	378
Other retained earnings:	(28,437)	(28,059)	378
Retained earnings carried forward	(28,437)	(28,059)	378
Total shareholders' equity	9,562	9,940	378
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	0	—	(0)
Total valuation and translation adjustments	0	—	(0)
Total net assets	9,562	9,940	377
Total liabilities and net assets	24,100	20,878	(3,221)

Sonpo 24 Insurance Company Limited (Non-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)	Increase (Decrease)	Rate of change
	Amount	Amount		
				%
Ordinary income:	13,881	12,090	(1,791)	(12.9)
Underwriting income:	13,890	12,065	(1,825)	(13.1)
Net premiums written	12,386	8,804	(3,581)	(28.9)
Interest and dividend income on deposits of premiums, etc.	10	11	0	8.7
Reversal of reserve for outstanding losses and claims	924	449	(475)	(51.4)
Reversal of underwriting reserves	569	2,800	2,230	391.4
Investment income:	(10)	(11)	(1)	—
Interest and dividend income	0	(0)	(0)	(118.7)
Transfer of interest and dividend income on deposits of premiums, etc.	(10)	(11)	(0)	—
Other ordinary income	0	36	35	3,567.9
Ordinary expenses:	11,595	10,711	(883)	(7.6)
Underwriting expenses:	8,507	7,788	(718)	(8.5)
Net claims paid	6,775	6,395	(380)	(5.6)
Loss adjustment expenses	996	938	(58)	(5.8)
Net commissions and brokerage fees	735	454	(280)	(38.2)
Operating, general and administrative expenses	3,087	2,922	(164)	(5.3)
Other ordinary expenses:	0	0	0	33.3
Other ordinary expenses	0	0	0	33.3
Ordinary profit	2,285	1,378	(907)	(39.7)
Extraordinary gains:	21	20	(1)	(7.4)
Reversal of reserves under the special laws:	21	20	(1)	(7.4)
Reversal of reserve for price fluctuation	21	20	(1)	(7.4)
Extraordinary losses:	36	726	690	1,889.3
Losses on disposal of fixed assets	1	1	(0)	(12.3)
Business structure reform expenses	35	725	690	1,968.2
Net income before income taxes	2,271	671	(1,599)	(70.4)
Income taxes	242	73	(168)	(69.6)
Deferred income taxes	42	219	177	416.3
Total income taxes	284	293	8	3.0
Net income	1,986	378	(1,608)	(81.0)

Underwriting result:					
Net premiums written	(+)	12,386	8,804	(3,581)	(28.9)
Net claims paid	(−)	6,775	6,395	(380)	(5.6)
Loss adjustment expenses	(−)	996	938	(58)	(5.8)
Net operating expenses:	(−)	3,820	3,375	(445)	(11.6)
Net commissions and brokerage fees		735	454	(280)	(38.2)
Operating, general and administrative expenses related to underwriting		3,084	2,920	(164)	(5.3)
Underwriting result		793	(1,904)	(2,697)	(340.1)
Underwriting profit		2,297	1,356	(941)	(41.0)
Ratios:					
Net loss ratio	(%)	62.8	83.3	20.5	
Net operating expenses ratio	(%)	30.8	38.3	7.5	
Combined ratio	(%)	93.6	121.6	28.0	

Sonpo 24 Insurance Company Limited (Non-consolidated)

Premiums Written and Claims Paid by Business Lines

Direct premiums written (excluding deposits of premiums by policyholders)

(Millions of yen)

Business line	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	—	—	—	—	—	—
Marine insurance	—	—	—	—	—	—
Personal accident insurance	—	—	—	—	—	—
Voluntary automobile insurance	12,215	100.0	(7.0)	8,638	100.0	(29.3)
Compulsory automobile liability insurance	—	—	—	—	—	—
Others	—	—	—	—	—	—
Total	12,215	100.0	(7.0)	8,638	100.0	(29.3)
Deposits of premiums by policyholders	—	——	—	—	——	—

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	—	—	—	—	—	—
Marine insurance	—	—	—	—	—	—
Personal accident insurance	—	—	—	—	—	—
Voluntary automobile insurance	12,160	98.2	(7.0)	8,596	97.6	(29.3)
Compulsory automobile liability insurance	225	1.8	(3.7)	207	2.4	(7.9)
Others	—	—	—	—	—	—
Total	12,386	100.0	(7.0)	8,804	100.0	(28.9)

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	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	6,544	(6.8)	62.0	6,173	(5.7)	82.7
Compulsory automobile liability insurance	231	(6.3)	102.6	221	(4.2)	106.6
Others	—	—	—	—	—	—
Total	6,775	(6.8)	62.8	6,395	(5.6)	83.3

Sonpo 24 Insurance Company Limited (Non-consolidated)

Non-consolidated Solvency Margin Ratio

(Millions of yen)

		As of March 31, 2018	As of March 31, 2019
(A) Total Non-consolidated Solvency Margin		10,063	10,216
	Capital and funds, etc.	9,562	9,940
	Reserve for price fluctuation	20	—
	Contingency reserve	—	—
	Catastrophic loss reserve	480	276
	General allowance for possible credit losses	—	—
	Unrealized gains and losses on securities, deferred gains and losses on hedges (before tax effect deductions)	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 $\sqrt{(R_1+R_2)^2+(R_3+R_4)^2}+R_5+R_6$		1,860	1,649
	Underwriting risk (R_1)	1,649	1,455
	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)	248	202
	Business management risk (R_5)	60	53
	Major catastrophe risk (R_6)	132	126
(C) Non-consolidated Solvency Margin Ratio [(A) / {(B) × 1/2}] × 100		1,081.6 %	1,238.7 %

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

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

Balance Sheet

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits:	90,465	92,843	2,377
Cash	0	—	(0)
Deposits	90,465	92,843	2,377
Securities:	2,594,537	2,805,201	210,663
Government bonds	1,773,257	1,845,412	72,154
Municipal bonds	61,410	65,809	4,399
Corporate bonds	354,833	425,036	70,202
Domestic stocks	9,233	8,648	(585)
Foreign securities	395,802	460,294	64,492
Loans:	39,865	41,734	1,869
Policy loans	39,865	41,734	1,869
Tangible fixed assets:	1,455	1,297	(158)
Buildings	433	445	11
Leased assets	759	566	(192)
Other tangible fixed assets	262	286	23
Agency accounts receivable	120	133	13
Reinsurance accounts receivable	1,925	1,435	(490)
Other assets:	53,984	54,814	830
Accounts receivable	35,828	37,028	1,199
Prepaid expenses	1,865	2,041	176
Accrued income	7,600	8,045	445
Advance deposits	2,750	2,760	9
Derivative assets	5,384	4,402	(982)
Cash collateral paid for financial instruments	—	80	80
Suspense payments	481	370	(111)
Other assets	73	86	12
Deferred tax assets	13,923	8,680	(5,242)
Allowance for possible credit losses	(48)	(51)	(3)
Total assets	2,796,230	3,006,090	209,860

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

Balance Sheet

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019	Increase (Decrease)
	Amount	Amount	
Liabilities:			
Policy reserves:	2,604,810	2,784,798	179,988
Reserve for outstanding claims	41,979	45,266	3,286
Policy reserves	2,557,365	2,734,761	177,396
Reserve for dividends to policyholders	5,465	4,770	(694)
Agency accounts payable	4,506	4,097	(408)
Reinsurance accounts payable	963	821	(141)
Other liabilities:	41,408	46,592	5,184
Payables under securities lending transactions	22,921	24,887	1,966
Income taxes payable	2,544	4,174	1,630
Accounts payable	5,805	6,587	781
Accrued expenses	7,964	7,852	(111)
Deposits received	225	1,637	1,412
Derivative liabilities	203	198	(5)
Cash collateral received for financial instruments	100	—	(100)
Lease obligations	900	686	(214)
Suspense receipts	742	567	(175)
Reserve for bonus payments to directors	47	37	(9)
Reserve for retirement benefits	3,698	3,802	103
Reserve for possible reimbursement of prescribed claims	—	601	601
Reserves under the special laws:	6,838	7,490	651
Reserve for price fluctuation	6,838	7,490	651
Total liabilities	2,662,271	2,848,241	185,969
Net assets:			
Shareholders' equity:			
Common stock	17,250	17,250	—
Capital surplus:	13,333	13,333	—
Capital reserves	13,333	13,333	—
Retained earnings:	65,624	74,169	8,544
Legal reserve	200	1,570	1,370
Other retained earnings:	65,424	72,599	7,174
Reserve under Article 10 of the Supplementary Provisions of Ordinance for Enforcement of the Insurance Business Act	325	325	—
Retained earnings carried forward	65,099	72,274	7,174
Total shareholders' equity	96,207	104,752	8,544
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	37,750	53,096	15,345
Total valuation and translation adjustments	37,750	53,096	15,345
Total net assets	133,958	157,848	23,890
Total liabilities and net assets	2,796,230	3,006,090	209,860

Sompo Japan Nipponkoa Himawari Life Insurance, Inc. (Non-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)	Increase (Decrease)	Rate of change
	Amount	Amount		
				%
Ordinary income:	490,791	495,111	4,320	0.9
Insurance premiums and other:	438,487	444,443	5,956	1.4
Insurance premiums	434,803	441,582	6,779	1.6
Reinsurance income	3,684	2,861	(823)	(22.3)
Investment income:	49,490	48,621	(869)	(1.8)
Interest and dividend income and other:	43,880	44,583	703	1.6
Interest and dividends on securities	42,659	43,301	642	1.5
Interest on loans	1,181	1,235	54	4.6
Other interest and dividends	39	46	6	17.0
Gains on sales of securities	4,132	3,635	(496)	(12.0)
Foreign exchange gains	―	7	7	―
Other investment income	―	2	2	―
Investment gains on special account	1,478	391	(1,086)	(73.5)
Other ordinary income:	2,812	2,045	(766)	(27.3)
Fund receipt for annuity rider	1,205	494	(711)	(59.0)
Fund receipt for claim deposit payments	1,573	1,542	(31)	(2.0)
Other ordinary income	33	9	(23)	(72.0)
Ordinary expenses:	474,069	468,524	(5,544)	(1.2)
Insurance claims and other:	182,504	186,185	3,681	2.0
Insurance claims	34,636	32,214	(2,421)	(7.0)
Annuity payments	12,362	11,621	(741)	(6.0)
Insurance benefits	42,700	45,853	3,152	7.4
Surrender benefits	86,263	90,285	4,021	4.7
Other refunds	2,904	2,640	(263)	(9.1)
Reinsurance premiums	3,635	3,569	(65)	(1.8)
Provision for policy reserves and other:	187,276	180,683	(6,592)	(3.5)
Provision for reserve for outstanding claims	1,109	3,286	2,177	196.3
Provision for policy reserves	186,166	177,396	(8,770)	(4.7)
Provision for interest portion of reserve for dividends to policyholders	0	0	(0)	(9.9)
Investment expenses:	4,449	3,508	(941)	(21.2)
Interest paid	96	80	(16)	(16.9)
Losses on sales of securities	2,855	2,394	(460)	(16.1)
Losses on derivatives	1,384	926	(458)	(33.1)
Foreign exchange losses	14	―	(14)	(100.0)
Provision for allowance for possible credit losses	12	7	(4)	(37.2)
Other investment expenses	87	99	12	14.4
Operating expenses	95,576	93,273	(2,302)	(2.4)
Other ordinary expenses:	4,263	4,873	610	14.3
Claim deposit payments	1,291	1,369	78	6.1
Taxes	2,056	2,132	75	3.7
Depreciation	428	456	27	6.5
Provision for reserve for retirement benefits	463	103	(359)	(77.6)
Other ordinary expenses	23	811	788	3,393.9
Ordinary profit	16,721	26,586	9,865	59.0
Extraordinary gains:	0	―	(0)	(100.0)
Gains on disposal of fixed assets and other	0	―	(0)	(100.0)
Extraordinary losses:	1,438	1,694	256	17.9
Losses on disposal of fixed assets and other	12	33	21	171.8
Provision for reserves under the special laws:	1,425	651	(773)	(54.3)
Provision for reserve for price fluctuation	1,425	651	(773)	(54.3)
Other extraordinary losses	―	1,009	1,009	―
Provision for reserve for dividends to policyholders	3,981	3,292	(689)	(17.3)
Net income before income taxes	11,301	21,599	10,297	91.1
Income taxes	5,392	6,930	1,538	28.5
Deferred income taxes	(2,208)	(725)	1,482	―
Total income taxes	3,184	6,204	3,020	94.9
Net income	8,117	15,394	7,276	89.6

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, 2018				As of March 31, 2019			
	Number		Amount		Number		Amount	
		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year
Individual insurance	3,980	103.2	218,778	99.1	4,088	102.7	230,734	105.5
Individual annuities	63	94.9	2,479	95.9	58	90.8	2,375	95.8
Group insurance	——	——	27,846	103.1	——	——	27,106	97.3
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, 2018 (April 1, 2017 to March 31, 2018)				Fiscal year ended March 31, 2019 (April 1, 2018 to March 31, 2019)			
	Number		Amount		Number		Amount	
		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year
Individual insurance	312	74.2	14,840	61.1	344	110.1	42,443	286.0
Individual annuities	—	—	—	—	—	—	—	—
Group insurance	——	——	184	102.2	——	——	170	92.6
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, 2018		As of March 31, 2019	
		% of previous fiscal year		% of previous fiscal year
Individual insurance	351,823	104.0	361,913	102.9
Individual annuities	18,645	96.3	16,673	89.4
Total	370,468	103.6	378,586	102.2
Medical and survival benefits	142,643	104.8	148,423	104.1

New policies

(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)	
		% of previous fiscal year		% of previous fiscal year
Individual insurance	35,878	71.6	37,098	103.4
Individual annuities	—	—	—	—
Total	35,878	71.4	37,098	103.4
Medical and survival benefits	14,085	86.4	13,436	95.4

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, 2018	As of March 31, 2019
(A) Total Non-consolidated Solvency Margin		340,108	383,002
	Capital, etc.	96,207	104,752
	Reserve for price fluctuation	6,838	7,490
	Contingency reserve	30,270	31,642
	General allowance for possible credit losses	3	4
	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)	47,188	66,370
	Unrealized gains and losses on land (85% of gain or 100% of loss)	—	—
	Excess amount of continued Zillmerized reserve	164,592	172,796
	Subordinated debt, etc.	—	—
	Excess amount of continued Zillmerized reserve and subordinated debt, etc. which are excluded from total solvency margin	(30,855)	(28,599)
	Brought in capital, etc.	—	—
	Deductions	—	—
	Others	25,862	28,545
(B) Total Non-consolidated Risks $\sqrt{(R_1+R_8)^2+(R_2+R_3+R_7)^2}+R_4$		44,952	50,809
	Underwriting risk (R_1)	13,508	14,188
	Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_8)	9,318	9,961
	Guaranteed interest rate risk (R_2)	8,430	8,443
	Guaranteed minimum benefit risk (R_7)	379	388
	Investment risk (R_3)	28,512	34,335
	Business management risk (R_4)	1,202	1,346
(C) Non-consolidated Solvency Margin Ratio [(A) / {(B) × 1/2}] × 100		1,513.1 %	1,507.5 %

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, 2019 at Press Conference

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)

(1) Key figures

(Yen in hundred millions)

	Fiscal year ended March 31, 2018 (A)	Six months ended September 30, 2018 (B)	Fiscal year ended March 31, 2019 (C)	Increase (Decrease) (C) - (A)	Increase (Decrease) (C) - (B)
① Net premiums written	21,680	10,934	21,486	(193)	——
Rate of change	0.1 %	(1.2)%	(0.9)%	(1.0)%	0.3 %
② Total assets	76,881	76,538	75,158	(1,722)	(1,379)
③ Loss ratio	64.4 %	63.4 %	69.8 %	5.4 %	6.4 %
④ Operating expenses ratio	32.3 %	32.1 %	32.1 %	(0.2)%	0.0 %
⑤ Combined ratio	96.7 %	95.5 %	101.9 %	5.2 %	6.4 %
Underwriting result ratio	3.3 %	4.5 %	(1.9)%	(5.2)%	(6.4)%
⑥ Voluntary automobile insurance					
・Net premiums written	10,785	5,340	10,731	(54)	——
Rate of change	0.1 %	(0.7)%	(0.5)%	(0.6)%	0.2 %
・Underwriting result ratio	7.0 %	6.8 %	6.4 %	(0.6)%	(0.4)%
・Loss ratio	61.5 %	61.4 %	62.2 %	0.8 %	0.8 %
・Operating expenses ratio	31.6 %	31.8 %	31.4 %	(0.1)%	(0.4)%
⑦ Fire and allied insurance					
・Net premiums written	2,817	1,304	2,650	(166)	——
Rate of change	(1.3)%	(4.0)%	(5.9)%	(4.6)%	(1.9)%
・Underwriting result ratio	(16.4)%	(22.2)%	(51.4)%	(35.0)%	(29.2)%
・Loss ratio	73.3 %	78.6 %	107.2 %	33.9 %	28.5 %
・Operating expenses ratio	43.1 %	43.6 %	44.3 %	1.2 %	0.7 %
⑧ Number of employees	26,189	26,398	26,108	(81)	(290)
⑨ Number of agencies	56,340	54,822	53,734	(2,606)	(1,088)

<Reference> Consolidated figures of Sompo Holdings, Inc.

(Yen in hundred millions)

	Fiscal year ended March 31, 2018 (A)	Six months ended September 30, 2018 (B)	Fiscal year ended March 31, 2019 (C)	Increase (Decrease) (C) - (A)	Increase (Decrease) (C) - (B)
① Ordinary income	37,700	18,892	36,430	(1,270)	——
② Net premiums written	28,547	14,403	27,181	(1,365)	——
Rate of change	11.9 %	(3.9)%	(4.8)%	(16.7)%	(0.9)%
③ Life insurance premiums written	3,469	1,704	3,496	26	——
Rate of change	7.1 %	1.2 %	0.8 %	(6.4)%	(0.4)%
④ Ordinary profit	1,418	278	1,989	570	——
⑤ Net income attributable to shareholders of the parent	1,398	221	1,466	68	——

Notes)

1. Loss ratio = (Net claims paid + Loss adjustment expenses) / Net premiums written × 100
2. Operating expenses ratio = (Net commissions and brokerage fees + Operating, general and administrative expenses related to underwriting) / Net premiums written × 100
3. Combined ratio = Loss ratio + Operating expenses ratio
4. Underwriting result ratio = 100 - Combined ratio
5. Items with % within “Increase (Decrease)” represent change from the fiscal year ended March 31, 2018 and the six months ended September 30, 2018, respectively.

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)

(2) Other figures

① Impairment losses on securities

(Yen in hundred millions)

	Fiscal year ended March 31, 2018	Six months ended September 30, 2018	Fiscal year ended March 31, 2019
Domestic bonds	–	–	–
Domestic stocks	130	4	32
Foreign securities	136	1	15
Others	–	0	0
Total	267	6	48

Note) Besides the above, impairment losses on trust assets (securities) in money trusts other than trading purposes or held to maturity amount to 4 hundred million yen for the fiscal year ended March 31, 2019.
This amount is 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.

② Impairment losses on fixed assets

(Yen in hundred millions)

	Fiscal year ended March 31, 2018	Six months ended September 30, 2018	Fiscal year ended March 31, 2019
Land	23	–	6
Buildings	3	–	0
Others	–	–	–
Total	27	–	7

③ Unrealized gains and losses on securities

(Yen in hundred millions)

	As of March 31, 2018	As of September 30, 2018	As of March 31, 2019
Domestic bonds	1,272	1,090	1,349
Domestic stocks	11,101	11,491	8,482
Foreign securities	824	1,026	1,010
Others	56	56	51
Total	13,255	13,664	10,893

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 13 hundred million yen as of March 31, 2018, 52 hundred million yen as of September 30, 2018 and 18 hundred million yen as of March 31, 2019.

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)

④ Claims during the period due to natural disasters in Japan (excluding household earthquake insurance)

(Yen in hundred millions)

		Fiscal year ended March 31, 2018	Six months ended September 30, 2018	Fiscal year ended March 31, 2019
Direct claims paid	a	648	556	3,859
Net claims paid	b	489	375	1,586
Unpaid claims	c	82	1,096	192
Net incurred loss	b + c	571	1,472	1,778

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.

⑤ Catastrophic loss reserve

(Yen in hundred millions, %)

Business line	Fiscal year ended March 31, 2018			Six months ended September 30, 2018			Fiscal year ended March 31, 2019		
	Balance	Balance ratio	Provision	Balance	Balance ratio	Provision	Balance	Balance ratio	Provision
Fire and allied insurance	1,559	55.5	399	1,477	56.8	186	1,351	51.1	1,176
Marine insurance	495	104.6	25	508	109.0	12	437	98.7	23
Personal accident insurance	706	39.2	56	735	39.2	29	694	40.7	53
Voluntary automobile insurance	601	5.6	346	541	5.1	173	390	3.6	347
Others	2,100	72.7	144	2,167	62.7	85	2,041	64.4	155
Total	5,462	29.1	972	5,431	28.5	488	4,915	26.3	1,757

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, 2018, 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.

⑥ Reinsurance assumed

(Yen in hundred millions)

Business line	Fiscal year ended March 31, 2018		Fiscal year ended March 31, 2019	
	Reinsurance premiums assumed	Reinsurance claims assumed	Reinsurance premiums assumed	Reinsurance claims assumed
Fire and allied insurance	555	493	300	307
Marine insurance	123	91	109	103
Personal accident insurance	11	15	11	1
Voluntary automobile insurance	9	8	7	8
Compulsory automobile liability insurance	2,093	2,148	1,962	2,061
Others	176	131	162	145
Total	2,968	2,888	2,554	2,627

⑦ Reinsurance ceded

(Yen in hundred millions)

Business line	Fiscal year ended March 31, 2018		Fiscal year ended March 31, 2019	
	Reinsurance premiums ceded	Reinsurance claims ceded	Reinsurance premiums ceded	Reinsurance claims ceded
Fire and allied insurance	1,436	311	1,645	2,828
Marine insurance	118	63	127	92
Personal accident insurance	42	19	48	21
Voluntary automobile insurance	35	16	47	177
Compulsory automobile liability insurance	2,153	2,338	2,153	2,207
Others	874	365	857	476
Total	4,662	3,115	4,880	5,803