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Summary of
Consolidated Financial Results
for the six months ended September 30, 2019

Supplementary Information

November 19, 2019

Sompo Holdings, Inc.

（ Securities Code : 8630 ）

1. Overview of Consolidated Financial Results for the six months ended September 30, 2019

（1）Sompo Holdings, Inc.

Overview of Consolidated Financial Results for the six months ended September 30, 2019

(Yen in hundred millions, %)

		Six months ended September 30, 2018	Six months ended September 30, 2019	Increase (Decrease)	Rate of change
Ordinary income:	(1)	18,892	19,554	661	3.5
Net premiums written:	(2)	14,403	15,024	621	4.3
Sompo Japan Nipponkoa Insurance Inc.	(3)	10,934	11,281	346	3.2
Overseas consolidated subsidiaries	(4)	3,181	3,457	275	8.7
Life insurance premiums written	(5)	1,704	1,729	25	1.5
Ordinary profit:	(6)	278	637	359	129.2
Sompo Japan Nipponkoa Insurance Inc.	(7)	(32)	333	366	―
Net income attributable to shareholders of the parent:	(8)	221	439	217	98.4
Sompo Japan Nipponkoa Insurance Inc.	(9)	1	249	248	14,264.5
Overseas consolidated subsidiaries(Note2)	(10)	61	492	430	695.1
Sompo Himawari Life Insurance, Inc.(Note3)	(11)	94	94	0	0.1
Nursing care and healthcare consolidated subsidiaries	(12)	18	23	4	24.1
Others and consolidation adjustment, etc.(Note1,2)	(13)	44	(421)	(465)	

Notes)

1. “Consolidation adjustment, etc.” in the above table includes profits and losses of consolidated companies other than the above and adjustments due to consolidation adjustments, etc.
2. Sompo International Holdings Ltd. among overseas consolidated subsidiaries has changed the accounting standard applied since the beginning of the fiscal year 2019 from US GAAP to International Financial Reporting Standards. Therefore, consolidated adjustment amount related to the market valuation by reorganization of Sompo International Holdings Ltd. that were required under US GAAP (minus 14.0 billion yen) is included in the interim result for the six months ended September 30, 2018 and the same amount is excluded in “Consolidation adjustment, etc.".
   Due to differences in accounting standards, the amount to be revised in accordance with PITF No.18 "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries, etc. for Consolidated Financial Statements" (21.4 billion yen) is included in the interim result for the six months ended September 30, 2019 and the same amount is excluded in “Consolidation adjustment, etc.".
3. Sompo Japan Nipponkoa Himawari Life Insurance, Inc. changed its name to Sompo Himawari Life Insurance, Inc. on October 1, 2019. (The following tables are the same.)

Net incurred loss (excluding household earthquake insurance) due to domestic natural disasters that occurred during the period in Sompo Japan Nipponkoa Insurance Inc. (Yen in hundred millions)

		Six months ended September 30, 2018	Six months ended September 30, 2019	Increase (Decrease)
Net claims paid	(1)	375	78	(296)
Change in reserve for outstanding losses and claims	(2)	1,096	352	(744)
Net incurred loss	(3)	1,472	431	(1,041)

（2）Sompo Japan Nipponkoa Insurance Inc.

Summary of Results of Operations

(Yen in hundred millions, %)

		Six months ended September 30,2018 (April 1 to September 30, 2018)	Six months ended September 30,2019 (April 1 to September 30, 2019)	Increase (Decrease)	Rate of change
Ordinary income and expenses:					
Underwriting income and expenses:(Note)					
Direct premiums written	(1)	11,938	12,443	504	4.2
(+) Net premiums written	(2)	10,934	11,281	346	3.2
(-) Net claims paid	(3)	6,336	5,938	(398)	(6.3)
(-) Loss adjustment expenses	(4)	595	582	(12)	(2.1)
(-) Net operating expenses:	(5)	3,509	3,571	61	1.8
Net commissions and brokerage fees	(6)	1,977	2,052	75	3.8
Operating, general and administrative expenses related to underwriting	(7)	1,532	1,519	(13)	(0.9)
Underwriting result	(8)	492	1,188	695	141.1
(-) Change in reserve for outstanding losses and claims	(9)	1,067	407	(660)	(61.8)
(-) Change in Ordinary Underwriting Reserves	(10)	93	587	494	531.1
(-) Change in Catastrophic Loss Reserve	(11)	(31)	448	480	―
(+) Other underwriting income and expenses	(12)	52	44	(7)	(14.4)
Underwriting loss	(13)	(584)	(210)	373	―
Investment income and expenses:					
(+) Interest and dividend income	(14)	557	572	15	2.8
(+) Transfer of interest and dividend income on deposits of premiums, etc.	(15)	(187)	(184)	2	―
Net Interest and dividend income	(16)	369	388	18	5.0
(+) Gains and losses on sales of securities	(17)	246	324	78	31.7
(-) Impairment losses on securities	(18)	6	10	3	60.7
(+) Gains and losses on derivatives	(19)	(63)	(35)	27	―
(+) Other investment income and expenses	(20)	106	(44)	(151)	(141.3)
Gross investment margin	(21)	653	621	(31)	(4.8)
(+) Other ordinary income and expenses etc.	(22)	(101)	(77)	24	―
Ordinary profit (loss)	(23)	(32)	333	366	―
Extraordinary gains and losses:					
(+) Extraordinary gains	(24)	1	12	11	776.8
(-) Extraordinary losses	(25)	24	30	5	23.0
Extraordinary gains and losses	(26)	(23)	(17)	5	―
Net income (loss) before income taxes	(27)	(55)	316	371	―
(-) Total income taxes	(28)	(57)	66	123	―
Net income	(29)	1	249	248	14,264.5
Ratios:					
Net loss ratio	(30)	63.4	57.8	(5.6)	
Net operating expenses ratio	(31)	32.1	31.7	(0.4)	
Combined ratio	(32)	95.5	89.5	(6.0)	

Note) Profit or losses by maturity refunds ,etc. of savings-type insurance are not included in underwriting income and expenses.

（3）Overseas consolidated subsidiaries

Summary of Results of Major items

(Yen in hundred millions, %)

		Six months ended September 30,2018 (April 1 to September 30, 2018)	Six months ended September 30,2019 (April 1 to September 30, 2019)	Increase (Decrease)	Rate of change
Net premiums written:	(1)	3,181	3,457	275	8.7
(Sompo International)	(2)	2,411	2,721	310	12.9
Net income attributable to shareholders of the parent:	(3)	61	492	430	695.1
(Sompo International)	(4)	(2)	428	431	―
The amount to be revised due to differences in accounting standards, which is excluded on consolidation(Note)	(5)	140	(214)	(355)	(252.7)
Reference: Adjusted net income attributable to shareholders of the parent (3)+(5)	(6)	202	278	75	37.2
(Sompo International) (4)+(5)	(7)	138	214	75	54.9

Note) "The amount to be revised due to differences in accounting standards, which is excluded on consolidation" is the amount stated on page 2 (Note 2).

（4）Sompo Himawari Life Insurance, Inc.

Summary of Results of Major items

(Yen in hundred millions, %)

		Six months ended September 30,2018 (April 1 to September 30, 2018)	Six months ended September 30,2019 (April 1 to September 30, 2019)	Increase (Decrease)	Rate of change
Insurance premiums and other	(1)	2,160	2,177	16	0.8
Net premiums written	(2)	1,684	1,694	10	0.6
Ordinary profit	(3)	154	158	4	2.7
Net income	(4)	94	94	0	0.1

(5) Sompo Japan Nipponkoa Insurance Inc.

Summary of Results of Major items

①Direct premiums written (excluding deposits of premiums by policyholders)

(Yen in hundred millions)

Business line	Six months ended September 30, 2018 (April 1 to September 30, 2018)		Six months ended September 30, 2019 (April 1 to September 30, 2019)		
	Amount	Rate of change	Amount	Increase (Decrease)	Rate of change
		%			%
Fire and allied insurance	1,871	6.3	2,192	321	17.2
Marine insurance	242	(0.9)	244	2	0.8
Personal accident insurance	956	(4.2)	937	(19)	(2.0)
Voluntary automobile insurance	5,354	(0.7)	5,425	71	1.3
Compulsory automobile liability insurance	1,457	(4.7)	1,515	58	4.0
Others	2,056	7.4	2,126	70	3.4
Total	11,938	0.8	12,443	504	4.2
Deposits of premiums by policyholders	574	(3.3)	566	(8)	(1.5)

②Net premiums written

(Yen in hundred millions)

Business line	Six months ended September 30, 2018 (April 1 to September 30, 2018)		Six months ended September 30, 2019 (April 1 to September 30, 2019)		
	Amount	Rate of change	Amount	Increase (Decrease)	Rate of change
		%			%
Fire and allied insurance	1,304	(4.0)	1,498	193	14.9
Marine insurance	233	(0.7)	241	8	3.5
Personal accident insurance	938	(4.4)	913	(24)	(2.6)
Voluntary automobile insurance	5,340	(0.7)	5,405	64	1.2
Compulsory automobile liability insurance	1,389	(9.8)	1,456	66	4.8
Others	1,728	10.1	1,765	37	2.1
Total	10,934	(1.2)	11,281	346	3.2
Excluding earthquake insurance and compulsory automobile liability insurance	9,542	0.2	9,822	279	2.9

③Net claims paid

(Yen in hundred millions)

Business line	Six months ended September 30, 2018 (April 1 to September 30, 2018)		Six months ended September 30, 2019 (April 1 to September 30, 2019)			
	Amount	Net loss ratio	Amount	Increase (Decrease)	Net loss ratio	Increase (Decrease)
		%			%	%
Fire and allied insurance	1,001	78.6	860	(141)	59.8	(18.8)
Marine insurance	107	48.9	127	20	55.7	6.8
Personal accident insurance	457	52.4	422	(35)	49.6	(2.8)
Voluntary automobile insurance	2,890	61.4	2,777	(112)	58.3	(3.2)
Compulsory automobile liability insurance	1,041	81.5	958	(83)	71.9	(9.6)
Others	837	51.4	791	(45)	47.6	(3.8)
Total	6,336	63.4	5,938	(398)	57.8	(5.6)
Excluding earthquake insurance and compulsory automobile liability insurance	5,294	60.8	4,979	(315)	55.7	(5.1)

④Net Incurred Loss during the period due to Natural Disasters in Japan

(Yen in hundred millions)

Business line	Six months ended September 30, 2018 (April 1 to September 30, 2018)			Six months ended September 30, 2019 (April 1 to September 30, 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	274	1,053	1,328	50	306	356
Voluntary automobile insurance	88	3	91	26	7	33
Other than the above	12	40	52	2	38	41
Total excluding earthquake insurance and compulsory automobile liability insurance	375	1,096	1,472	78	352	431

Note) 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.

⑤Breakdown of Operating, General and Administrative Expenses and Loss Adjustment Expenses

(Yen in hundred millions)

Business line	Six months ended September 30, 2018 (April 1 to September 30, 2018)			Six months ended September 30, 2019 (April 1 to September 30, 2019)		
	Amount	Increase (Decrease)	Rate of change	Amount	Increase (Decrease)	Rate of change
			%			%
Personnel expenses	1,172	(24)	(2.0)	1,136	(35)	(3.0)
Non-personnel expenses	951	(12)	(1.3)	935	(16)	(1.7)
Others (taxes and contributions)	110	(0)	(0.6)	110	(0)	(0.2)
Total	2,234	(37)	(1.6)	2,182	(52)	(2.3)

⑥Reserve for Outstanding Losses and Claims

(Yen in hundred millions)

Business line	Six months ended September 30, 2018		Six months ended September 30, 2019	
	Balance	Change	Balance	Change
Fire and allied insurance	2,218	1,020	1,419	179
Marine insurance	349	111	328	63
Personal accident insurance	620	(27)	561	(20)
Voluntary automobile insurance	3,993	7	4,011	115
Compulsory automobile liability insurance	764	(39)	718	(21)
Others	2,195	(4)	2,224	91
Total	10,142	1,067	9,264	407

⑦Ordinary Underwriting Reserves

(Yen in hundred millions)

Business line	Six months ended September 30, 2018		Six months ended September 30, 2019	
	Balance	Change	Balance	Change
Fire and allied insurance	7,183	(187)	7,285	108
Marine insurance	194	(10)	179	32
Personal accident insurance	1,340	90	1,360	104
Voluntary automobile insurance	3,110	(7)	3,175	31
Compulsory automobile liability insurance	4,325	32	4,550	162
Others	3,404	175	3,553	147
Total	19,559	93	20,105	587

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.

⑧Catastrophic Loss Reserve

(Yen in hundred millions)

Business line	Six months ended September 30, 2018				Six months ended September 30, 2019			
	Reversal	Provision	Balance	Balance ratio	Reversal	Provision	Balance	Balance ratio
				%				%
Fire and allied insurance	267	186	1,477	56.8	—	226	1,577	52.7
Marine insurance	—	12	508	109.0	—	14	452	93.6
Personal accident insurance	—	29	735	39.2	—	29	723	39.6
Voluntary automobile insurance	233	173	541	5.1	88	175	477	4.4
Others	18	85	2,167	62.7	10	102	2,133	60.4
Total	520	488	5,431	28.5	99	547	5,364	27.3

Note) Balance ratio = Balance of catastrophic loss reserve / { Net premiums written (excluding earthquake insurance and compulsory automobile liability insurance) × 2 } × 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 Original forecast (A)	Fiscal year ending March 31, 2020 Revised forecast (B)	Increase (Decrease) (B)-(A)
Net premiums written	27,181	28,200	28,065	(135)
Life insurance premiums written	3,496	3,630	3,565	(65)
Ordinary profit	1,989	2,500	1,850	(650)
Net income attributable to shareholders of the parent:	1,466	1,680	1,180	(500)
Sompo Japan Nipponkoa Insurance Inc.	1,757	1,630	1,300	(330)
Overseas consolidated subsidiaries(Note2)	(61)	583	728	144
Sompo Himawari Life Insurance, Inc.	153	160	160	―
Nursing care and healthcare consolidated subsidiaries	42	38	41	3
Others and consolidation adjustment, etc. (Note1,2)	(425)	(732)	(1,049)	(317)
Dividends per share (annual)	130 yen	150 yen	150 yen	― yen

Notes) 1. "Consolidation adjustment, etc." in the above table includes profits and losses of consolidated companies other than the above and adjustments due to consolidation adjustments, etc.
2. Sompo International Holdings Ltd. among overseas consolidated subsidiaries has changed the accounting standard applied since the beginning of the fiscal year 2019 from US GAAP to International Financial Reporting Standards. Due to differences in accounting standards, the amount to be revised in accordance with PITF No.18 "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries, etc. for Consolidated Financial Statements" (24.9 billion yen) is included in the revised forecast during the fiscal year ended March 31, 2020 and the same amount is excluded in "Consolidation adjustment, etc.".

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)

(Yen in hundred millions, %)

	Fiscal year ended March 31, 2019 Result	Fiscal year ending March 31, 2020 Original forecast (A)	Fiscal year ending March 31, 2020 Revised forecast (B)	Increase (Decrease) (B)-(A)
Net premiums written	21,486	21,720	21,855	135
(Excluding earthquake insurance and compulsory automobile liability insurance)	18,698	18,926	19,029	103
Net loss ratio	69.8	65.0	66.0	1.0
(Excluding earthquake insurance and compulsory automobile liability insurance)	68.0	63.0	64.4	1.4
Net operating expenses ratio	32.1	32.0	32.0	(0.1)
(Excluding earthquake insurance and compulsory automobile liability insurance)	33.6	33.5	33.4	(0.0)
Combined ratio	101.9	97.1	98.0	0.9
(Excluding earthquake insurance and compulsory automobile liability insurance)	101.6	96.5	97.9	1.4
Underwriting profit	419	980	440	(540)
Gross investment margin	1,898	1,431	1,500	68
Ordinary profit	2,155	2,260	1,800	(460)
Net income	1,757	1,630	1,300	(330)

3. Overview of Business Results of Principal Consolidated Subsidiaries

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)

Interim Balance Sheet

(Millions of yen)

	As of March 31, 2019	As of September 30, 2019	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits	459,769	715,876	256,107
Receivables under resale agreements	64,999	54,999	(9,999)
Monetary receivables bought	11,703	14,973	3,269
Money trusts	40,862	41,924	1,062
Securities	5,056,187	4,933,034	(123,153)
Loans	685,377	658,020	(27,356)
Tangible fixed assets	249,654	246,600	(3,054)
Intangible fixed assets	114,753	134,315	19,562
Other assets	842,663	569,422	(273,240)
Prepaid pension cost	477	443	(33)
Allowance for possible credit losses	(3,471)	(3,172)	299
Allowance for possible investment losses	(7,089)	(6,902)	186
Total assets	7,515,887	7,359,536	(156,350)
Liabilities:			
Underwriting funds:	4,626,617	4,749,775	123,158
Reserve for outstanding losses and claims	885,703	926,474	40,770
Underwriting reserves	3,740,913	3,823,301	82,388
Corporate bonds	433,560	433,560	—
Other liabilities	760,883	506,918	(253,965)
Reserve for retirement benefits	93,600	96,232	2,632
Reserve for bonus payments	18,325	20,649	2,324
Reserve for bonus payments to directors	64	—	(64)
Reserves under the special laws:	83,183	85,148	1,964
Reserve for price fluctuation	83,183	85,148	1,964
Deferred tax liabilities	30,352	5,391	(24,960)
Total liabilities	6,046,586	5,897,676	(148,910)
Net assets:			
Shareholders' equity:			
Common stock	70,000	70,000	—
Capital surplus	70,000	70,000	—
Retained earnings	527,900	552,885	24,984
Total shareholders' equity	667,900	692,885	24,984
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	794,949	762,728	(32,221)
Deferred gains and losses on hedges	6,449	6,246	(203)
Total valuation and translation adjustments	801,399	768,974	(32,424)
Total net assets	1,469,300	1,461,860	(7,439)
Total liabilities and net assets	7,515,887	7,359,536	(156,350)

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)

Interim Statement of Income

(Millions of yen)

	Six months ended September 30, 2018 (April 1 to September 30, 2018)	Six months ended September 30, 2019 (April 1 to September 30, 2019)	Increase (Decrease)	Rate of change
	Amount	Amount		
				%
Ordinary income:	1,277,709	1,282,560	4,850	0.4
Underwriting income:	1,184,705	1,203,651	18,946	1.6
Net premiums written	1,093,490	1,128,105	34,615	3.2
Deposits of premiums by policyholders	57,475	56,623	(851)	(1.5)
Interest and dividend income on deposits of premiums, etc.	18,720	18,435	(284)	(1.5)
Reversal of underwriting reserves	13,761	—	(13,761)	(100.0)
Investment income:	88,462	74,152	(14,309)	(16.2)
Interest and dividend income	55,703	57,260	1,556	2.8
Investment gains on money trusts	4,076	931	(3,144)	(77.1)
Gains on sales of securities	38,178	33,334	(4,844)	(12.7)
Transfer of interest and dividend income on deposits of premiums, etc.	(18,720)	(18,435)	284	—
Other ordinary income	4,541	4,756	214	4.7
Ordinary expenses:	1,280,950	1,249,198	(31,751)	(2.5)
Underwriting expenses:	1,089,010	1,072,406	(16,603)	(1.5)
Net claims paid	633,686	593,817	(39,868)	(6.3)
Loss adjustment expenses	59,531	58,286	(1,244)	(2.1)
Net commissions and brokerage fees	197,702	205,276	7,574	3.8
Maturity refunds to policyholders	90,105	89,764	(341)	(0.4)
Provision for reserve for outstanding losses and claims	106,774	40,770	(66,003)	(61.8)
Provision for underwriting reserves	—	82,388	82,388	—
Investment expenses:	23,130	11,956	(11,173)	(48.3)
Investment losses on money trusts	307	85	(221)	(72.1)
Losses on sales of securities	13,558	910	(12,648)	(93.3)
Impairment losses on securities	645	1,037	391	60.7
Operating, general and administrative expenses	163,937	159,934	(4,003)	(2.4)
Other ordinary expenses:	4,870	4,900	29	0.6
Interest paid	3,576	3,563	(12)	(0.4)
Ordinary profit (loss)	(3,240)	33,361	36,602	—
Extraordinary gains:	146	1,286	1,139	776.8
Gains on disposal of fixed assets	146	1,286	1,139	776.8
Extraordinary losses:	2,447	3,009	562	23.0
Losses on disposal of fixed assets	351	786	435	124.1
Impairment losses	—	258	258	—
Provision for reserves under the special laws:	2,095	1,964	(131)	(6.3)
Provision for reserve for price fluctuation	2,095	1,964	(131)	(6.3)
Net income (loss) before income taxes	(5,541)	31,638	37,179	—
Income taxes	9,599	21,105	11,505	119.9
Deferred income taxes	(15,314)	(14,451)	862	—
Total income taxes	(5,714)	6,653	12,368	—
Net income	173	24,984	24,810	14,264.5

Underwriting result:					
Net premiums written	(+)	1,093,490	1,128,105	34,615	3.2
Net claims paid	(−)	633,686	593,817	(39,868)	(6.3)
Loss adjustment expenses	(−)	59,531	58,286	(1,244)	(2.1)
Net operating expenses:	(−)	350,987	357,177	6,190	1.8
Net commissions and brokerage fees		197,702	205,276	7,574	3.8
Operating, general and administrative expenses related to underwriting		153,284	151,900	(1,384)	(0.9)
Underwriting result		49,285	118,824	69,538	141.1
Underwriting profit (loss)		(58,430)	(21,098)	37,332	—
Ratios:					
Net loss ratio	(%)	63.4	57.8	(5.6)	
Net operating expenses ratio	(%)	32.1	31.7	(0.4)	
Combined ratio	(%)	95.5	89.5	(6.0)	

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)

Premiums Written and Claims Paid by Business Lines

Direct premiums written (excluding deposits of premiums by policyholders)

(Millions of yen)

Business line	Six months ended September 30, 2018 (April 1 to September 30, 2018)			Six months ended September 30, 2019 (April 1 to September 30, 2019)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
		%	%		%	%
Fire and allied insurance	187,173	15.7	6.3	219,290	17.6	17.2
Marine insurance	24,242	2.0	(0.9)	24,447	2.0	0.8
Personal accident insurance	95,633	8.0	(4.2)	93,720	7.5	(2.0)
Voluntary automobile insurance	535,400	44.8	(0.7)	542,574	43.6	1.3
Compulsory automobile liability insurance	145,763	12.2	(4.7)	151,588	12.2	4.0
Others	205,635	17.2	7.4	212,699	17.1	3.4
Total	1,193,847	100.0	0.8	1,244,320	100.0	4.2
Deposits of premiums by policyholders	57,475	——	(3.3)	56,623	——	(1.5)

Net premiums written

(Millions of yen)

Business line	Six months ended September 30, 2018 (April 1 to September 30, 2018)			Six months ended September 30, 2019 (April 1 to September 30, 2019)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
		%	%		%	%
Fire and allied insurance	130,486	11.9	(4.0)	149,886	13.3	14.9
Marine insurance	23,328	2.1	(0.7)	24,148	2.1	3.5
Personal accident insurance	93,851	8.6	(4.4)	91,397	8.1	(2.6)
Voluntary automobile insurance	534,063	48.8	(0.7)	540,519	47.9	1.2
Compulsory automobile liability insurance	138,918	12.7	(9.8)	145,611	12.9	4.8
Others	172,840	15.8	10.1	176,543	15.6	2.1
Total	1,093,490	100.0	(1.2)	1,128,105	100.0	3.2

Net claims paid

(Millions of yen)

Business line	Six months ended September 30, 2018 (April 1 to September 30, 2018)			Six months ended September 30, 2019 (April 1 to September 30, 2019)		
	Amount	Rate of change	Net loss ratio	Amount	Rate of change	Net loss ratio
		%	%		%	%
Fire and allied insurance	100,176	3.6	78.6	86,003	(14.1)	59.8
Marine insurance	10,722	(13.2)	48.9	12,748	18.9	55.7
Personal accident insurance	45,796	(2.6)	52.4	42,259	(7.7)	49.6
Voluntary automobile insurance	289,013	3.4	61.4	277,723	(3.9)	58.3
Compulsory automobile liability insurance	104,199	(4.2)	81.5	95,895	(8.0)	71.9
Others	83,777	17.5	51.4	79,187	(5.5)	47.6
Total	633,686	3.0	63.4	593,817	(6.3)	57.8

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)

Non-consolidated Solvency Margin Ratio

(Millions of yen)

		As of March 31, 2019	As of September 30, 2019
(A) Total Non-consolidated Solvency Margin		2,925,752	2,992,045
	Capital and funds, etc.	667,900	692,885
	Reserve for price fluctuation	83,183	85,148
	Contingency reserve	917	1,096
	Catastrophic loss reserve	497,090	542,207
	General allowance for possible credit losses	296	160
	Unrealized gains and losses on securities, deferred gains and losses on hedges (before tax effect deductions)	979,958	941,436
	Unrealized gains and losses on land	102,267	119,451
	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	53,329	47,371
	Others	213,906	223,470
(B) Total Non-consolidated Risks $\sqrt{(R_1+R_2)^2+(R_3+R_4)^2}+R_5+R_6$		810,142	814,840
	Underwriting risk (R_1)	185,722	187,272
	Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_2)	—	—
	Guaranteed interest rate risk (R_3)	18,070	17,819
	Investment risk (R_4)	584,923	574,703
	Business management risk (R_5)	18,978	19,082
	Major catastrophe risk (R_6)	160,215	174,344
(C) Non-consolidated Solvency Margin Ratio [(A) / {(B) × 1/2}] × 100		722.2 %	734.3 %

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

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

Interim Balance Sheet

(Millions of yen)

	As of March 31, 2019	As of September 30, 2019	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits	46,208	46,153	(55)
Securities	18,070	16,829	(1,241)
Loans	0	0	0
Tangible fixed assets	602	708	105
Intangible fixed assets	3,436	3,606	169
Other assets	6,874	8,469	1,594
Allowance for possible credit losses	(45)	(80)	(35)
Total assets	75,147	75,686	538
Liabilities:			
Underwriting funds:	53,015	57,504	4,488
Reserve for outstanding losses and claims	18,938	20,254	1,315
Underwriting reserves	34,076	37,249	3,173
Other liabilities	4,852	2,662	(2,189)
Reserve for retirement benefits	544	—	(544)
Reserve for retirement benefits to directors	24	27	2
Reserve for bonus payments	403	470	67
Reserve for bonus payments to directors	29	14	(15)
Reserves under the special laws:	49	51	2
Reserve for price fluctuation	49	51	2
Deferred tax liabilities	179	228	48
Total liabilities	59,098	60,959	1,860
Net assets:			
Shareholders' equity:			
Common stock	51,260	32,260	(19,000)
Capital surplus	49,497	40,692	(8,805)
Retained earnings	(85,263)	(58,906)	26,356
Total shareholders' equity	15,494	14,046	(1,448)
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	554	680	125
Total valuation and translation adjustments	554	680	125
Total net assets	16,049	14,726	(1,322)
Total liabilities and net assets	75,147	75,686	538

Note) Amount as of March 31, 2019 represents the combined results of SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED and Sonpo 24 Insurance Company Limited.

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

Interim Statement of Income

(Millions of yen)

	Six months ended September 30, 2018 (April 1 to September 30, 2018)	Six months ended September 30, 2019 (April 1 to September 30, 2019)	Increase (Decrease)	Rate of change
	Amount	Amount		
				%
Ordinary income:	28,717	28,747	29	0.1
Underwriting income:	28,693	28,691	(2)	(0.0)
Net premiums written	28,667	28,664	(2)	(0.0)
Deposits of premiums by policyholders	3	0	(2)	(82.0)
Interest and dividend income on deposits of premiums, etc.	22	25	3	13.4
Investment income:	17	10	(7)	(40.5)
Interest and dividend income	39	35	(3)	(9.7)
Transfer of interest and dividend income on deposits of premiums, etc.	(22)	(25)	(3)	―
Other ordinary income	5	45	39	658.3
Ordinary expenses:	30,842	29,920	(921)	(3.0)
Underwriting expenses:	23,057	22,577	(480)	(2.1)
Net claims paid	15,591	15,410	(181)	(1.2)
Loss adjustment expenses	2,261	2,083	(177)	(7.9)
Net commissions and brokerage fees	596	577	(18)	(3.1)
Maturity refunds to policyholders	77	9	(68)	(88.3)
Provision for reserve for outstanding losses and claims	1,352	1,315	(37)	(2.7)
Provision for underwriting reserves	3,168	3,173	4	0.2
Investment expenses	1	1	0	2.6
Operating, general and administrative expenses	7,774	7,287	(486)	(6.3)
Other ordinary expenses:	9	54	45	469.3
Interest paid	2	3	1	39.5
Ordinary loss	(2,125)	(1,173)	951	―
Extraordinary gains:	18	―	(18)	(100.0)
Reversal of reserves under the special laws:	18	―	(18)	(100.0)
Reversal of reserve for price fluctuation	18	―	(18)	(100.0)
Extraordinary losses:	0	265	265	39,368.2
Losses on disposal of fixed assets	0	11	10	1,559.3
Provision for reserves under the special laws:	―	2	2	―
Provision for reserve for price fluctuation	―	2	2	―
Business structure reform expenses	―	252	252	―
Net loss before income taxes	(2,107)	(1,439)	668	―
Income taxes	203	8	(194)	(95.6)
Total income taxes	203	8	(194)	(95.6)
Net loss	(2,311)	(1,448)	862	―

Underwriting result:					
Net premiums written	(+)	28,667	28,664	(2)	(0.0)
Net claims paid	(−)	15,591	15,410	(181)	(1.2)
Loss adjustment expenses	(−)	2,261	2,083	(177)	(7.9)
Net operating expenses:	(−)	8,356	7,859	(497)	(6.0)
Net commissions and brokerage fees		596	577	(18)	(3.1)
Operating, general and administrative expenses related to underwriting		7,760	7,281	(478)	(6.2)
Underwriting result		2,457	3,310	853	34.7
Underwriting profit (loss)		(2,108)	(1,152)	955	―
Ratios:					
Net loss ratio	(%)	62.3	61.0	(1.2)	
Net operating expenses ratio	(%)	29.2	27.4	(1.7)	
Combined ratio	(%)	91.4	88.4	(3.0)	

Note) Amount for the six months ended September 30, 2018 represents the combined results of SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED and Sonpo 24 Insurance Company Limited. Amount for the six months ended September 30, 2019 includes the result of Sonpo 24 Insurance Company Limited for the three months ended June 30, 2019.

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

Non-consolidated Solvency Margin Ratio

(Millions of yen)

		As of March 31, 2019		As of September 30, 2019
		SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED	Sonpo 24 Insurance Company Limited	
(A) Total Non-consolidated Solvency Margin		10,676	10,216	19,532
	Capital and funds, etc.	5,554	9,940	14,046
	Reserve for price fluctuation	49	—	51
	Contingency reserve	11	—	11
	Catastrophic loss reserve	4,400	276	4,604
	General allowance for possible credit losses	—	—	—
	Unrealized gains and losses on securities, deferred gains and losses on hedges (before tax effect deductions)	660	—	817
	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	0	—	0
(B) Total Non-consolidated Risks $\sqrt{(R_1+R_2)^2+(R_3+R_4)^2}+R_5+R_6$		6,248	1,649	7,805
	Underwriting risk (R_1)	4,893	1,455	6,186
	Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_2)	—	—	—
	Guaranteed interest rate risk (R_3)	19	—	18
	Investment risk (R_4)	693	202	872
	Business management risk (R_5)	201	53	251
	Major catastrophe risk (R_6)	1,101	126	1,304
(C) Non-consolidated Solvency Margin Ratio [(A) / {(B) × 1/2}] × 100		341.7 %	1,238.7 %	500.4 %

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

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

Interim Balance Sheet

(Millions of yen)

	As of March 31, 2019	As of September 30, 2019	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits	92,843	76,896	(15,947)
Securities:	2,805,201	2,927,270	122,069
Government bonds	1,845,412	1,866,686	21,273
Municipal bonds	65,809	70,218	4,408
Corporate bonds	425,036	491,126	66,090
Domestic stocks	8,648	8,595	(52)
Foreign securities	460,294	490,643	30,349
Loans:	41,734	42,650	916
Policy loans	41,734	42,650	916
Tangible fixed assets	1,297	1,694	396
Agency accounts receivable	133	110	(22)
Reinsurance accounts receivable	1,435	1,035	(399)
Other assets	54,814	51,102	(3,711)
Deferred tax assets	8,680	4,516	(4,164)
Allowance for possible credit losses	(51)	(79)	(28)
Total assets	3,006,090	3,105,197	99,107
Liabilities:			
Policy reserves:	2,784,798	2,873,977	89,179
Reserve for outstanding claims	45,266	44,069	(1,196)
Policy reserves	2,734,761	2,825,457	90,695
Reserve for dividends to policyholders	4,770	4,450	(319)
Agency accounts payable	4,097	3,184	(913)
Reinsurance accounts payable	821	762	(59)
Other liabilities	46,592	37,133	(9,458)
Reserve for bonus payments to directors	37	—	(37)
Reserve for retirement benefits	3,802	4,036	234
Reserve for possible reimbursement of prescribed claims	601	287	(313)
Reserves under the special laws:	7,490	7,835	345
Reserve for price fluctuation	7,490	7,835	345
Total liabilities	2,848,241	2,927,217	78,976
Net assets:			
Shareholders' equity:			
Common stock	17,250	17,250	—
Capital surplus	13,333	13,333	—
Retained earnings	74,169	83,624	9,454
Total shareholders' equity	104,752	114,207	9,454
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	53,096	63,772	10,676
Total valuation and translation adjustments	53,096	63,772	10,676
Total net assets	157,848	177,980	20,131
Total liabilities and net assets	3,006,090	3,105,197	99,107

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

Interim Statement of Income

(Millions of yen)

	Six months ended September 30, 2018 (April 1 to September 30, 2018)	Six months ended September 30, 2019 (April 1 to September 30, 2019)	Increase (Decrease)	Rate of change
	Amount	Amount		
				%
Ordinary income:	242,607	243,767	1,159	0.5
Insurance premiums and other:	216,045	217,706	1,661	0.8
Insurance premiums	214,603	216,517	1,913	0.9
Investment income:	25,619	24,021	(1,597)	(6.2)
Interest and dividend income and other	22,245	22,431	186	0.8
Gains on sales of securities	1,938	1,338	(599)	(30.9)
Investment gains on special account	1,436	220	(1,215)	(84.6)
Other ordinary income:	942	2,038	1,095	116.2
Reversal of reserve for outstanding claims	—	1,196	1,196	—
Ordinary expenses:	227,200	227,950	750	0.3
Insurance claims and other:	90,226	91,638	1,411	1.6
Insurance claims	16,885	16,631	(253)	(1.5)
Annuity payments	5,649	5,371	(277)	(4.9)
Insurance benefits	21,544	22,608	1,064	4.9
Surrender benefits	42,780	43,982	1,201	2.8
Other refunds	1,489	1,405	(84)	(5.6)
Provision for policy reserves and other:	87,242	90,695	3,453	4.0
Provision for reserve for outstanding claims	914	—	(914)	(100.0)
Provision for policy reserves	86,327	90,695	4,368	5.1
Provision for interest portion of reserve for dividends to policyholders	0	0	0	11.6
Investment expenses:	2,581	1,288	(1,293)	(50.1)
Interest paid	42	39	(2)	(6.9)
Losses on sales of securities	1,792	779	(1,012)	(56.5)
Losses on derivatives	662	391	(271)	(40.9)
Operating expenses	45,015	42,167	(2,847)	(6.3)
Other ordinary expenses	2,134	2,160	26	1.3
Ordinary profit	15,407	15,816	408	2.7
Extraordinary gains:	—	0	0	—
Gains on disposal of fixed assets and other	—	0	0	—
Extraordinary losses:	317	1,149	832	262.2
Losses on disposal of fixed assets and other	6	27	21	325.8
Provision for reserves under the special laws:	310	345	34	11.2
Provision for reserve for price fluctuation	310	345	34	11.2
Other extraordinary losses	—	776	776	—
Provision for reserve for dividends to policyholders	1,875	1,430	(444)	(23.7)
Net income before income taxes	13,214	13,236	21	0.2
Income taxes	4,087	3,768	(319)	(7.8)
Deferred income taxes	(314)	12	327	—
Total income taxes	3,772	3,781	8	0.2
Net income	9,441	9,454	12	0.1

Sompo 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, 2019				As of September 30, 2019			
	Number		Amount		Number		Amount	
		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year
Individual insurance	4,088	102.7	230,734	105.5	4,115	100.7	232,348	100.7
Individual annuities	58	90.8	2,375	95.8	55	96.2	2,337	98.4
Group insurance	——	——	27,106	97.3	——	——	27,254	100.5
Group annuities	——	——	—	—	——	——	—	—

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

Total amount of new policies

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

	Six months ended September 30, 2018 (April 1 to September 30, 2018)				Six months ended September 30, 2019 (April 1 to September 30, 2019)			
	Number		Amount		Number		Amount	
		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year
Individual insurance	176	114.4	25,133	313.7	133	75.8	12,739	50.7
Individual annuities	—	—	—	—	—	—	—	—
Group insurance	——	——	120	100.5	——	——	70	58.3
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, 2019		As of September 30, 2019	
		% of previous fiscal year		% of previous fiscal year
Individual insurance	361,913	102.9	362,253	100.1
Individual annuities	16,673	89.4	16,025	96.1
Total	378,586	102.2	378,278	99.9
Medical and survival benefits	148,423	104.1	151,391	102.0

New policies

(Millions of yen, %)

	Six months ended September 30, 2018 (April 1 to September 30, 2018)		Six months ended September 30, 2019 (April 1 to September 30, 2019)	
		% of previous fiscal year		% of previous fiscal year
Individual insurance	17,906	98.8	12,029	67.2
Individual annuities	—	—	—	—
Total	17,906	98.8	12,029	67.2
Medical and survival benefits	6,125	91.7	6,861	112.0

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 Himawari Life Insurance, Inc. (Non-consolidated)

Non-consolidated Solvency Margin Ratio

(Millions of yen)

		As of March 31, 2019	As of September 30, 2019
(A) Total Non-consolidated Solvency Margin		383,002	419,647
	Capital, etc.	104,752	113,992
	Reserve for price fluctuation	7,490	7,835
	Contingency reserve	31,642	32,015
	General allowance for possible credit losses	4	6
	Unrealized gains and losses on securities (before tax effect deductions) (90% of gain or 100% of loss), deferred gains and losses on hedges (before tax effect deductions) (90% of gain or 100% of loss)	66,370	79,715
	Unrealized gains and losses on land (85% of gain or 100% of loss)	—	—
	Excess amount of continued Zillmerized reserve	172,796	177,633
	Subordinated debt, etc.	—	—
	Excess amount of continued Zillmerized reserve and subordinated debt, etc. which are excluded from total solvency margin	(28,599)	(23,625)
	Brought in capital, etc.	—	—
	Deductions	—	—
	Others	28,545	32,074
(B) Total Non-consolidated Risks $\sqrt{(R_1+R_8)^2+(R_2+R_3+R_7)^2}+R_4$		50,809	51,929
	Underwriting risk (R_1)	14,188	14,283
	Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_8)	9,961	10,267
	Guaranteed interest rate risk (R_2)	8,443	8,457
	Guaranteed minimum benefit risk (R_7)	388	389
	Investment risk (R_3)	34,335	35,346
	Business management risk (R_4)	1,346	1,374
(C) Non-consolidated Solvency Margin Ratio [(A) / {(B) × 1/2}] × 100		1,507.5 %	1,616.2 %

Notes)

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

Supplementary Explanation

< Calculation of ratios, etc. >

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

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

< Non-consolidated solvency margin ratio >

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

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

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

<1> Underwriting risk, Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance:
Risks of rate of occurrence of insurance claims, etc. in excess of normal estimates (excluding risks relating to major catastrophes)

<2> Guaranteed interest rate risk:
Risks of invested assets failing to yield assumed interest rates due to the aggravation of investment conditions

<3> Investment risk:
Risks of securities and other assets held fluctuating in prices in excess of normal estimates

<4> Business management risk:
Risks beyond normal estimates arising from business management that do not fall under other categories

<5> Major catastrophe risk:
Risks of the occurrence of major catastrophic losses in excess of normal estimates (risks such as the Great Kanto Earthquake or Isewan Typhoon)

<6> Guaranteed minimum benefit risk:
Risks of special account assets fluctuating in prices in excess of normal estimates

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

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

4. Supplementary Data about Financial Results for the six months ended September 30, 2019 at Press Conference

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)

(1) Key figures

(Yen in hundred millions)

	Six months ended September 30, 2018 (A)	Fiscal year ended March 31, 2019 (B)	Six months ended September 30, 2019 (C)	Increase (Decrease) (C) - (B)	Increase (Decrease) (C) - (A)
① Net premiums written	10,934	21,486	11,281	——	346
Rate of change	(1.2)%	(0.9)%	3.2 %	4.1 %	4.4 %
② Total assets	76,538	75,158	73,595	(1,563)	(2,942)
③ Loss ratio	63.4 %	69.8 %	57.8 %	(12.0)%	(5.6)%
④ Operating expenses ratio	32.1 %	32.1 %	31.7 %	(0.4)%	(0.4)%
⑤ Combined ratio	95.5 %	101.9 %	89.5 %	(12.4)%	(6.0)%
Underwriting result ratio	4.5 %	(1.9)%	10.5 %	12.4 %	6.0 %
⑥ Voluntary automobile insurance					
・Net premiums written	5,340	10,731	5,405	——	64
Rate of change	(0.7)%	(0.5)%	1.2 %	1.7 %	2.0 %
・Underwriting result ratio	6.8 %	6.4 %	10.1 %	3.7 %	3.3 %
・Loss ratio	61.4 %	62.2 %	58.3 %	(3.9)%	(3.2)%
・Operating expenses ratio	31.8 %	31.4 %	31.6 %	0.2 %	(0.1)%
⑦ Fire and allied insurance					
・Net premiums written	1,304	2,650	1,498	——	193
Rate of change	(4.0)%	(5.9)%	14.9 %	20.8 %	18.9 %
・Underwriting result ratio	(22.2)%	(51.4)%	(1.0)%	50.4 %	21.1 %
・Loss ratio	78.6 %	107.2 %	59.8 %	(47.4)%	(18.8)%
・Operating expenses ratio	43.6 %	44.3 %	41.2 %	(3.0)%	(2.3)%
⑧ Number of employees	26,398	26,108	25,411	(697)	(987)
⑨ Number of agencies	54,822	53,734	52,217	(1,517)	(2,605)

<Reference> Consolidated figures of Sompo Holdings, Inc.

(Yen in hundred millions)

	Six months ended September 30, 2018 (A)	Fiscal year ended March 31, 2019 (B)	Six months ended September 30, 2019 (C)	Increase (Decrease) (C) - (B)	Increase (Decrease) (C) - (A)
① Ordinary income	18,892	36,430	19,554	——	661
② Net premiums written	14,403	27,181	15,024	——	621
Rate of change	(3.9)%	(4.8)%	4.3 %	9.1 %	8.2 %
③ Life insurance premiums written	1,704	3,496	1,729	——	25
Rate of change	1.2 %	0.8 %	1.5 %	0.7 %	0.3 %
④ Ordinary profit	278	1,989	637	——	359
⑤ Net income attributable to shareholders of the parent	221	1,466	439	——	217

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, 2019 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)

	Six months ended September 30, 2018	Fiscal year ended March 31, 2019	Six months ended September 30, 2019
Domestic bonds	–	–	–
Domestic stocks	4	32	8
Foreign securities	1	15	2
Others	0	0	0
Total	6	48	10

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 and 1 hundred million yen for the six months ended September 30, 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)

	Six months ended September 30, 2018	Fiscal year ended March 31, 2019	Six months ended September 30, 2019
Land	–	6	1
Buildings	–	0	0
Others	–	–	–
Total	–	7	2

③ Unrealized gains and losses on securities

(Yen in hundred millions)

	As of September 30, 2018	As of March 31, 2019	As of September 30, 2019
Domestic bonds	1,090	1,349	1,409
Domestic stocks	11,491	8,482	7,956
Foreign securities	1,026	1,010	1,042
Others	56	51	57
Total	13,664	10,893	10,466

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 52 hundred million yen as of September 30, 2018, 18 hundred million yen as of March 31, 2019 and 20 hundred million yen as of September 30, 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)

	Six months ended September 30, 2018	Fiscal year ended March 31, 2019	Six months ended September 30, 2019
Direct claims paid a	556	3,859	79
Net claims paid b	375	1,586	78
Unpaid claims c	1,096	192	352
Net incurred loss b + c	1,472	1,778	431

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	Six months ended September 30, 2018			Fiscal year ended March 31, 2019			Six months ended September 30, 2019		
	Balance	Balance ratio	Provision	Balance	Balance ratio	Provision	Balance	Balance ratio	Provision
Fire and allied insurance	1,477	56.8	186	1,351	51.1	1,176	1,577	52.7	226
Marine insurance	508	109.0	12	437	98.7	23	452	93.6	14
Personal accident insurance	735	39.2	29	694	40.7	53	723	39.6	29
Voluntary automobile insurance	541	5.1	173	390	3.6	347	477	4.4	175
Others	2,167	62.7	85	2,041	64.4	155	2,133	60.4	102
Total	5,431	28.5	488	4,915	26.3	1,757	5,364	27.3	547

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 and 2019, 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	Six months ended September 30, 2018		Six months ended September 30, 2019	
	Reinsurance premiums assumed	Reinsurance claims assumed	Reinsurance premiums assumed	Reinsurance claims assumed
Fire and allied insurance	177	126	181	138
Marine insurance	55	29	64	30
Personal accident insurance	6	3	4	3
Voluntary automobile insurance	3	2	1	2
Compulsory automobile liability insurance	985	1,041	1,038	958
Others	96	83	87	32
Total	1,324	1,287	1,377	1,166

⑦ Reinsurance ceded

(Yen in hundred millions)

Business line	Six months ended September 30, 2018		Six months ended September 30, 2019	
	Reinsurance premiums ceded	Reinsurance claims ceded	Reinsurance premiums ceded	Reinsurance claims ceded
Fire and allied insurance	744	637	875	669
Marine insurance	64	14	67	21
Personal accident insurance	23	10	28	11
Voluntary automobile insurance	17	38	21	48
Compulsory automobile liability insurance	1,054	1,112	1,097	1,052
Others	424	197	449	213
Total	2,328	2,010	2,539	2,016