

(Reference) Definition of Adjusted Consolidated Profit, Etc.

		Mid-Term Management Plan	(Reference) Previous plan
Adjusted profit for each business	Domestic P&C insurance ¹	Net income + Provisions for catastrophic loss reserve (after tax) + Provisions for reserve for price fluctuation (after tax) – Gains/losses on sales of securities and impairment losses on securities (after tax) – Special factors (e.g. dividend from subsidiaries)	Net income + Provisions for catastrophic loss reserve (after tax) + Provisions for reserve for price fluctuation (after tax) – Gains/losses on sales of securities and impairment losses on securities (after tax) – Special factors
	Domestic life insurance	Net income + Provision of capital reserve (after tax) + Adjustment of underwriting reserve (after tax) + Deferral of acquisition cost (after tax) – Depreciation of acquisition cost (after tax)	Growth in embedded value (EV) – Capital transactions such as equity issuance – Changes in EV attributable to fluctuation of interest rates, etc.
	Nursing care & healthcare, etc. ²	Net income	Net income
	Overseas insurance	Net income (incl. major non-consolidated subsidiaries)	Net income (excl. non-consolidated subsidiaries)
Adjusted consolidated profit		Total of above adjusted profits	Total of above adjusted profits
Adjusted consolidated net assets		Consolidated net assets (excluding life insurance subsidiary's net assets) + Catastrophic loss reserve in domestic P&C insurance (after tax) + Reserve for price fluctuation in domestic P&C insurance (after tax) + Domestic life insurance adjusted net assets ³	Consolidated net assets (excluding life insurance subsidiary's net assets) + Catastrophic loss reserve in domestic P&C insurance (after tax) + Reserve for price fluctuation in domestic P&C insurance (after tax) + Life insurance subsidiary's EV
Adjusted consolidated ROE		Adjusted consolidated profit / Adjusted consolidated net assets * The denominator is the average balance at the end/start of each fiscal year.	Adjusted consolidated profit / Adjusted consolidated net assets * The denominator is the average balance at the end/start of each fiscal year.

*1. Total of Sompo Japan Nipponkoa, Saison Automobile & Fire, Sonpo 24, Sompo Japan Nipponkoa Insurance Services, and Sompo Japan Nipponkoa DC Securities
 *2. Total of Sompo Care Message, Sompo Care Next, Cedar, Sompo Risk Management & Health Care, Sompo Japan Nipponkoa Asset Management, Prime Assistance, Product Warranty Japan, and Fresh House

*3. Domestic life insurance net assets = Net assets (J-GAAP, after tax) + Contingency reserve (after tax) + Reserve for price fluctuation (after tax) + Adjustment of underwriting reserve (after tax) + Non-depreciated acquisition cost (after tax)
 In FY2015, net assets (J-GAAP) were ¥153.6 billion, MCEV was ¥700.0 billion, and adjusted net assets were ¥378.3 billion.