

Definition of Adjusted Consolidated Profit, Etc.

		Method of Calculation
Adjusted profit for each business*1	Domestic P&C Insurance	Net income + Provisions for catastrophic loss reserve, etc. (after tax) + Provisions for reserve for price fluctuation (after tax) – Gains/losses on sales of securities and impairment losses on securities (after tax)
	Overseas insurance	Net income for the period (including major non-consolidated subsidiaries) Operating income for Sompo International*2
	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)
	Nursing care & healthcare, etc.	Net income
Adjusted consolidated profit		Total of above adjusted profits
Adjusted consolidated net assets		Consolidated net assets (excluding domestic life insurance subsidiary's net assets) + Catastrophic loss reserve in domestic P&C insurance, etc. (after tax) + Reserve for price fluctuation in domestic P&C insurance (after tax) + Domestic life insurance adjusted net assets*3
Adjusted consolidated ROE		Adjusted consolidated profit ÷ Adjusted consolidated net assets (All values in the denominator are the average of the fiscal-year opening and closing balances.)

*1 Adjusted profit by business segment excludes one-time gains and losses or special factors such as dividend from subsidiaries.

*2 Adjusted profit of Sompo International is defined at the operating income excluding transient factors (= Net income for the period – foreign exchange gains and losses – gains and losses on sale/valuation of securities – impairment loss, etc.)

*3 Adjusted net assets of domestic life insurance business = Net assets of domestic life insurance business (J-GAAP) + Contingency reserve (after tax) + Reserve for price fluctuation (after tax) + Adjustment of underwriting reserve (after tax) + Non-depreciated acquisition cost (after tax)