



SOMPO
HOLDINGS

UNOFFICIAL TRANSLATION

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

Summary of
Consolidated Financial Results
for the six months ended September 30, 2014
Supplementary Information

November 19, 2014

Sompo Japan Nipponkoa Holdings, Inc.

(Securities Code : 8630)

Summary of Consolidated Financial Results for the six months ended September 30, 2014

Contents -- Supplementary Information

1. Overview of Consolidated Financial Results for the six months ended September 30, 2014**Sompo Japan Nipponkoa Holdings, Inc.**

Overview of Consolidated Financial Results for the six months ended September 30, 2014	2
---	----------

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated (The Two Companies Combined))

Overview of Financial Results for the six months ended September 30, 2014	3
Summary of Results of Operations	3
Premiums Written and Claims Paid by Business Lines	4
Net Incurred Loss during the period due to Natural Disasters in Japan	5
Breakdown of Operating, General and Administrative Expenses and Loss Adjustment Expenses	5
Reserve for Outstanding Losses and Claims	5
Ordinary Underwriting Reserves	5
Catastrophic Loss Reserve	5

2. Forecasts for the fiscal year ending March 31, 2015 (April 1, 2014 to March 31, 2015)

Sompo Japan Nipponkoa Holdings, Inc. (Consolidated)	6
Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated (The Two Companies Combined))	6

3. Overview of Business Results of Principal Consolidated Subsidiaries

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated (The Two Companies Combined))	7
Interim Balance Sheet	7
Interim Statement of Income	8
Premiums Written and Claims Paid by Business Lines	9
Non-consolidated Solvency Margin Ratio	10

Sonpo 24 Insurance Company Limited (Non-Consolidated)	11
Interim Balance Sheet	11
Interim Statement of Income	12
Premiums Written and Claims Paid by Business Lines	13
Non-consolidated Solvency Margin Ratio	14

SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED (Non-consolidated)	15
Interim Balance Sheet	15
Interim Statement of Income	16
Premiums Written and Claims Paid by Business Lines	17
Non-consolidated Solvency Margin Ratio	18

Sompo Japan Nipponkoa Himawari Life Insurance, Inc. (Non-consolidated)	19
Interim Balance Sheet	19
Interim Statement of Income	20
Major Business Results	
(Total amount of policies in force, Total amount of new policies, and Annualized premiums)	21
Non-consolidated Solvency Margin Ratio	22

Supplementary Explanation	23
Calculation of ratios, etc.	23
Non-consolidated solvency margin ratio	23

4. Supplementary Data about Financial Results for the six months ended September 30, 2014 at Press Conference

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated (The Two Companies Combined))	24
--	----

1. Overview of Consolidated Financial Results for the six months ended September 30, 2014

Sompo Japan Nipponkoa Holdings, Inc.

Overview of Consolidated Financial Results for the six months ended September 30, 2014

(Yen in hundred millions, %)

		Six months ended September 30, 2013	Six months ended September 30, 2014	Increase (Decrease)	Rate of change
Ordinary income:	①	14,596	16,062	1,466	10.0
Net premiums written:	②	11,189	12,444	1,255	11.2
Sompo Japan Nipponkoa Insurance Inc.	③	10,363	10,974	610	5.9
Overseas consolidated subsidiaries	④	661	1,285	623	94.3
Others	⑤	164	184	20	12.7
Life insurance premiums written	⑥	1,339	1,343	4	0.3
Ordinary profit:	⑦	537	1,039	502	93.6
Sompo Japan Nipponkoa Insurance Inc.	⑧	418	974	556	133.1
Net income:	⑨	291	154	(137)	(47.1)
Sompo Japan Nipponkoa Insurance Inc.	⑩	199	116	(83)	(41.6)
Sompo Japan Nipponkoa Himawari Life Insurance, Inc.	⑪	33	79	46	140.6
Overseas consolidated subsidiaries	⑫	65	65	(0)	(0.1)
Others and consolidation adjustment, etc.	⑬	(6)	(107)	(100)	—

Notes)

- As for the amount of "Sompo Japan Nipponkoa Insurance Inc." in the above table, amount for the six months ended September 30, 2013 represents the combined results of Sompo Japan Insurance Co., Ltd. and NIPPONKOA Insurance Company, Limited. In addition, amount for the six months ended September 30, 2014 represents the amounts, which include the result of NIPPONKOA Insurance Company, Limited for the five months ended August 31, 2014, corresponding to the combined results for the six months ended September 30, 2013. The same applies hereafter.
- In establishing Sompo Japan Nipponkoa 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 (The Two Companies Combined))

Overview of Financial Results for the six months ended September 30, 2014

Summary of Results of Operations

(Millions of yen)

		Six months ended September 30, 2013 (April 1 to September 30, 2013)	Six months ended September 30, 2014 (April 1 to September 30, 2014)	Increase (Decrease)	Rate of change
Ordinary income and expenses:					
Underwriting income and expenses:					
Direct premiums written (including deposits of premiums by policyholders)	①	1,173,236	1,206,723	33,486	2.9 %
Direct premiums written	②	1,103,290	1,142,971	39,681	3.6
(+) Net premiums written	③	1,036,396	1,097,458	61,062	5.9
(-) Net claims paid	④	596,663	656,913	60,249	10.1
(-) Loss adjustment expenses	⑤	65,949	63,445	(2,504)	(3.8)
(-) Net commissions and brokerage fees	⑥	180,809	196,902	16,093	8.9
(+) Deposits of premiums by policyholders	⑦	69,946	63,752	(6,194)	(8.9)
(+) Interest and dividend income on deposits of premiums, etc.	⑧	24,533	22,835	(1,698)	(6.9)
(-) Maturity refunds and dividends to policyholders	⑨	126,177	133,918	7,740	6.1
(-) Provision for (reversal of) reserve for outstanding losses and claims	⑩	(2,655)	(30,193)	(27,537)	-
(-) Provision for (reversal of) underwriting reserves	⑪	16,068	(14,979)	(31,048)	(193.2)
(+) Other underwriting income and expenses	⑫	1,675	3,531	1,855	110.7
Gross underwriting margin	⑬	149,539	181,570	32,030	21.4
Operating, general and administrative expenses related to underwriting	⑭	155,656	154,003	(1,653)	(1.1)
Other income and expenses	⑮	(663)	(1,960)	(1,296)	-
Underwriting profit (loss)	⑯	(6,780)	25,607	32,387	-
Investment income and expenses:					
(+) Interest and dividend income	⑰	58,831	61,843	3,012	5.1
(+) Investment gains and losses on money trusts	⑱	1,195	2,745	1,549	129.6
(+) Gains and losses on sales of securities	⑲	35,813	25,218	(10,594)	(29.6)
(-) Impairment losses on securities	⑳	11,225	116	(11,108)	(99.0)
(+) Transfer of interest and dividend income on deposits of premiums, etc.	㉑	(24,533)	(22,835)	1,698	-
(+) Gains and losses on derivatives	㉒	(4,281)	(757)	3,523	-
(+) Other investment income and expenses	㉓	876	6,359	5,482	625.4
Gross investment margin	㉔	56,676	72,457	15,780	27.8
(-) Operating, general and administrative expenses	㉕	161,742	159,620	(2,122)	(1.3)
(+) Other ordinary income and expenses	㉖	(2,667)	3,039	5,707	-
Ordinary profit	㉗	41,806	97,447	55,641	133.1
Extraordinary gains and losses:					
(+) Extraordinary gains	㉘	280	446	165	58.9
(-) Extraordinary losses	㉙	14,692	84,950	70,258	478.2
Extraordinary gains and losses	㉚	(14,411)	(84,504)	(70,092)	-
Net income before income taxes	㉛	27,394	12,943	(14,451)	(52.8)
(-) Income taxes	㉜	677	1,325	647	95.6
(-) Deferred income taxes	㉝	6,766	(31)	(6,797)	(100.5)
Total income taxes	㉞	7,443	1,294	(6,149)	(82.6)
Net income	㉟	19,951	11,649	(8,301)	(41.6)
Underwriting result:					
(+) Net premiums written	㊳	1,036,396	1,097,458	61,062	5.9
(-) Net claims paid	㊴	596,663	656,913	60,249	10.1
(-) Loss adjustment expenses	㊵	65,949	63,445	(2,504)	(3.8)
(-) Net operating expenses:	㊶	336,465	350,905	14,440	4.3
Net commissions and brokerage fees	㊷	180,809	196,902	16,093	8.9
Operating, general and administrative expenses related to underwriting	㊸	155,656	154,003	(1,653)	(1.1)
Underwriting result	㊹	37,316	26,194	(11,122)	(29.8)
Ratios:					
Net loss ratio (%)	㊺	63.9	65.6	1.7	
Net operating expenses ratio (%)	㊻	32.5	32.0	(0.5)	
Underwriting result ratio (%)	㊼	3.6	2.4	(1.2)	

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated (The Two Companies Combined))

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, 2013 (April 1 to September 30, 2013)			Six months ended September 30, 2014 (April 1 to September 30, 2014)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	154,207	14.0	4.2	166,805	14.6	8.2
Marine insurance	26,250	2.4	11.1	26,568	2.3	1.2
Personal accident insurance	97,572	8.8	(0.3)	99,261	8.7	1.7
Voluntary automobile insurance	501,079	45.4	2.5	514,496	45.0	2.7
Compulsory automobile liability insurance	161,926	14.7	10.5	159,779	14.0	(1.3)
Others	162,253	14.7	7.5	176,059	15.4	8.5
Total	1,103,290	100.0	4.5	1,142,971	100.0	3.6
Deposits of premiums by policyholders	69,946	—	(3.0)	63,752	—	(8.9)

Net premiums written

(Millions of yen)

Business line	Six months ended September 30, 2013 (April 1 to September 30, 2013)			Six months ended September 30, 2014 (April 1 to September 30, 2014)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	128,795	12.4	12.4	150,593	13.7	16.9
Marine insurance	22,764	2.2	16.3	26,400	2.4	16.0
Personal accident insurance	99,124	9.6	0.8	100,029	9.1	0.9
Voluntary automobile insurance	501,868	48.4	2.5	515,493	47.0	2.7
Compulsory automobile liability insurance	145,635	14.1	4.9	154,247	14.1	5.9
Others	138,206	13.3	5.4	150,694	13.7	9.0
Total	1,036,396	100.0	4.5	1,097,458	100.0	5.9

Net claims paid

(Millions of yen)

Business line	Six months ended September 30, 2013 (April 1 to September 30, 2013)			Six months ended September 30, 2014 (April 1 to September 30, 2014)		
	Amount	Rate of change	Net loss ratio	Amount	Rate of change	Net loss ratio
Fire and allied insurance	75,419	(30.7)	60.9	129,817	72.1	88.3
Marine insurance	14,178	43.8	64.9	11,936	(15.8)	47.7
Personal accident insurance	50,674	3.3	56.1	50,115	(1.1)	54.4
Voluntary automobile insurance	281,683	(6.2)	64.4	283,298	0.6	62.7
Compulsory automobile liability insurance	113,782	(2.0)	85.4	113,645	(0.1)	80.4
Others	60,925	4.9	47.9	68,099	11.8	48.4
Total	596,663	(7.1)	63.9	656,913	10.1	65.6

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated (The Two Companies Combined))

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

(Millions of yen)

	Six months ended September 30, 2013			Six months ended September 30, 2014		
	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	5,039	7,562	12,601	6,508	4,389	10,898
Voluntary automobile insurance	1,214	979	2,194	1,482	469	1,952
Other than the above	226	521	748	273	348	621
Total	6,481	9,063	15,545	8,264	5,207	13,472

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.

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

(Millions of yen)

	Six months ended September 30, 2013			Six months ended September 30, 2014		
	Amount	Increase (Decrease)	Rate of change	Amount	Increase (Decrease)	Rate of change
Personnel expenses	125,047	(4,436)	(3.4)	121,235	(3,812)	(3.0)
Non-personnel expenses	91,627	(1,742)	(1.9)	89,894	(1,732)	(1.9)
Others (taxes and contributions)	11,017	298	2.8	11,936	919	8.3
Total	227,692	(5,880)	(2.5)	223,065	(4,626)	(2.0)

Reserve for Outstanding Losses and Claims

(Millions of yen)

	Six months ended September 30, 2013		Six months ended September 30, 2014	
	Balance	Change	Balance	Change
Fire and allied insurance	103,566	(4,818)	115,973	(35,652)
Marine insurance	19,314	354	26,419	5,417
Personal accident insurance	74,881	(629)	74,087	(2,204)
Voluntary automobile insurance	423,392	3,244	416,429	(8,905)
Compulsory automobile liability insurance	87,626	1,152	86,827	(1,020)
Others	185,060	(1,958)	196,266	12,172
Total	893,841	(2,655)	916,004	(30,193)

Note) Part of overseas insurance contracts have been transferred during the six months ended September 30, 2014. The change during the six months ended September 30, 2014 excludes the decrease in reserve for outstanding losses and claims related to the transfer.

Reserve for outstanding losses and claims related to the commutation is 14,623 million yen. The components of this amount are 808 million yen of fire and allied insurance, 186 million yen of marine insurance, 540 million yen of voluntary automobile insurance and 13,088 million yen of others.

Ordinary Underwriting Reserves

(Millions of yen)

	Six months ended September 30, 2013		Six months ended September 30, 2014	
	Balance	Change	Balance	Change
Fire and allied insurance	724,436	2,084	742,962	5,228
Marine insurance	14,902	1,416	17,508	3,099
Personal accident insurance	125,584	10,058	129,163	9,436
Voluntary automobile insurance	286,658	8,409	296,376	4,391
Compulsory automobile liability insurance	403,380	(6,477)	406,534	4,001
Others	295,290	16,686	304,768	18,773
Total	1,850,252	32,177	1,897,313	44,930

Notes)

1. 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.

2. Part of overseas insurance contracts have been transferred during the six months ended September 30, 2014. The change during the six months ended September 30, 2014 excludes the decrease in ordinary underwriting reserves related to the transfer.

Ordinary underwriting reserves related to the commutation is 5,079 million yen. The components of this amount are 929 million yen of fire and allied insurance, 218 million yen of marine insurance, 454 million yen of voluntary automobile insurance and 3,476 million yen of others.

Catastrophic Loss Reserve

(Millions of yen)

	Six months ended September 30, 2013				Six months ended September 30, 2014				Fiscal year ended March 31, 2014	
	Reversal	Provision	Balance	Balance ratio	Reversal	Provision	Balance	Balance ratio	Balance	Balance ratio
Fire and allied insurance	6,297	18,395	206,300	80.4	44,235	21,038	176,003	58.6	199,200	70.5
Marine insurance	184	1,100	47,655	104.7	—	1,406	49,797	94.3	48,391	106.0
Personal accident insurance	2,160	3,102	87,375	44.1	1,467	3,154	82,126	41.1	80,440	43.5
Voluntary automobile insurance	30,734	31,814	63,089	6.3	25,916	31,233	69,189	6.7	63,872	6.3
Others	2,332	7,427	165,822	60.0	1,272	7,833	176,746	58.6	170,184	66.6
Total	41,709	61,840	570,244	32.0	72,892	64,666	553,863	29.4	562,089	31.5

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

As for the six months ended September 30, 2013 and 2014, net premiums written (excluding earthquake insurance and compulsory automobile liability insurance) are doubled for the calculation of balance ratio.

2. Forecasts for the fiscal year ending March 31, 2015 (April 1, 2014 to March 31, 2015)

Sompo Japan Nipponkoa Holdings, Inc. (Consolidated)

(Yen in hundred millions)

	Fiscal year ended March 31, 2014 Result	Fiscal year ending March 31, 2015 Original Forecast (A)	Fiscal year ending March 31, 2015 Revised forecast (B)	Increase (Decrease) (B)-(A)
Net premiums written	22,689	25,080	25,050	(30)
Life insurance premiums written	2,772	2,795	2,795	—
Ordinary profit	1,123	1,520	1,720	200
Net income:	441	330	450	120
Sompo Japan Nipponkoa Insurance Inc.	495	337	428	90
Sompo Japan Nipponkoa Himawari Life Insurance, Inc.	80	75	110	35
Overseas consolidated subsidiaries	115	135	146	10
Others and consolidation adjustment, etc.	(250)	(218)	(235)	(17)
Dividends per share (annual)	60 yen	60 yen	60 yen	— yen

Note) In establishing Sompo Japan Nipponkoa 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 (The Two Companies Combined))

(Yen in hundred millions, %)

	Fiscal year ended March 31, 2014 Result	Fiscal year ending March 31, 2015 Original Forecast (A)	Fiscal year ending March 31, 2015 Revised forecast (B)	Increase (Decrease) (B)-(A)
Net premiums written	20,821	21,741	21,835	94
(Excluding earthquake insurance and compulsory automobile liability insurance)	17,830	18,681	18,743	61
Net loss ratio	65.7	67.8	66.2	(1.6)
(Excluding earthquake insurance and compulsory automobile liability insurance)	62.7	65.4	63.8	(1.6)
Net operating expenses ratio	32.2	31.5	31.3	(0.2)
(Excluding earthquake insurance and compulsory automobile liability insurance)	34.2	33.3	33.2	(0.1)
Combined ratio	97.9	99.3	97.5	(1.8)
(Excluding earthquake insurance and compulsory automobile liability insurance)	96.9	98.7	97.0	(1.7)
Underwriting profit	(625)	422	326	(95)
Investment income and expenses	1,927	1,055	1,322	267
Ordinary profit	1,177	1,440	1,626	185
Net income	495	337	428	90

3. Overview of Business Results of Principal Consolidated Subsidiaries

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated (The Two Companies Combined))

Interim Balance Sheet

	As of March 31, 2014	As of September 30, 2014	(Millions of yen) Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits	325,749	345,540	19,791
Call loans	75,000	30,000	(45,000)
Receivables under resale agreements	126,984	49,994	(76,989)
Monetary receivables bought	16,951	15,366	(1,584)
Money trusts	97,819	92,576	(5,242)
Securities	4,911,703	5,063,053	151,350
Loans	579,142	568,615	(10,526)
Tangible fixed assets	318,756	315,927	(2,828)
Intangible fixed assets	600	598	(2)
Other assets	588,603	519,628	(68,974)
Prepaid pension cost	13	563	550
Deferred tax assets	57,741	—	(57,741)
Customers' liabilities for acceptances and guarantees	12,299	8,112	(4,187)
Allowance for possible credit losses	(3,755)	(3,854)	(98)
Allowance for possible investment losses	(8,671)	(8,602)	69
Total assets	7,098,938	6,997,522	(101,416)
Liabilities:			
Underwriting funds:	5,100,357	5,035,480	(64,876)
Reserve for outstanding losses and claims	960,821	916,004	(44,817)
Underwriting reserves	4,139,535	4,119,476	(20,059)
Corporate bonds	261,560	133,560	(128,000)
Other liabilities	333,746	271,208	(62,537)
Reserve for retirement benefits	96,907	93,019	(3,888)
Reserve for bonus payments	19,616	21,685	2,068
Reserve for bonus payments to directors	86	—	(86)
Reserves under the special laws:	41,028	46,002	4,974
Reserve for price fluctuation	41,028	46,002	4,974
Deferred tax liabilities	—	4,126	4,126
Acceptances and guarantees	12,299	8,112	(4,187)
Total liabilities	5,865,602	5,613,195	(252,407)
Net assets:			
Shareholders' equity:			
Common stock	161,249	70,000	(91,249)
Capital surplus	45,931	137,180	91,249
Retained earnings	273,963	289,884	15,920
Total shareholders' equity	481,144	497,065	15,920
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	744,986	879,721	134,735
Deferred gains and losses on hedges	7,205	7,539	334
Total valuation and translation adjustments	752,191	887,261	135,070
Total net assets	1,233,336	1,384,326	150,990
Total liabilities and net assets	7,098,938	6,997,522	(101,416)

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated (The Two Companies Combined))

Interim Statement of Income

(Millions of yen)

	Six months ended September 30, 2013 (April 1 to September 30, 2013)	Six months ended September 30, 2014 (April 1 to September 30, 2014)	Increase (Decrease)	Rate of change
	Amount	Amount		
Ordinary income:	1,218,846	1,315,990	97,143	8.0
Underwriting income:	1,136,619	1,234,357	97,738	8.6
Net premiums written	1,036,396	1,097,458	61,062	5.9
Deposits of premiums by policyholders	69,946	63,752	(6,194)	(8.9)
Interest and dividend income on deposits of premiums, etc.	24,533	22,835	(1,698)	(6.9)
Reversal of reserve for outstanding losses and claims	2,655	30,193	27,537	1,036.8
Reversal of underwriting reserves	—	14,979	14,979	—
Investment income:	78,698	74,729	(3,968)	(5.0)
Interest and dividend income	58,831	61,843	3,012	5.1
Investment gains on money trusts	1,714	2,921	1,206	70.3
Gains on sales of securities	38,504	25,516	(12,987)	(33.7)
Transfer of interest and dividend income on deposits of premiums, etc.	(24,533)	(22,835)	1,698	—
Other ordinary income	3,529	6,903	3,374	95.6
Ordinary expenses:	1,177,040	1,218,543	41,502	3.5
Underwriting expenses:	987,079	1,052,787	65,707	6.7
Net claims paid	596,663	656,913	60,249	10.1
Loss adjustment expenses	65,949	63,445	(2,504)	(3.8)
Net commissions and brokerage fees	180,809	196,902	16,093	8.9
Maturity refunds to policyholders	126,113	133,851	7,737	6.1
Provision for underwriting reserves	16,068	—	(16,068)	(100.0)
Investment expenses:	22,021	2,272	(19,749)	(89.7)
Investment losses on money trusts	519	175	(343)	(66.1)
Losses on sales of securities	2,690	298	(2,392)	(88.9)
Impairment losses on securities	11,225	116	(11,108)	(99.0)
Operating, general and administrative expenses	161,742	159,620	(2,122)	(1.3)
Other ordinary expenses:	6,197	3,863	(2,333)	(37.7)
Interest paid	5,812	3,371	(2,440)	(42.0)
Ordinary profit	41,806	97,447	55,641	133.1
Extraordinary gains:	280	446	165	58.9
Gains on disposal of fixed assets	280	446	165	58.9
Extraordinary losses:	14,692	84,950	70,258	478.2
Losses on disposal of fixed assets	918	761	(156)	(17.0)
Impairment losses	3,215	4	(3,210)	(99.9)
Provision for reserves under the special laws:	3,954	4,974	1,019	25.8
Provision for reserve for price fluctuation	3,954	4,974	1,019	25.8
Other extraordinary losses	6,603	79,209	72,606	1,099.5
Net income before income taxes	27,394	12,943	(14,451)	(52.8)
Income taxes	677	1,325	647	95.6
Deferred income taxes	6,766	(31)	(6,797)	(100.5)
Total income taxes	7,443	1,294	(6,149)	(82.6)
Net income	19,951	11,649	(8,301)	(41.6)
Underwriting result:				
Net premiums written (+)	1,036,396	1,097,458	61,062	5.9
Net claims paid (-)	596,663	656,913	60,249	10.1
Loss adjustment expenses (-)	65,949	63,445	(2,504)	(3.8)
Net operating expenses:	336,465	350,905	14,440	4.3
Net commissions and brokerage fees	180,809	196,902	16,093	8.9
Operating, general and administrative expenses related to underwriting	155,656	154,003	(1,653)	(1.1)
Underwriting result	37,316	26,194	(11,122)	(29.8)
Underwriting profit (loss)	(6,780)	25,607	32,387	—
Ratios:				
Net loss ratio (%)	63.9	65.6	1.7	
Net operating expenses ratio (%)	32.5	32.0	(0.5)	
Underwriting result ratio (%)	3.6	2.4	(1.2)	

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated (The Two Companies Combined))

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, 2013 (April 1 to September 30, 2013)			Six months ended September 30, 2014 (April 1 to September 30, 2014)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	154,207	14.0	4.2	166,805	14.6	8.2
Marine insurance	26,250	2.4	11.1	26,568	2.3	1.2
Personal accident insurance	97,572	8.8	(0.3)	99,261	8.7	1.7
Voluntary automobile insurance	501,079	45.4	2.5	514,496	45.0	2.7
Compulsory automobile liability insurance	161,926	14.7	10.5	159,779	14.0	(1.3)
Others	162,253	14.7	7.5	176,059	15.4	8.5
Total	1,103,290	100.0	4.5	1,142,971	100.0	3.6
Deposits of premiums by policyholders	69,946	—	(3.0)	63,752	—	(8.9)

Net premiums written

(Millions of yen)

Business line	Six months ended September 30, 2013 (April 1 to September 30, 2013)			Six months ended September 30, 2014 (April 1 to September 30, 2014)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	128,795	12.4	12.4	150,593	13.7	16.9
Marine insurance	22,764	2.2	16.3	26,400	2.4	16.0
Personal accident insurance	99,124	9.6	0.8	100,029	9.1	0.9
Voluntary automobile insurance	501,868	48.4	2.5	515,493	47.0	2.7
Compulsory automobile liability insurance	145,635	14.1	4.9	154,247	14.1	5.9
Others	138,206	13.3	5.4	150,694	13.7	9.0
Total	1,036,396	100.0	4.5	1,097,458	100.0	5.9

Net claims paid

(Millions of yen)

Business line	Six months ended September 30, 2013 (April 1 to September 30, 2013)			Six months ended September 30, 2014 (April 1 to September 30, 2014)		
	Amount	Rate of change	Net loss ratio	Amount	Rate of change	Net loss ratio
Fire and allied insurance	75,419	(30.7)	60.9	129,817	72.1	88.3
Marine insurance	14,178	43.8	64.9	11,936	(15.8)	47.7
Personal accident insurance	50,674	3.3	56.1	50,115	(1.1)	54.4
Voluntary automobile insurance	281,683	(6.2)	64.4	283,298	0.6	62.7
Compulsory automobile liability insurance	113,782	(2.0)	85.4	113,645	(0.1)	80.4
Others	60,925	4.9	47.9	68,099	11.8	48.4
Total	596,663	(7.1)	63.9	656,913	10.1	65.6

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)

Non-consolidated Solvency Margin Ratio

(Millions of yen)

	As of March 31, 2014		As of September 30, 2014
	Sompo Japan Insurance Inc.	NIPPONKOA Insurance Company, Limited	
(A) Total Non-consolidated Solvency Margin	1,636,131	724,387	2,464,175
Capital and funds, etc.	275,199	205,944	497,065
Reserve for price fluctuation	24,611	16,417	46,002
Contingency reserve	611	9	611
Catastrophic loss reserve	405,552	170,890	568,663
General allowance for possible credit losses	148	39	238
Unrealized gains and losses on securities (before tax effect deductions)	647,211	300,559	1,120,024
Unrealized gains and losses on land	21,421	17,709	32,911
Excess amount of reserve for maturity refunds	—	—	—
Subordinated debt, etc.	261,560	—	133,560
Excess amount of reserve for maturity refunds and subordinated debt, etc. which are excluded from total solvency margin	—	—	—
Deductions	67,066	11,769	74,706
Others	66,880	24,587	139,803
(B) Total Non-consolidated Risks	458,707	221,843	704,305
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$			
Underwriting risk (R_1)	113,713	57,602	172,891
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_2)	—	0	—
Guaranteed interest rate risk (R_3)	15,979	8,773	24,275
Investment risk (R_4)	298,150	133,222	467,141
Business management risk (R_5)	10,832	5,258	16,621
Major catastrophe risk (R_6)	113,795	63,349	166,741
(C) Non-consolidated Solvency Margin Ratio [(A) / {(B) × 1/2}] × 100	713.3 %	653.0 %	699.7 %

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)

Interim Balance Sheet

	As of March 31, 2014	As of September 30, 2014	(Millions of yen) Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits	3,076	3,091	14
Securities	17,320	17,269	(51)
Tangible fixed assets	229	266	36
Other assets	1,075	818	(256)
Total assets	21,703	21,445	(257)
Liabilities:			
Underwriting funds:	13,232	13,737	505
Reserve for outstanding losses and claims	4,912	5,614	701
Underwriting reserves	8,319	8,123	(196)
Other liabilities	2,168	1,712	(456)
Reserve for retirement benefits	186	202	15
Reserve for bonus payments	93	95	2
Reserves under the special laws:	33	35	1
Reserve for price fluctuation	33	35	1
Deferred tax liabilities	8	7	(1)
Total liabilities	15,723	15,791	67
Net assets:			
Shareholders' equity:			
Common stock	19,000	19,000	—
Capital surplus	19,000	19,000	—
Retained earnings	(32,040)	(32,361)	(321)
Total shareholders' equity	5,959	5,638	(321)
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	19	16	(3)
Total valuation and translation adjustments	19	16	(3)
Total net assets	5,979	5,654	(324)
Total liabilities and net assets	21,703	21,445	(257)

Sonpo 24 Insurance Company Limited (Non-consolidated)

Interim Statement of Income

(Millions of yen)

	Six months ended September 30, 2013 (April 1 to September 30, 2013)	Six months ended September 30, 2014 (April 1 to September 30, 2014)	Increase (Decrease)	Rate of change
	Amount	Amount		
Ordinary income:	6,729	7,105	375	5.6
Underwriting income:	6,720	7,094	374	5.6
Net premiums written	6,676	6,892	215	3.2
Interest and dividend income on deposits of premiums, etc.	4	4	0	17.2
Reversal of underwriting reserves	39	196	157	399.0
Investment income:	9	10	0	9.3
Interest and dividend income	13	15	1	11.7
Transfer of interest and dividend income on deposits of premiums, etc.	(4)	(4)	(0)	—
Other ordinary income	0	0	0	50.4
Ordinary expenses:	6,529	7,418	889	13.6
Underwriting expenses:	5,036	5,556	520	10.3
Net claims paid	3,726	3,877	151	4.1
Loss adjustment expenses	465	524	58	12.6
Net commissions and brokerage fees	446	453	6	1.5
Provision for reserve for outstanding losses and claims	397	701	303	76.4
Operating, general and administrative expenses	1,492	1,861	368	24.7
Other ordinary expenses	0	0	0	36.9
Ordinary profit (loss)	200	(313)	(513)	(256.3)
Extraordinary losses:	1	6	4	271.8
Losses on disposal of fixed assets	—	4	4	—
Provision for reserves under the special laws:	1	1	(0)	(0.5)
Provision for reserve for price fluctuation	1	1	(0)	(0.5)
Net income (loss) before income taxes	198	(319)	(518)	(260.9)
Income taxes	1	1	—	—
Total income taxes	1	1	—	—
Net income (loss)	196	(321)	(518)	(263.4)
Underwriting result:				
Net premiums written (+)	6,676	6,892	215	3.2
Net claims paid (—)	3,726	3,877	151	4.1
Loss adjustment expenses (—)	465	524	58	12.6
Net operating expenses: (—)	1,938	2,313	375	19.4
Net commissions and brokerage fees	446	453	6	1.5
Operating, general and administrative expenses related to underwriting	1,491	1,859	368	24.7
Underwriting result	546	177	(369)	(67.5)
Underwriting profit (loss)	192	(322)	(514)	(267.7)
Ratios:				
Net loss ratio (%)	62.8	63.9	1.1	
Net operating expenses ratio (%)	29.0	33.6	4.5	
Underwriting result ratio (%)	8.2	2.6	(5.6)	

Sonpo 24 Insurance Company Limited (Non-consolidated)

Premiums Written and Claims Paid by Business Lines

Direct premiums written (excluding deposits of premiums by policyholders)

(Millions of yen)

Business line	Six months ended September 30, 2013 (April 1 to September 30, 2013)			Six months ended September 30, 2014 (April 1 to September 30, 2014)		
	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	6,610	100.0	6.1	6,820	100.0	3.2
Compulsory automobile liability insurance	—	—	—	—	—	—
Others	—	—	—	—	—	—
Total	6,610	100.0	6.1	6,820	100.0	3.2
Deposits of premiums by policyholders	—	—	—	—	—	—

Net premiums written

(Millions of yen)

Business line	Six months ended September 30, 2013 (April 1 to September 30, 2013)			Six months ended September 30, 2014 (April 1 to September 30, 2014)		
	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	6,552	98.1	6.1	6,762	98.1	3.2
Compulsory automobile liability insurance	123	1.9	10.5	129	1.9	4.9
Others	—	—	—	—	—	—
Total	6,676	100.0	6.2	6,892	100.0	3.2

Net claims paid

(Millions of yen)

Business line	Six months ended September 30, 2013 (April 1 to September 30, 2013)			Six months ended September 30, 2014 (April 1 to September 30, 2014)		
	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	3,604	(2.2)	62.1	3,749	4.0	63.2
Compulsory automobile liability insurance	121	2.8	98.4	127	5.1	98.5
Others	—	—	—	—	—	—
Total	3,726	(2.1)	62.8	3,877	4.1	63.9

Sonpo 24 Insurance Company Limited (Non-consolidated)

Non-consolidated Solvency Margin Ratio

	(Millions of yen)	
	As of March 31, 2014	As of September 30, 2014
(A) Total Non-consolidated Solvency Margin	6,453	5,991
Capital and funds, etc.	5,959	5,638
Reserve for price fluctuation	33	35
Contingency reserve	—	—
Catastrophic loss reserve	434	297
General allowance for possible credit losses	—	—
Unrealized gains and losses on securities (before tax effect deductions)	25	21
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	2,036	2,037
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$		
Underwriting risk (R_1)	1,793	1,793
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)	378	377
Business management risk (R_5)	69	69
Major catastrophe risk (R_6)	134	135
(C) Non-consolidated Solvency Margin Ratio $[(A) / \{(B) \times 1/2\}] \times 100$	633.9 %	588.2 %

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)

Interim Balance Sheet

(Millions of yen)

	As of March 31, 2014	As of September 30, 2014	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits	2,887	1,677	(1,209)
Securities	31,932	31,112	(820)
Loans	7	5	(2)
Tangible fixed assets	254	220	(34)
Intangible fixed assets	3,449	3,421	(27)
Other assets	3,202	3,476	274
Allowance for possible credit losses	(0)	(0)	(0)
Total assets	41,733	39,913	(1,819)
Liabilities:			
Underwriting funds:	27,238	29,780	2,541
Reserve for outstanding losses and claims	6,717	6,761	43
Underwriting reserves	20,521	23,018	2,497
Other liabilities	2,221	1,597	(623)
Reserve for retirement benefits to directors	42	41	(0)
Reserve for bonus payments	211	230	18
Reserves under the special laws:	20	23	3
Reserve for price fluctuation	20	23	3
Deferred tax liabilities	146	149	3
Total liabilities	29,880	31,823	1,942
Net assets:			
Shareholders' equity:			
Common stock	20,110	20,110	—
Capital surplus	18,347	18,347	—
Retained earnings	(27,017)	(30,796)	(3,778)
Total shareholders' equity	11,440	7,661	(3,778)
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	412	428	16
Total valuation and translation adjustments	412	428	16
Total net assets	11,852	8,090	(3,762)
Total liabilities and net assets	41,733	39,913	(1,819)

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

Interim Statement of Income

(Millions of yen)

	Six months ended September 30, 2013 (April 1 to September 30, 2013)	Six months ended September 30, 2014 (April 1 to September 30, 2014)	Increase (Decrease)	Rate of change
	Amount	Amount		
Ordinary income:	10,094	11,840	1,745	17.3
Underwriting income:	9,932	11,742	1,810	18.2
Net premiums written	9,734	11,605	1,870	19.2
Deposits of premiums by policyholders	176	106	(70)	(39.6)
Interest and dividend income on deposits of premiums, etc.	20	19	(1)	(6.5)
Investment income:	156	97	(58)	(37.5)
Interest and dividend income	88	66	(21)	(24.1)
Investment gains on money trusts	29	—	(29)	(100.0)
Investment gains on trading securities	0	—	(0)	(100.0)
Gains on sales of securities	55	29	(25)	(46.0)
Transfer of interest and dividend income on deposits of premiums, etc.	(20)	(19)	1	—
Other ordinary income	5	0	(5)	(98.8)
Ordinary expenses:	13,766	15,609	1,843	13.4
Underwriting expenses:	8,331	10,432	2,100	25.2
Net claims paid	5,244	6,159	915	17.5
Loss adjustment expenses	698	924	226	32.4
Net commissions and brokerage fees	808	426	(381)	(47.2)
Maturity refunds to policyholders	417	377	(40)	(9.6)
Provision for reserve for outstanding losses and claims	242	43	(198)	(81.9)
Provision for underwriting reserves	917	2,497	1,579	172.1
Investment expenses:	4	2	(1)	(35.6)
Losses on sales of securities	1	—	(1)	(100.0)
Operating, general and administrative expenses	5,404	5,168	(236)	(4.4)
Other ordinary expenses:	25	6	(19)	(74.0)
Interest paid	4	3	(0)	(15.8)
Ordinary loss	(3,671)	(3,769)	(97)	—
Extraordinary losses:	6	4	(1)	(23.3)
Losses on disposal of fixed assets	1	0	(0)	(34.7)
Impairment losses	1	0	(0)	(61.9)
Provision for reserves under the special laws:	3	3	0	0.4
Provision for reserve for price fluctuation	3	3	0	0.4
Net loss before income taxes	(3,677)	(3,774)	(96)	—
Income taxes	3	4	1	31.7
Total income taxes	3	4	1	31.7
Net loss	(3,681)	(3,778)	(97)	—
Underwriting result:				
Net premiums written (+)	9,734	11,605	1,870	19.2
Net claims paid (—)	5,244	6,159	915	17.5
Loss adjustment expenses (—)	698	924	226	32.4
Net operating expenses: (—)	6,198	5,581	(617)	(10.0)
Net commissions and brokerage fees	808	426	(381)	(47.2)
Operating, general and administrative expenses related to underwriting	5,390	5,154	(235)	(4.4)
Underwriting result	(2,406)	(1,060)	1,345	—
Underwriting profit (loss)	(3,749)	(3,816)	(67)	—
Ratios:				
Net loss ratio (%)	61.0	61.0	0.0	
Net operating expenses ratio (%)	63.7	48.1	(15.6)	
Underwriting result ratio (%)	(24.7)	(9.1)	15.6	

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	Six months ended September 30, 2013 (April 1 to September 30, 2013)			Six months ended September 30, 2014 (April 1 to September 30, 2014)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	1,244	11.6	(25.9)	1,071	8.4	(13.9)
Marine insurance	—	—	—	—	—	—
Personal accident insurance	2,065	19.3	(8.2)	2,046	16.1	(0.9)
Voluntary automobile insurance	6,941	64.7	30.3	9,049	71.3	30.4
Compulsory automobile liability insurance	(0)	(0.0)	(101.3)	(0)	(0.0)	—
Others	476	4.4	7.9	528	4.2	11.1
Total	10,726	100.0	9.9	12,696	100.0	18.4
Deposits of premiums by policyholders	176	—	(16.5)	106	—	(39.6)

Net premiums written

(Millions of yen)

Business line	Six months ended September 30, 2013 (April 1 to September 30, 2013)			Six months ended September 30, 2014 (April 1 to September 30, 2014)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	872	9.0	(25.3)	668	5.8	(23.4)
Marine insurance	13	0.1	9.5	5	0.0	(59.9)
Personal accident insurance	1,312	13.5	(4.7)	1,262	10.9	(3.8)
Voluntary automobile insurance	6,874	70.6	30.1	8,925	76.9	29.8
Compulsory automobile liability insurance	182	1.9	(12.7)	211	1.8	16.0
Others	478	4.9	8.4	531	4.6	10.9
Total	9,734	100.0	14.6	11,605	100.0	19.2

Net claims paid

(Millions of yen)

Business line	Six months ended September 30, 2013 (April 1 to September 30, 2013)			Six months ended September 30, 2014 (April 1 to September 30, 2014)		
	Amount	Rate of change	Net loss ratio	Amount	Rate of change	Net loss ratio
Fire and allied insurance	159	(28.1)	21.5	469	194.2	74.2
Marine insurance	25	203.8	185.0	8	(67.5)	150.0
Personal accident insurance	958	9.8	84.8	812	(15.2)	76.3
Voluntary automobile insurance	3,761	33.9	61.6	4,587	22.0	59.2
Compulsory automobile liability insurance	244	(2.6)	137.9	220	(10.0)	105.4
Others	94	148.8	26.4	61	(35.1)	20.2
Total	5,244	24.8	61.0	6,159	17.5	61.0

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

Non-consolidated Solvency Margin Ratio

	(Millions of yen)	
	As of March 31, 2014	As of September 30, 2014
(A) Total Non-consolidated Solvency Margin	14,862	11,497
Capital and funds, etc.	11,440	7,661
Reserve for price fluctuation	20	23
Contingency reserve	11	11
Catastrophic loss reserve	2,882	3,274
General allowance for possible credit losses	—	—
Unrealized gains and losses on securities (before tax effect deductions)	503	520
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	4	4
(B) Total Non-consolidated Risks	2,647	3,057
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$		
Underwriting risk (R_1)	1,787	1,901
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_2)	—	—
Guaranteed interest rate risk (R_3)	28	28
Investment risk (R_4)	824	786
Business management risk (R_5)	96	107
Major catastrophe risk (R_6)	570	881
(C) Non-consolidated Solvency Margin Ratio $[(A) / \{(B) \times 1/2\}] \times 100$	1,122.5 %	752.1 %

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

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

Interim Balance Sheet

(Millions of yen)

	As of March 31, 2014	As of September 30, 2014	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits	38,819	24,073	(14,745)
Call loans	—	9,000	9,000
Securities:	1,988,668	2,076,012	87,343
Government bonds	1,477,004	1,531,853	54,849
Municipal bonds	65,587	59,463	(6,124)
Corporate bonds	334,832	331,882	(2,950)
Domestic stocks	8,588	7,056	(1,532)
Foreign securities	102,655	145,756	43,101
Loans:	35,672	36,168	495
Policy loans	35,672	36,168	495
Tangible fixed assets	1,228	1,166	(62)
Intangible fixed assets	1,075	568	(506)
Agency accounts receivable	125	101	(23)
Reinsurance accounts receivable	930	1,258	327
Other assets	40,062	36,881	(3,180)
Deferred tax assets	13,747	10,017	(3,729)
Allowance for possible credit losses	(43)	(39)	3
Total assets	2,120,286	2,195,208	74,922
Liabilities:			
Policy reserves:	1,995,280	2,055,007	59,727
Reserve for outstanding claims	31,850	33,924	2,074
Policy reserves	1,959,172	2,016,516	57,344
Reserve for dividends to policyholders	4,257	4,566	308
Agency accounts payable	3,253	3,446	192
Reinsurance accounts payable	1,026	923	(103)
Other liabilities	13,353	12,395	(958)
Reserve for bonus payments to directors	49	—	(49)
Reserve for retirement benefits	2,590	2,226	(363)
Reserves under the special laws:	2,688	2,978	289
Reserve for price fluctuation	2,688	2,978	289
Total liabilities	2,018,241	2,076,976	58,735
Net assets:			
Shareholders' equity:			
Common stock	17,250	17,250	—
Capital surplus	30,000	30,000	—
Retained earnings	28,448	36,842	8,393
Total shareholders' equity	75,698	84,092	8,393
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	26,345	34,139	7,793
Total valuation and translation adjustments	26,345	34,139	7,793
Total net assets	102,044	118,232	16,187
Total liabilities and net assets	2,120,286	2,195,208	74,922

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

Interim Statement of Income

(Millions of yen)

	Six months ended September 30, 2013 (April 1 to September 30, 2013)	Six months ended September 30, 2014 (April 1 to September 30, 2014)	Increase (Decrease)	Rate of change
	Amount	Amount		
Ordinary income:	202,251	207,049	4,798	2.4
Insurance premiums and other:	182,426	185,223	2,796	1.5
Insurance premiums	180,476	183,295	2,818	1.6
Investment income:	19,422	21,474	2,051	10.6
Interest and dividend income and other	17,470	18,669	1,199	6.9
Gains on sales of securities	468	1,561	1,092	233.3
Investment gains on special account	1,445	1,240	(205)	(14.2)
Other ordinary income	401	352	(49)	(12.4)
Ordinary expenses:	194,930	192,046	(2,883)	(1.5)
Insurance claims and other:	83,320	88,959	5,639	6.8
Insurance claims	15,224	16,121	897	5.9
Annuity payments	2,792	4,413	1,620	58.0
Insurance benefits	15,332	16,353	1,020	6.7
Surrender benefits	46,861	48,765	1,903	4.1
Other refunds	784	1,071	287	36.6
Provision for policy reserves and other:	69,130	59,418	(9,711)	(14.0)
Provision for reserve for outstanding claims	2,371	2,074	(297)	(12.5)
Provision for policy reserves	66,758	57,344	(9,414)	(14.1)
Provision for interest portion of reserve for dividends to policyholders	0	0	0	5.2
Investment expenses:	213	166	(47)	(22.2)
Interest paid	35	32	(2)	(7.4)
Losses on sales of securities	148	58	(89)	(60.3)
Losses on derivatives	17	54	36	211.0
Operating expenses	40,053	41,521	1,468	3.7
Other ordinary expenses	2,211	1,980	(231)	(10.5)
Ordinary profit	7,321	15,003	7,681	104.9
Extraordinary losses:	248	1,171	922	370.9
Losses on disposal of fixed assets and other	45	0	(45)	(99.4)
Provision for reserves under the special laws:	202	289	86	42.8
Provision for reserve for price fluctuation	202	289	86	42.8
Other extraordinary losses	—	881	881	—
Provision for reserve for dividends to policyholders	1,846	2,341	495	26.9
Net income before income taxes	5,226	11,489	6,263	119.8
Income taxes	1,707	3,591	1,883	110.3
Deferred income taxes	194	(100)	(294)	(151.5)
Total income taxes	1,902	3,490	1,588	83.5
Net income	3,324	7,998	4,674	140.6

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, 2014				As of September 30, 2014			
	Number		Amount		Number		Amount	
		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year
Individual insurance	3,211	105.3	199,642	105.7	3,306	102.9	203,586	102.0
Individual annuities	70	99.1	2,812	98.7	69	99.1	2,773	98.6
Group insurance	—	—	31,424	100.8	—	—	31,270	99.5
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, 2013 (April 1 to September 30, 2013)				Six months ended September 30, 2014 (April 1 to September 30, 2014)			
	Number		Amount		Number		Amount	
		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year
Individual insurance	171	88.8	12,904	93.4	216	126.5	11,946	92.6
Individual annuities	0	69.5	35	73.1	0	54.9	20	58.8
Group insurance	—	—	315	130.9	—	—	90	28.7
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, 2014		As of September 30, 2014	
		% of previous fiscal year		% of previous fiscal year
Individual insurance	290,889	102.4	294,637	101.3
Individual annuities	17,617	106.4	18,106	102.8
Total	308,507	102.7	312,743	101.4
Medical and survival benefits	113,524	104.7	116,290	102.4

New policies

(Millions of yen, %)

	Six months ended September 30, 2013 (April 1 to September 30, 2013)		Six months ended September 30, 2014 (April 1 to September 30, 2014)	
		% of previous fiscal year		% of previous fiscal year
Individual insurance	14,940	87.8	17,251	115.5
Individual annuities	140	66.6	77	55.2
Total	15,080	87.6	17,328	114.9
Medical and survival benefits	6,258	92.6	8,292	132.5

Notes)

- 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.
- 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, 2014	As of September 30, 2014
(A) Total Non-consolidated Solvency Margin	255,250	288,720
Capital, etc.	75,698	84,701
Reserve for price fluctuation	2,688	2,978
Contingency reserve	25,475	25,901
General allowance for possible credit losses	13	6
Unrealized gains and losses on securities (90% of gain or 100% of loss)	34,098	44,401
Unrealized gains and losses on land (85% of gain or 100% of loss)	—	—
Excess amount of continued Zillmerized reserve	129,606	130,855
Subordinated debt, etc.	—	—
Excess amount of continued Zillmerized reserve and subordinated debt, etc. which are excluded from total solvency margin	(25,368)	(16,898)
Brought in capital, etc.	—	—
Deductions	—	—
Others	13,037	16,773
(B) Total Non-consolidated Risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	32,244	34,270
Underwriting risk (R_1)	12,739	12,950
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_8)	6,290	6,581
Guaranteed interest rate risk (R_2)	8,208	8,237
Guaranteed minimum benefit risk (R_7)	357	359
Investment risk (R_3)	16,366	18,421
Business management risk (R_4)	879	931
(C) Non-consolidated Solvency Margin Ratio [(A) / {(B) × 1/2}] × 100	1,583.2 %	1,684.9 %

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
- Underwriting result ratio = (Net premiums written - Net claims paid - Loss adjustment expenses - Net operating expenses) / Net premiums written × 100

< 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, 2014 at Press Conference

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated (The Two Companies Combined))

(1) Key figures

(Yen in hundred millions)

	Six months ended September 30, 2013	Fiscal year ended March 31, 2014	Six months ended September 30, 2014	Increase (Decrease)	
				(C) - (B)	(C) - (A)
	(A)	(B)	(C)		
① Net premiums written	10,363	20,821	10,974	—	610
Rate of change	4.5 %	5.9 %	5.9 %	(0.0)%	1.4 %
② Total assets	70,752	70,989	69,975	(1,014)	(777)
③ Loss ratio	63.9 %	65.7 %	65.6 %	(0.0)%	1.7 %
④ Operating expenses ratio	32.5 %	32.2 %	32.0 %	(0.2)%	(0.5)%
⑤ Combined ratio	96.4 %	97.9 %	97.6 %	(0.3)%	1.2 %
Underwriting result ratio	3.6 %	2.1 %	2.4 %	0.3 %	(1.2)%
⑥ Voluntary automobile insurance					
• Net premiums written	5,018	10,141	5,154	—	136
Rate of change	2.5 %	3.4 %	2.7 %	(0.7)%	0.2 %
• Underwriting result ratio	3.8 %	3.7 %	5.4 %	1.7 %	1.6 %
• Loss ratio	64.4 %	65.0 %	62.7 %	(2.2)%	(1.6)%
• Operating expenses ratio	31.8 %	31.3 %	31.8 %	0.5 %	0.0 %
⑦ Fire and allied insurance					
• Net premiums written	1,287	2,836	1,505	—	217
Rate of change	12.4 %	12.4 %	16.9 %	4.5 %	4.6 %
• Underwriting result ratio	(4.2)%	(6.6)%	(30.1)%	(23.5)%	(25.9)%
• Loss ratio	60.9 %	64.8 %	88.3 %	23.5 %	27.3 %
• Operating expenses ratio	43.3 %	41.9 %	41.9 %	0.0 %	(1.4)%
⑧ Number of employees	27,833	27,352	27,584	232	(249)
⑨ Number of agencies	75,778	77,461	60,881	(16,580)	(14,897)

<Reference> Consolidated figures of Sompo Japan Nipponkoa Holdings, Inc.

(Yen in hundred millions)

	Six months ended September 30, 2013	Fiscal year ended March 31, 2014	Six months ended September 30, 2014	Increase (Decrease)	
				(C) - (B)	(C) - (A)
	(A)	(B)	(C)		
① Ordinary income	14,596	30,083	16,062	—	1,466
② Net premiums written	11,189	22,689	12,444	—	1,255
Rate of change	7.7%	10.0%	11.2%	1.2 %	3.5%
③ Life insurance premiums written	1,339	2,772	1,343	—	4
Rate of change	8.0%	4.7%	0.3%	(4.4)%	(7.7)%
④ Ordinary profit	537	1,123	1,039	—	502
⑤ Net income	291	441	154	—	(137)

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, 2014 and the six months ended September 30, 2013, respectively.

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated (The Two Companies Combined))

(2) Other figures

① Non-performing assets

Risk-monitored loans

(Yen in hundred millions)

	As of September 30, 2013	As of March 31, 2014	As of September 30, 2014
Loans to borrowers in bankruptcy	2	0	0
Overdue loans	10	7	6
Loans overdue for three months or more	—	—	0
Restructured loans	0	0	0
Total	13	9	8
Percent of total loans	0.2%	0.2%	0.1%

(Reference) Total loans	5,853	5,791	5,686
-------------------------	-------	-------	-------

Results of self-assessment

(Yen in hundred millions)

	As of September 30, 2013	As of March 31, 2014	As of September 30, 2014
No category	69,550	69,894	69,647
Category II	581	519	330
Category III	106	105	102
Category IV	131	27	22
Subtotal (Category II-IV)	819	651	455
Total	70,369	70,546	70,102

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

② Impairment losses on securities

(Yen in hundred millions)

	Six months ended September 30, 2013	Fiscal year ended March 31, 2014	Six months ended September 30, 2014
Domestic bonds	—	—	—
Domestic stocks	102	101	0
Foreign securities	10	8	0
Others	—	—	—
Total	112	109	1

Note) Besides the above, impairment losses on trust assets (securities) in money trusts other than trading purposes or held to maturity amount to 1 hundred million yen for the six months ended September 30, 2013, 0 hundred million yen for the fiscal year ended March 31, 2014 and 1 hundred million yen for the six months ended September 30, 2014.
These amounts are recognized in "Investment gains on money trusts" and "Investment losses on money trusts" in the statement of income.

Applied rules of impairment loss recognition

Basically, Sompo Japan Nipponkoa recognizes impairment losses on securities if fair value declines by 30% or more from book value.

③ Impairment losses on fixed assets

(Yen in hundred millions)

	Six months ended September 30, 2013	Fiscal year ended March 31, 2014	Six months ended September 30, 2014
Land	21	27	0
Buildings	10	12	0
Others	—	—	—
Total	32	40	0

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated (The Two Companies Combined))

④ Unrealized gains and losses on securities

(Yen in hundred millions)

	As of September 30, 2013	As of March 31, 2014	As of September 30, 2014
Domestic bonds	790	800	899
Domestic stocks	9,525	8,646	10,007
Foreign securities	585	1,032	1,486
Others	68	54	41
Total	10,970	10,534	12,435

Notes)

- Unrealized gains and losses on monetary receivables bought are included in "Others" above.
- Besides the above, unrealized gains and losses on trust assets (securities) in money trusts other than trading purposes or held to maturity amount to 6 hundred million yen as of September 30, 2013, 41 hundred million yen as of March 31, 2014 and 62 hundred million yen as of September 30, 2014.

⑤ Claims during the period due to natural disasters in Japan

(Yen in hundred millions)

	Six months ended September 30, 2013	Fiscal year ended March 31, 2014	Six months ended September 30, 2014
Direct claims paid a	74	574	84
Net claims paid b	64	537	82
Unpaid claims c	90	579	52
Net incurred loss b + c	155	1,117	134

Notes)

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

⑥ Catastrophic loss reserve

(Yen in hundred millions, %)

Business line	Six months ended September 30, 2013			Fiscal year ended March 31, 2014			Six months ended September 30, 2014		
	Balance	Balance ratio	Provision	Balance	Balance ratio	Provision	Balance	Balance ratio	Provision
Fire and allied insurance	2,063	80.4	183	1,992	70.5	383	1,760	58.6	210
Marine insurance	476	104.7	11	483	106.0	21	497	94.3	14
Personal accident insurance	873	44.1	31	804	43.5	57	821	41.1	31
Voluntary automobile insurance	630	6.3	318	638	6.3	638	691	6.7	312
Others	1,658	60.0	74	1,701	66.6	136	1,767	58.6	78
Total	5,702	32.0	618	5,620	31.5	1,238	5,538	29.4	646

Notes)

- 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, 2013 and 2014, net premiums written (excluding household earthquake insurance and compulsory automobile liability insurance) are doubled for the calculation of balance ratio.
- Provision represents gross amounts before deducting reversal.

⑦ Claims paid due to the heavy snowfall in February 2014

(Yen in hundred millions)

	Fiscal year ended March 31, 2014	Six months ended September 30, 2014	Cumulative amount as of September 30, 2014
Net claims paid	208	607	816
Net incurred loss	730	203	934

Note) Cumulative amount as of September 30, 2014 represents cumulative total amount as of September 30, 2014 since the occurrence of the heavy snowfall in February 2014.

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated (The Two Companies Combined))

⑧ Reinsurance assumed

(Yen in hundred millions)

Business line	Six months ended September 30, 2013		Six months ended September 30, 2014	
	Reinsurance premiums assumed	Reinsurance claims assumed	Reinsurance premiums assumed	Reinsurance claims assumed
Fire and allied insurance	323	142	400	171
Marine insurance	61	55	64	33
Personal accident insurance	35	15	24	16
Voluntary automobile insurance	20	16	21	17
Compulsory automobile liability insurance	1,060	1,137	1,152	1,136
Others	69	24	79	20
Total	1,570	1,392	1,743	1,396

⑨ Reinsurance ceded

(Yen in hundred millions)

Business line	Six months ended September 30, 2013		Six months ended September 30, 2014	
	Reinsurance premiums ceded	Reinsurance claims ceded	Reinsurance premiums ceded	Reinsurance claims ceded
Fire and allied insurance	577	209	563	139
Marine insurance	96	73	66	40
Personal accident insurance	19	11	16	9
Voluntary automobile insurance	12	3	11	2
Compulsory automobile liability insurance	1,223	1,290	1,207	1,256
Others	309	149	332	121
Total	2,239	1,738	2,198	1,569