

**UNOFFICIAL TRANSLATION**

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May 20, 2015

**Sompo Japan Nipponkoa Holdings, Inc.**

**Summary of Consolidated Financial Results for the fiscal year ended March 31, 2015  
[Under Japanese GAAP]**

Company Name: Sompo Japan Nipponkoa Holdings, Inc.  
 Listed on: Tokyo Stock Exchange  
 Securities Code: 8630  
 URL: <http://www.sompo-hd.com/>  
 Representative: Kengo Sakurada, President  
 Scheduled date to hold general meeting of stockholders: June 22, 2015  
 Scheduled date to file Securities Report: June 25, 2015  
 Scheduled date to start payment of dividends: June 23, 2015  
 Supplementary information for financial statements: Yes  
 Schedule for investor meeting: Yes (intended for institutional investors and analysts)

(Note) Amounts less than one million yen are rounded down.

**1. Consolidated Financial Results for the fiscal year ended March 31, 2015 (April 1, 2014 to March 31, 2015)**

**(1) Consolidated Results of Operations**

(Note) Percentages are changes from previous fiscal year.

	Ordinary income		Ordinary profit		Net income	
	millions of yen	%	millions of yen	%	millions of yen	%
Fiscal year ended March 31, 2015	3,282,343	9.1	208,309	85.3	54,276	22.9
Fiscal year ended March 31, 2014	3,008,339	5.8	112,391	7.3	44,169	1.3

Note) Comprehensive income: Fiscal year ended March 31, 2015 469,485 million yen 213.1 %  
 Fiscal year ended March 31, 2014 149,965 million yen (53.0) %

	Net income per share	Diluted net income per share	Return on equity	Ordinary profit to total assets	Ordinary profit to ordinary income
	yen	yen	%	%	%
Fiscal year ended March 31, 2015	132.85	132.61	3.4	2.1	6.3
Fiscal year ended March 31, 2014	106.98	106.77	3.3	1.2	3.7

Reference) Investment gains and losses on the equity method: Fiscal year ended March 31, 2015 175 million yen  
 Fiscal year ended March 31, 2014 (159) million yen

**(2) Consolidated Financial Conditions**

	Total assets	Net assets	Equity ratio	Net assets per share
	millions of yen	millions of yen	%	yen
As of March 31, 2015	10,253,431	1,829,852	17.8	4,464.24
As of March 31, 2014	9,499,799	1,390,153	14.5	3,360.70

Reference) Equity capital: As of March 31, 2015 1,821,582 million yen  
 As of March 31, 2014 1,382,205 million yen

**(3) Consolidated Cash Flows**

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the period
	millions of yen	millions of yen	millions of yen	millions of yen
Fiscal year ended March 31, 2015	152,771	(74,377)	(172,221)	545,192
Fiscal year ended March 31, 2014	123,685	(74,704)	(50,473)	632,160

## 2. Dividends

	Dividends per share					Total annual dividends	Dividend payout ratio (Consolidated)	Dividends on net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Annual			
	yen	yen	yen	yen	yen	millions of yen	%	%
Fiscal year ended March 31, 2014	—	30.00	—	30.00	60.00	24,686	56.1	1.9
Fiscal year ended March 31, 2015	—	30.00	—	40.00	70.00	28,561	52.7	1.8
Fiscal year ending March 31, 2016 (Forecast)	—	40.00	—	40.00	80.00		20.4	

## 3. Forecasts of Consolidated Financial Results for the fiscal year ending March 31, 2016 (April 1, 2015 to March 31, 2016)

Note) Percentages are changes from previous fiscal year.

	Ordinary profit		Net income attributable to shareholders of the parent		Net income per share
	millions of yen	%	millions of yen	%	yen
Full year	230,000	10.4	160,000	194.8	392.12

### (Notes)

(1) Changes in significant subsidiaries during the fiscal year ended March 31, 2015 (changes in specified subsidiaries resulting in changes in the scope of consolidation): Yes

Increase: 1 (Company Name: Canopus Group Limited)

Decrease: 3 (Company Names: NIPPONKOA Insurance Company, Limited, Sompo Japan DIY Life Insurance CO., LTD. and Yasuda Seguros S.A.)

(2) Changes in accounting policies, changes in accounting estimations, and retrospective restatements

① Changes in accounting policies due to revisions to accounting standards, etc.: Yes

② Changes in accounting policies due to reasons other than the above: None

③ Changes in accounting estimations: None

④ Retrospective restatements: None

Note) Please refer to "4. (6) Changes in Accounting Policies, Changes in Accounting Estimations, and Retrospective Restatements" on page 17 for details.

(3) Number of shares outstanding (Common stock) :

① Total shares outstanding including treasury stock:

As of March 31, 2015 415,352,294 shares

As of March 31, 2014 415,352,294 shares

② Treasury stock:

As of March 31, 2015 7,314,446 shares

As of March 31, 2014 4,068,086 shares

③ Average number of shares outstanding:

For the fiscal year ended March 31, 2015 408,545,891 shares

For the fiscal year ended March 31, 2014 412,854,649 shares

### (Expression of implementation status of audit procedures)

This summary is outside the scope of the audit procedures which are required by the Financial Instruments and Exchange Act, and the audit procedures of the consolidated financial statements have not been completed as of the date of the disclosure of this summary.

### (Notes for using forecasted information, etc.)

The forecasts included in this document are based on the currently available information and certain assumptions that we believe reasonable. Accordingly, the actual results, etc. may differ materially from those projected herein depending on various factors.

For assumptions underlying the forecasts of financial results and notes for using the forecasts of financial results, please refer to "1.

(1) Analysis of Results of Operations (Outlook for the fiscal year ending March 31, 2016)" on page 2.

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## 1. Results of Operations

### (1) Analysis of Results of Operations

#### (Results of Operations)

During the fiscal year ended March 31, 2015, the global economy continued to gradually recover as a whole, mainly due to a steady recovery in business conditions in the U.S., despite some signs of weakness in emerging countries. The Japanese economy continued to recover moderately, despite some sluggishness in personal consumption due to the consumption tax rate hike in April 2014. The property and casualty (P&C) insurance industry showed signs of improvement in the business environment, mainly due to a business rebound and product and premium rate revisions.

Under these circumstances, the Sompo Japan Nipponkoa Group's consolidated financial results for the fiscal year ended March 31, 2015 were as follows:

Ordinary income increased by 274.0 billion yen to 3,282.3 billion yen compared to the previous fiscal year, the components of which were underwriting income of 3,043.0 billion yen, investment income of 213.6 billion yen and other ordinary income of 25.5 billion yen. Meanwhile, ordinary expenses increased by 178.0 billion yen to 3,074.0 billion yen compared to the previous fiscal year, the components of which were underwriting expenses of 2,581.2 billion yen, investment expenses of 17.2 billion yen, operating, general and administrative expenses of 465.0 billion yen and other ordinary expenses of 10.4 billion yen.

As a result of the foregoing, Sompo Japan Nipponkoa Holdings, Inc. (the "Company") reported ordinary profit, calculated as ordinary income minus ordinary expenses, of 208.3 billion yen, an increase of 95.9 billion yen from the previous fiscal year. The Company posted net income after extraordinary items, net of total income taxes and net income attributable to non-controlling interests, of 54.2 billion yen, an increase of 10.1 billion yen from the previous fiscal year.

In accordance with the promulgation of an act concerning a reduction in the corporate income tax rate, the Company recognized a loss of 18.1 billion yen due to the reversal of deferred tax assets.

Business results for each of the Sompo Japan Nipponkoa Group's reporting segments were as follows:

#### (a) Domestic P&C insurance business

In the domestic P&C insurance business, net premiums written amounted to 2,217.8 billion yen, an increase of 102.8 billion yen from the previous fiscal year, due to increased net premiums written in fire and allied, automobile and other lines of insurance. The domestic P&C insurance business posted net income of 31.5 billion yen, a decrease of 1.0 billion yen from the previous fiscal year. This decrease was due mainly to costs related to the merger of Sompo Japan Insurance Inc. and NIPPONKOA Insurance Company, Limited as extraordinary losses.

#### (b) Domestic life insurance business

In the domestic life insurance business, life insurance premiums written amounted to 272.9 billion yen, a decrease of 0.7 billion yen from the previous fiscal year. The domestic life insurance business posted net income of 6.9 billion yen, an increase of 1.9 billion yen from the previous fiscal year.

#### (c) Overseas insurance business

In the overseas insurance business, net premiums written amounted to 290.2 billion yen, an increase of 136.1 billion yen from the previous fiscal year. This increase was mainly due to the impact of the conversion of Canopius Group Limited and its subsidiaries into consolidated subsidiaries of the Sompo Japan Nipponkoa Group through the acquisition of shares of Canopius Group Limited in May 2014, and the conversion of Marítima Seguros S.A. into a consolidated subsidiary through the acquisition of additional shares of this company in June 2013.

The overseas insurance business posted net income of 14.0 billion yen, an increase of 8.7 billion yen from the previous fiscal year.

#### (Outlook for the fiscal year ending March 31, 2016)

For the fiscal year ending March 31, 2016, the Company is forecasting consolidated ordinary profit of 230.0 billion yen

and net income attributable to shareholders of the Parent of 160.0 billion yen, based on the following assumptions.

- Assumptions for net premiums written are based on the Company's own projections based on extrapolation from past trends and other factors.
- The Company is forecasting 38.0 billion yen for net claims paid due to natural disasters that occur in the fiscal year ending March 31, 2016, taking into account past trends and other factors.
- The Company assumes no major change in market interest rates, exchange rates and stock prices from their levels at March 31, 2015.

The above forecasts were prepared based on information available as of the date of this release. Accordingly, actual results may differ materially from projections depending on various factors.

## (2) Analysis of Financial Condition

Total assets as of March 31, 2015 amounted to 10,253.4 billion yen on a consolidated basis, an increase of 753.6 billion yen from March 31, 2014, due mainly to an increase in unrealized gains and losses on securities available for sale.

Cash flows for the fiscal year ended March 31, 2015 were as follows:

Cash flows from operating activities resulted in a net inflow of 152.7 billion yen, an increase of 29.0 billion yen from the previous fiscal year, due mainly to an increase in net premiums written.

Cash flows from investing activities resulted in a net outflow of 74.3 billion yen, an increase of 0.3 billion yen from the previous fiscal year.

Cash flows from financing activities resulted in a net outflow of 172.2 billion yen, a decrease of 121.7 billion yen from the previous fiscal year, due mainly to the redemption of corporate bonds.

As a result, cash and cash equivalents at the end of the period were 545.1 billion yen, a decrease of 86.9 billion yen from the end of previous fiscal year.

Equity and fair-value equity ratios were as follows:

	As of March 31, 2011	As of March 31, 2012	As of March 31, 2013	As of March 31, 2014	As of March 31, 2015
Equity ratio	12.0%	11.2%	13.9%	14.5%	17.8%
Fair-value equity ratio	10.0%	8.6%	8.9%	11.5%	14.9%

Notes: 1. Equity ratio: equity capital / total assets x 100

2. Fair-value equity ratio: market capitalization / total assets x 100

3. The Sompo Japan Nipponkoa Group does not publish its "ratio of cash flow to interest-bearing debt" or "interest coverage ratio," based on the belief that these indicators are not appropriate measures of the Sompo Japan Nipponkoa Group's actual financial position because its core business is insurance operations.

## (3) Basic Profit Distribution Policy and Dividends for the Fiscal Year Ended March 31, 2015 and the Fiscal Year Ending March 31, 2016

The Company's basic profit distribution policy is to return profits to shareholders primarily by paying a stable dividend, supplemented by the option of share buybacks where warranted by the Company's capital conditions. At the same time, it strives to enhance capital efficiency through investments in growing business fields while ensuring financial soundness. Moreover, the Company has set a medium-term target for a shareholder return ratio\* of 50% of adjusted consolidated

profit (excluding the domestic life insurance business).

The Company plans to pay year-end cash dividends per share of 40 yen to shareholders for the fiscal year ended March 31, 2015, 10 yen higher than the initial forecast of 30 yen per share, taking into account a comprehensive range of factors including its basic policy on returning profits to shareholders and operating results for the fiscal year under review. Combined with the interim cash dividends per share, the Company plans to pay annual dividends per share of 70 yen.

In line with its basic policy on returning profits to shareholders, the Company plans to pay interim cash dividends per share of 40 yen and year-end cash dividends per share of 40 yen for the fiscal year ending March 31, 2016. As a result, annual dividends per share will be 80 yen, an increase of 10 yen from the fiscal year ended March 31, 2015.

\* Note: Shareholder return ratio = (total dividends + total share buybacks) / adjusted consolidated profit (excluding the domestic life insurance business)

## 2. Management Policies

### (1) Basic Management Policies

The Sompo Japan Nipponkoa Group is committed to the following Group Management Philosophy, Group Action Guidelines, Group Vision and Group Basic Management Policies.

#### (Group Management Philosophy)

We will at all times carefully consider the interests of our customers when making decisions that shape our business. We will strive to contribute to the security, health, and wellbeing of our customers and society as a whole by providing insurance and related services of the highest quality possible.

#### (Group Action Guidelines)

To provide the highest possible quality of service to our customers we will:

1. treat each and every customer with sincerity, and act in the knowledge that our every action as an individual shapes our entire reputation as a company;
2. act with initiative, set ourselves the highest goals, and always learn from our actions;
3. strive to be both prompt and clear in our dealings and activities; and,
4. act with the utmost integrity.

#### (Group Vision)

Our goal is to always be the best customer service provider both at home and abroad.

#### (Group Basic Management Policies)

##### 1. Pursuit of Service Quality

We will constantly aim for the highest possible quality in all our business processes in order to become the best service provider for our customers.

##### 2. Enhancement of Corporate Value through Sustained Growth

We will endeavor to realize our Group Vision by strategically investing business resources in growth areas to enhance our earnings and corporate value.

##### 3. Pursuit of Business Efficiency

We will maximize our strengths through group-wide collaboration in all areas in order to promote efficiency in our operations and stability in our operational base.

##### 4. Highly Transparent Governance Systems

In acknowledgement of our social responsibility and obligations as an insurance and financial services business, we will base our operations on highly transparent governance, effective risk management, and compliance systems.

##### 5. Fulfillment of Our Social Responsibilities

We use our corporate strengths to address social issues concerning the environment, health and medical care and, by engaging in constructive dialogue, strive to fulfill our social responsibilities and contribute to the realization of a social sustainability.

##### 6. Creation of a Vibrant Workplace

We will strive to create a dynamic and open organizational environment wherein we as individuals and together as a corporate group may thrive and grow together.

### (2) Financial Targets

The Sompo Japan Nipponkoa Group is targeting adjusted consolidated profit in the range of 180 through 210 billion yen (Note 1) for the fiscal year ending March 31, 2016 and adjusted consolidated ROE of 7% or more (Note 2) as the Sompo Japan Nipponkoa Group's numerical target. The entire group will make a concerted effort to achieve these

financial targets. For the fiscal year ended March 31, 2015, adjusted consolidated profit amounted to 138.3 billion yen and adjusted consolidated ROE was 5.2%. The following is a breakdown.

(Billions of yen)

	Fiscal year ended March 31, 2015 (Actual)	Fiscal year ending March 31, 2016 (Forecast)	Fiscal year ending March 31, 2016 (Plan)
Domestic P&C Insurance Business	69.9	116.7	70.0 – 80.0
Domestic Life Insurance Business	47.4	90.0	100.0 – 110.0
Overseas Insurance Business	18.6	19.2	14.0 – 20.0
Financial and Other Services Business	2.3	2.4	2.0 – 3.0
Total	138.3	228.0	180.0 – 210.0
Adjusted consolidated ROE	5.2%	7.6%	7% or more

(Notes)

1. The calculation method for adjusted profit is as follows.

Business Types	Definition of Business in the Calculation of Adjusted Profit	Calculation Method for Adjusted Profit
Domestic P&C Insurance Business	Total of Sampo Japan Nipponkoa Insurance Inc., Sonpo 24 Insurance Company Limited and SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED (on a non-consolidated basis)	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) - Extraordinary factors
Domestic Life Insurance Business	Sampo Japan Nipponkoa Himawari Life Insurance, Inc.	Amount of increase in Embedded Value (EV) during the period - Capital transactions such as equity issuance - Changes in EV attributable to fluctuation of interest rates, etc.
Overseas Insurance Business	Overseas insurance subsidiaries	Net income
Financial and Other Services Business	Financial services businesses, Healthcare businesses and other services	Net income

2. The calculation method for adjusted consolidated ROE is as follows.

<Adjusted consolidated ROE calculation method>

Adjusted consolidated profit / [consolidated net assets (excluding life insurance subsidiaries' net assets) + catastrophic



loss reserve (after tax) + reserve for price fluctuation (after tax) + life insurance subsidiaries' Embedded Value (EV)]

\* All values in the denominator are the average of the fiscal-year beginning and ending balances.

### (3) Medium- and Long-term Corporate Management Strategies and Pressing Issues Ahead

In November 2012, the Company formulated a Group Management Plan running through the fiscal year ending March 2016. The plan was developed in line with the following basic strategy: "Leveraging improved profit-earning capacity in the domestic property and casualty (P&C) insurance business, the Company will actively allocate business resources to growth fields such as the domestic life insurance business and the overseas insurance business, in order to establish a sustainable growth cycle." The entire Sompo Japan Nipponkoa Group is making a concerted effort to achieve the plan's management targets.

The Sompo Japan Nipponkoa Group remains committed to contributing to the security, health, and wellbeing of our customers by providing insurance and related services of the highest quality possible through the domestic P&C insurance business, the domestic life insurance business, the overseas insurance business and financial and other services businesses, thereby increasing our corporate value.

### **3. Basic Approach to Selection of Accounting Standard**

The Sompo Japan Nipponkoa Group is considering the adoption of International Financial Reporting Standards (IFRS). As part of this process, the Group is implementing measures such as examining internal guidelines and establishing an internal framework.

The Sompo Japan Nipponkoa Group intends to decide on the adoption period taking into consideration factors such as the latest trends surrounding IFRS 4 Insurance Contracts, which is now being deliberated by the International Accounting Standards Board.

## 4. Consolidated Financial Statements

### (1) Consolidated Balance Sheet

	(Millions of yen)	
	As of March 31, 2014	As of March 31, 2015
Assets:		
Cash and deposits	471,481	523,465
Call loans	75,000	—
Receivables under resale agreements	126,984	71,985
Monetary receivables bought	16,951	14,234
Money trusts	97,850	111,293
Securities	6,896,907	7,682,930
Loans	606,541	604,058
Tangible fixed assets:	349,968	343,322
Land	184,801	180,226
Buildings	125,115	126,407
Leased assets	6,595	5,225
Construction in progress	5,370	3,825
Other tangible fixed assets	28,085	27,637
Intangible fixed assets:	66,904	100,230
Software	8,483	7,973
Goodwill	54,431	83,636
Other intangible fixed assets	3,988	8,620
Other assets	720,934	795,963
Net defined benefit asset	240	315
Deferred tax assets	63,095	11,560
Customers' liabilities for acceptances and guarantees	12,299	—
Allowance for possible credit losses	(5,360)	(5,928)
<b>Total assets</b>	<b>9,499,799</b>	<b>10,253,431</b>
Liabilities:		
Underwriting funds:	7,301,760	7,579,309
Reserve for outstanding losses and claims	1,100,613	1,264,221
Underwriting reserves	6,201,146	6,315,087
Corporate bonds	261,560	135,958
Other liabilities	371,054	416,340
Net defined benefit liability	95,814	96,854
Reserve for retirement benefits to directors	58	64
Reserve for bonus payments	22,195	24,567
Reserve for bonus payments to directors	185	216
Reserves under the special laws:	43,790	53,553
Reserve for price fluctuation	43,790	53,553
Deferred tax liabilities	926	116,713
Acceptances and guarantees	12,299	—
<b>Total liabilities</b>	<b>8,109,646</b>	<b>8,423,578</b>

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
Net assets:		
Shareholders' equity:		
Common stock	100,045	100,045
Capital surplus	438,536	438,306
Retained earnings	188,087	222,682
Treasury stock	(9,825)	(19,067)
Total shareholders' equity	716,845	741,967
Accumulated other comprehensive income:		
Unrealized gains and losses on securities available for sale	659,375	1,048,718
Deferred gains and losses on hedges	7,205	8,085
Foreign currency translation adjustments	(4,341)	26,046
Remeasurements of defined benefit plans	3,120	(3,235)
Total accumulated other comprehensive income	665,360	1,079,614
Stock acquisition rights	1,851	1,550
Non-controlling interests	6,096	6,720
Total net assets	1,390,153	1,829,852
Total liabilities and net assets	9,499,799	10,253,431

## (2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

## Consolidated Statement of Income

	(Millions of yen)	
	Fiscal year ended March 31, 2014 (April 1, 2013 to March 31, 2014)	Fiscal year ended March 31, 2015 (April 1, 2014 to March 31, 2015)
Ordinary income:	3,008,339	3,282,343
Underwriting income:	2,744,636	3,043,075
Net premiums written	2,268,967	2,508,031
Deposits of premiums by policyholders	140,943	144,213
Interest and dividend income on deposits of premiums, etc.	48,983	46,126
Life insurance premiums written	277,230	277,208
Reversal of reserve for outstanding losses and claims	—	55,789
Other underwriting income	8,510	11,705
Investment income:	248,906	213,680
Interest and dividend income	161,257	161,246
Investment gains on money trusts	5,060	6,304
Investment gains on trading securities	2,524	6,649
Gains on sales of securities	112,625	66,865
Gains on redemption of securities	2,287	1,072
Investment gains on special account	2,252	3,261
Other investment income	11,881	14,407
Transfer of interest and dividend income on deposits of premiums, etc.	(48,983)	(46,126)
Other ordinary income:	14,796	25,588
Investment gains on the equity method	—	175
Other ordinary income	14,796	25,412
Ordinary expenses:	2,895,947	3,074,034
Underwriting expenses:	2,420,220	2,581,292
Net claims paid	1,339,253	1,531,221
Loss adjustment expenses	136,112	135,161
Net commissions and brokerage fees	412,344	476,876
Maturity refunds to policyholders	285,504	293,114
Dividends to policyholders	109	105
Life insurance claims paid and other payments	73,730	78,594
Provision for reserve for outstanding losses and claims	67,862	—
Provision for underwriting reserves	100,269	61,626
Other underwriting expenses	5,032	4,591
Investment expenses:	20,665	17,288
Investment losses on money trusts	235	163
Losses on sales of securities	5,597	1,468
Impairment losses on securities	1,169	1,434
Losses on redemption of securities	146	82
Losses on derivatives	7,867	11,512
Other investment expenses	5,649	2,627
Operating, general and administrative expenses	439,382	465,019
Other ordinary expenses:	15,678	10,434
Interest paid	11,692	6,067
Provision for allowance for possible credit losses	—	167
Losses on bad debt	13	9
Investment losses on the equity method	159	—
Other ordinary expenses	3,812	4,190
Ordinary profit	112,391	208,309

(Millions of yen)

	Fiscal year ended March 31, 2014 (April 1, 2013 to March 31, 2014)	Fiscal year ended March 31, 2015 (April 1, 2014 to March 31, 2015)
Extraordinary gains:	4,284	1,476
Gains on disposal of fixed assets	3,926	1,334
Gains on negative goodwill	—	0
Other extraordinary gains	358	140
Extraordinary losses:	47,518	105,258
Losses on disposal of fixed assets	3,240	1,645
Impairment losses	4,021	5,517
Provision for reserves under the special laws:	8,270	9,782
Provision for reserve for price fluctuation	8,270	9,782
Other extraordinary losses	31,985	88,314
Net income before income taxes and non-controlling interests	69,157	104,527
Income taxes	9,319	14,569
Deferred income taxes	14,921	34,892
Total income taxes	24,240	49,461
Net income before non-controlling interests	44,916	55,066
Income attributable to non-controlling interests	746	790
Net income	44,169	54,276

## Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2014 (April 1, 2013 to March 31, 2014)	Fiscal year ended March 31, 2015 (April 1, 2014 to March 31, 2015)
Net Income before non-controlling interests	44,916	55,066
Other comprehensive income:		
Unrealized gains and losses on securities available for sale	80,280	388,657
Deferred gains and losses on hedges	(448)	880
Foreign currency translation adjustments	24,425	31,084
Remeasurements of defined benefit plans	—	(6,353)
Share of other comprehensive income of affiliates accounted for under the equity method	790	149
Total other comprehensive income	105,048	414,419
Comprehensive income	149,965	469,485
(Comprehensive income attributable to)		
Comprehensive income attributable to shareholders of the parent	148,781	468,399
Comprehensive income attributable to non-controlling interests	1,183	1,086

(3) Consolidated Statement of Changes in Net Assets  
Fiscal year ended March 31, 2014 (April 1, 2013 to March 31, 2014)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	100,045	438,567	181,149	(1,122)	718,640
Cumulative effects of changes in accounting policies					—
Restated balance	100,045	438,567	181,149	(1,122)	718,640
Changes during the period:					
Dividends			(37,231)		(37,231)
Net income			44,169		44,169
Acquisition of treasury stock				(9,242)	(9,242)
Disposal of treasury stock		(31)		539	508
Changes in the scope of consolidation					—
Net changes in items other than shareholders' equity					
Total changes during the period	—	(31)	6,938	(8,702)	(1,795)
Balance at the end of the period	100,045	438,536	188,087	(9,825)	716,845

	Accumulated other comprehensive income					Stock acquisition rights	Non-controlling interests	Total net assets
	Unrealized gains and losses on securities available for sale	Deferred gains and losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the period	579,284	7,653	(29,309)	—	557,628	2,027	5,191	1,283,488
Cumulative effects of changes in accounting policies								—
Restated balance	579,284	7,653	(29,309)	—	557,628	2,027	5,191	1,283,488
Changes during the period:								
Dividends								(37,231)
Net income								44,169
Acquisition of treasury stock								(9,242)
Disposal of treasury stock								508
Changes in the scope of consolidation								—
Net changes in items other than shareholders' equity	80,091	(448)	24,968	3,120	107,731	(176)	905	108,460
Total changes during the period	80,091	(448)	24,968	3,120	107,731	(176)	905	106,665
Balance at the end of the period	659,375	7,205	(4,341)	3,120	665,360	1,851	6,096	1,390,153

## Fiscal year ended March 31, 2015 (April 1, 2014 to March 31, 2015)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	100,045	438,536	188,087	(9,825)	716,845
Cumulative effects of changes in accounting policies			4,665		4,665
Restated balance	100,045	438,536	192,753	(9,825)	721,511
Changes during the period:					
Dividends			(24,578)		(24,578)
Net income			54,276		54,276
Acquisition of treasury stock				(10,050)	(10,050)
Disposal of treasury stock		(230)		808	577
Changes in the scope of consolidation			231		231
Net changes in items other than shareholders' equity					
Total changes during the period	—	(230)	29,928	(9,242)	20,456
Balance at the end of the period	100,045	438,306	222,682	(19,067)	741,967

	Accumulated other comprehensive income					Stock acquisition rights	Non-controlling interests	Total net assets
	Unrealized gains and losses on securities available for sale	Deferred gains and losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the period	659,375	7,205	(4,341)	3,120	665,360	1,851	6,096	1,390,153
Cumulative effects of changes in accounting policies								4,665
Restated balance	659,375	7,205	(4,341)	3,120	665,360	1,851	6,096	1,394,819
Changes during the period:								
Dividends								(24,578)
Net income								54,276
Acquisition of treasury stock								(10,050)
Disposal of treasury stock								577
Changes in the scope of consolidation								231
Net changes in items other than shareholders' equity	389,342	880	30,387	(6,355)	414,254	(300)	623	414,577
Total changes during the period	389,342	880	30,387	(6,355)	414,254	(300)	623	435,033
Balance at the end of the period	1,048,718	8,085	26,046	(3,235)	1,079,614	1,550	6,720	1,829,852



## (4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2014 (April 1, 2013 to March 31, 2014)	Fiscal year ended March 31, 2015 (April 1, 2014 to March 31, 2015)
Cash flows from operating activities:		
Net income before income taxes and non-controlling interests	69,157	104,527
Depreciation	20,633	21,628
Impairment losses	4,021	5,517
Amortization of goodwill	4,473	5,697
Gains on negative goodwill	—	(0)
Increase (decrease) in reserve for outstanding losses and claims	68,039	(3,668)
Increase (decrease) in underwriting reserves	96,668	61,820
Increase (decrease) in allowance for possible credit losses	80	561
Increase (decrease) in net defined benefit liability	(3,080)	(1,190)
Increase (decrease) in reserve for retirement benefits to directors	5	5
Increase (decrease) in reserve for bonus payments	(903)	2,148
Increase (decrease) in reserve for bonus payments to directors	(105)	30
Increase (decrease) in reserve for price fluctuation	8,270	9,782
Interest and dividend income	(161,257)	(161,246)
Losses (gains) on investment in securities	(107,999)	(64,939)
Interest expenses	11,692	6,067
Foreign exchange losses (gains)	(6,958)	(6,791)
Losses (gains) related to tangible fixed assets	(684)	310
Losses (gains) related to loans	105	0
Investment losses (gains) on the equity method	159	(175)
Decrease (increase) in other assets (other than investing and financing activities)	(44,513)	3,366
Increase (decrease) in other liabilities (other than investing and financing activities)	19,717	14,350
Others	3,224	11,591
Subtotal	<u>(19,252)</u>	<u>9,392</u>
Interest and dividend received	163,169	163,383
Interest paid	(11,356)	(8,059)
Income taxes paid	(8,874)	(11,945)
Cash flows from operating activities	<u>123,685</u>	<u>152,771</u>

(Millions of yen)

	Fiscal year ended March 31, 2014 (April 1, 2013 to March 31, 2014)	Fiscal year ended March 31, 2015 (April 1, 2014 to March 31, 2015)
Cash flows from investing activities:		
Net decrease (increase) in deposits	14,084	15,024
Proceeds from sales and redemption of monetary receivables bought	4,838	2,715
Increase in money trusts	(36,464)	(71,203)
Decrease in money trusts	14,395	51,993
Purchase of securities	(1,208,457)	(1,019,888)
Proceeds from sales and redemption of securities	1,192,755	1,127,299
Loans made	(160,420)	(151,740)
Collection of loans	179,636	140,259
Net increase (decrease) in receivables under securities borrowing transactions and payables under securities lending transactions	(10,040)	—
Others	(44,164)	(54,921)
Total of investment transactions	(53,836)	39,538
Total of operating activities and investment transactions as above	69,848	192,309
Acquisition of tangible fixed assets	(22,387)	(19,403)
Proceeds from sales of tangible fixed assets	13,901	3,566
Acquisition of stocks of subsidiaries resulting in changes in the scope of consolidation	(9,492)	(97,412)
Proceeds from sales of stocks of subsidiaries resulting in changes in the scope of consolidation	—	2,664
Payments for sales of stocks of subsidiaries resulting in changes in the scope of consolidation	—	(919)
Others	(2,888)	(2,410)
Cash flows from investing activities	(74,704)	(74,377)
Cash flows from financing activities:		
Redemption of corporate bonds	—	(134,396)
Proceeds from sales of treasury stock	3	2
Acquisition of treasury stock	(9,242)	(10,050)
Dividends paid	(37,183)	(24,598)
Dividends paid to non-controlling shareholders	(6)	(2)
Others	(4,044)	(3,175)
Cash flows from financing activities	(50,473)	(172,221)
Effect of exchange rate changes on cash and cash equivalents	9,302	8,679
Increase (decrease) in cash and cash equivalents	7,810	(85,148)
Cash and cash equivalents at the beginning of the period	624,349	632,160
Decrease in cash and cash equivalents resulting from exclusion of consolidated subsidiaries	—	(3,438)
Increase in cash and cash equivalents resulting from merger	—	1,619
Cash and cash equivalents at the end of the period	632,160	545,192

## (5) Notes on Going-Concern Assumption

None.

## (6) Changes in Accounting Policies, Changes in Accounting Estimations, and Retrospective Restatements

(Changes in accounting policies)

Sompo Japan Nipponkoa Holdings, Inc. (the "Company") has applied the "Accounting Standard for Retirement Benefits" (Accounting Standards Board of Japan Statement No. 26, May 17, 2012, hereinafter "Retirement Benefits Accounting Standard") and the "Guidance on Accounting Standard for Retirement Benefits" (Accounting Standards Board of Japan Guidance No. 25, May 17, 2012, hereinafter "Retirement Benefits Guidance") with regard to the provisions laid down in the main clause of Paragraph 35 of the Retirement Benefits Accounting Standard and the main clause of Paragraph 67 of the Retirement Benefits Guidance, from the fiscal year ended March 31, 2015. Accordingly, the Company reviewed the calculation method for retirement benefit obligation and service cost, and changed the method of attributing expected benefit to periods from straight-line attribution method or point method to benefit formula method. The Company also changed the way of determining discount rate, from use of the number of years approximate to average remaining service period of employees as bond maturity, which is the basis of determining the discount rate, to use of a single weighted average discount rate reflecting the expected periods of payment of retirement benefits and amount of benefit payment for each expected payment period.

Application of the Retirement Benefits Accounting Standard, etc. is in line with the transitional measures provided in Paragraph 37 of the Retirement Benefits Accounting Standard. The impact from the change in calculation method for retirement benefit obligation and service cost was recognized as retained earnings at the beginning of the fiscal year ended March 31, 2015.

As a result, net defined benefit liability decreased by 6,733 million yen and retained earnings increased by 4,665 million yen at the beginning of the fiscal year ended March 31, 2015. The impact on ordinary profit and net income before income taxes and non-controlling interests for the fiscal year ended March 31, 2015 was immaterial.

## (7) Additional Information

(Impact of changes in the corporate tax rate, etc.)

"Act on Partial Amendment to the Income Tax Act, etc." (Act No. 9, 2015) was promulgated on March 31, 2015, and accordingly, a reduction in the corporate tax rate, etc. has been enforced from the fiscal year beginning on or after April 1, 2015.

Accordingly, the effective statutory income tax rate has generally been changed from 30.7% used previously, to 28.8%. The effective statutory income tax rate was used to calculate deferred tax assets and liabilities for temporary differences expected to be reversed in the fiscal year beginning on or after April 1, 2015.

As a result of this change in the corporate tax rate, the net amount of deferred tax liabilities (net of deferred tax assets) decreased by 6,398 million yen, underwriting reserves decreased by 2,530 million yen, deferred income taxes increased by 20,680 million yen and net income decreased by 18,154 million yen.

## (8) Notes to the Consolidated Financial Statements

## (Segment information)

## [Segment information]

## 1. Summary of reportable segments

The reportable segment of Sompo Japan Nipponkoa Holdings, Inc. (“the Company”) is the component of the Sompo Japan Nipponkoa Group, for which discrete financial information is available and whose operating results are periodically reviewed by the board of directors to make decisions about resources to be allocated to the segment and assess its performance.

The respective group companies of the Company determine their comprehensive strategies for their operations as independent management unit and roll out their operations under the group-wide management policy of the Company.

Therefore, the Company is composed of business segments, which consist of the respective group companies as minimum component. “Domestic P&C insurance business,” “Domestic life insurance business” and “Overseas insurance business” are determined as the reportable segments. The Company, defined-contribution pension business, asset management business and healthcare business and other services that are not covered by the reportable segments are included in “Others.” The major companies which constitute the reportable segments and “Others” are described below.

“Domestic P&C insurance business” consists mainly of underwriting of property and casualty insurance, investment, and related activities in Japan. “Domestic life insurance business” consists mainly of underwriting of life insurance and investment activities in Japan, “Overseas insurance business” consists mainly of underwriting of property and casualty insurance and investment activities overseas.

	Major companies
Reportable segments	
Domestic P&C insurance business	Sompo Japan Nipponkoa Insurance Inc. (Note 1) Sonpo 24 Insurance Company Limited SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED
Domestic life insurance business	Sompo Japan Nipponkoa Himawari Life Insurance, Inc. (Note 2) Sompo Japan DIY Life Insurance Co., Ltd. (Note 3)
Overseas insurance business	Sompo Japan Insurance Company of America Canopus Group Limited Sompo Japan Sigorta Anonim Sirketi Yasuda Maritima Seguros S.A. (Note 4)
Others	Sompo Japan Nipponkoa Holdings, Inc. (Note 2) Sompo Japan Nipponkoa DC Securities Inc. (Note 2) Sompo Japan Nipponkoa Asset Management Co., Ltd. Healthcare Frontier Japan Inc.

## Notes)

1. Sompo Japan Insurance Inc. merged on September 1, 2014 with NIPPONKOA Insurance Company, Limited and changed its name to Sompo Japan Nipponkoa Insurance Inc. on the same date. Results of operations of NIPPONKOA Insurance Company, Limited from the beginning of the fiscal year to September 1, 2014 are included in the segment information.
2. NKSJ Himawari Life Insurance, Inc. changed its name to Sompo Japan Nipponkoa Himawari Life Insurance, Inc. on September 1, 2014. NKSJ Holdings, Inc. changed its name to Sompo Japan Nipponkoa Holdings, Inc. on September 1, 2014. Sompo Japan DC Securities Co., Ltd. changed its name to Sompo Japan Nipponkoa DC Securities Inc. on September 1, 2014.

3. Sompo Japan DIY Life Insurance Co., Ltd. is excluded from the scope of consolidation for the fiscal year ended March 31, 2015 because it is no longer a consolidated subsidiary due to a transfer of shares. Results of operations of Sompo Japan DIY Life Insurance Co., Ltd. from the beginning of the fiscal year to June 30, 2014 are included in the segment information.
4. Maritima Seguros S.A. merged on October 21, 2014 with Yasuda Seguros S.A. and changed its name to Yasuda Maritima Seguros S.A. on the same date. Results of operations of Yasuda Seguros S.A. from the beginning of the fiscal year to October 21, 2014 are included in the segment information.

(Changes in reportable segments)

As for the fiscal year ended March 31, 2015, reportable segments has been changed from two business lines, which include "Property and casualty insurance business" and "Life insurance business" to three business lines, which include "Domestic P&C insurance business," "Domestic life insurance business" and "Overseas insurance business." Regarding this change, "Overseas insurance business" becomes an independent reportable segment, due to an increase in its materiality. Segment information for the fiscal year ended March 31, 2014 is based on the business lines after the changes.

2. Calculation methods for the amount of sales, income or loss, assets and other items by each reportable segment

The accounting methods of reportable business segments are those used in the preparation of the consolidated financial statements. Income or loss attributable to the reportable segments is the amounts based on net income in the consolidated statement of income.

Income from internal transactions among segments is based on the price of transactions among third parties and others.

(Application of accounting standard for retirement benefits)

As mentioned in "(6) Changes in Accounting Policies, Changes in Accounting Estimations, and Retrospective Restatements," the calculation method for retirement benefit obligation and service cost was changed from the fiscal year ended March 31, 2015.

The impact of this revision on segment income and segment loss for the fiscal year ended March 31, 2015 was immaterial.

## 3. Information related to the amount of sales, income or loss, assets and other items by each reportable segment

Fiscal year ended March 31, 2014 (April 1, 2013 to March 31, 2014)

(Millions of yen)

	Reportable segments				Others (Note 2)	Total	Adjustments (Note 3)	Amount on the consolidated financial statements (Note 4)
	Domestic P&C insurance business	Domestic life insurance business	Overseas insurance business	Total				
Sales (Note 1):								
Sales from transactions with external customers	2,114,945	273,733	157,519	2,546,198	8,635	2,554,834	453,504	3,008,339
Sales from internal transactions or transfers among segments	—	—	—	—	4,114	4,114	(4,114)	—
<b>Total</b>	<b>2,114,945</b>	<b>273,733</b>	<b>157,519</b>	<b>2,546,198</b>	<b>12,750</b>	<b>2,558,948</b>	<b>449,390</b>	<b>3,008,339</b>
Segment income (loss)	32,527	5,054	5,280	42,862	1,307	44,169	—	44,169
Segment assets	6,895,325	2,137,956	456,861	9,490,143	9,656	9,499,799	—	9,499,799
Other items:								
Depreciation	17,780	1,499	1,277	20,557	75	20,633	—	20,633
Amortization of goodwill	177	1,872	2,423	4,473	—	4,473	—	4,473
Interest and dividend income	116,463	35,198	10,370	162,033	1	162,035	(777)	161,257
Interest paid	11,254	69	369	11,693	6	11,699	(6)	11,692
Investment gains (losses) on the equity method	71	—	(231)	(159)	—	(159)	—	(159)
Extraordinary gains (Note 5)	3,901	0	263	4,165	118	4,284	—	4,284
Extraordinary losses (Note 6):	46,945	546	22	47,515	3	47,518	—	47,518
Impairment losses	4,021	—	—	4,021	—	4,021	—	4,021
Income tax expenses	17,574	4,621	1,707	23,902	337	24,240	—	24,240
Investment in affiliates accounted for under the equity method	1,030	—	1,058	2,088	—	2,088	—	2,088
Increase in tangible and intangible fixed assets	23,800	378	11,302	35,480	204	35,685	—	35,685

## Notes)

## 1. Sales amounts represent the following:

Domestic P&C insurance business:	Net premiums written
Domestic life insurance business:	Life insurance premiums written
Overseas insurance business:	Net premiums written and life insurance premiums written
“Others” and amount on the consolidated financial statements:	Ordinary income

2. “Others” is business segments which are not included in reportable segments. It includes the Company (insurance holding company) defined-contribution pension business, asset management business and healthcare business.

## 3. Adjustments of sales are as follows.

Ordinary income related to domestic P&C insurance business, domestic life insurance business and overseas insurance business excluding net premiums written and life insurance premiums written:	453,504	million yen
Elimination of internal transactions among segments:	(4,114)	million yen

4. Segment income (loss) is adjusted to net income in the consolidated statement of income.

5. Extraordinary gains for domestic P&C insurance business include 3,901 million yen of gains on disposal of fixed assets.

6. Extraordinary losses for domestic P&C insurance business include 23,155 million yen of merger cost, and 8,830 million yen of special extra retirement payments, etc. due to voluntary retirement program.

Fiscal year ended March 31, 2015 (April 1, 2014 to March 31, 2015)

(Millions of yen)

	Reportable segments				Others (Note 2)	Total	Adjustments (Note 3)	Amount on the consolidated financial statements (Note 4)
	Domestic P&C insurance business	Domestic life insurance business	Overseas insurance business	Total				
Sales (Note 1):								
Sales from transactions with external customers	2,217,825	272,945	294,469	2,785,240	11,904	2,797,144	485,199	3,282,343
Sales from internal transactions or transfers among segments	—	—	—	—	4,767	4,767	(4,767)	—
Total	2,217,825	272,945	294,469	2,785,240	16,671	2,801,911	480,432	3,282,343
Segment income (loss)	31,521	6,992	14,007	52,520	1,755	54,276	—	54,276
Segment assets	7,007,807	2,288,824	943,369	10,240,001	13,430	10,253,431	—	10,253,431
Other items:								
Depreciation	17,619	1,373	2,537	21,530	97	21,628	—	21,628
Amortization of goodwill	132	1,872	3,692	5,697	—	5,697	—	5,697
Interest and dividend income	109,676	37,748	14,602	162,026	21	162,047	(800)	161,246
Interest paid	5,346	65	658	6,070	17	6,087	(20)	6,067
Investment gains (losses) on the equity method	60	—	115	175	—	175	—	175
Extraordinary gains:	1,198	—	136	1,335	140	1,476	—	1,476
Gains on negative goodwill	—	—	0	0	—	0	—	0
Extraordinary losses (Note 5):	102,976	1,819	403	105,200	58	105,258	—	105,258
Impairment losses	5,517	—	—	5,517	—	5,517	—	5,517
Income tax expenses	41,919	6,340	506	48,766	695	49,461	—	49,461
Investment in affiliates accounted for under the equity method	1,089	—	1,324	2,414	—	2,414	—	2,414
Increase in tangible and intangible fixed assets	18,648	226	33,993	52,869	148	53,017	—	53,017

Notes)

1. Sales amounts represent the following:

Domestic P&C insurance business:	Net premiums written
Domestic life insurance business:	Life insurance premiums written
Overseas insurance business:	Net premiums written and life insurance premiums written
"Others" and amount on the consolidated financial statements:	Ordinary income

2. "Others" is business segments which are not included in reportable segments. It includes the Company (insurance holding company) defined-contribution pension business, asset management business and healthcare business.

3. Adjustments of sales are as follows.

Ordinary income related to domestic P&C insurance business, domestic life insurance business and overseas insurance business excluding net premiums written and life insurance premiums written:	485,199	million yen
Elimination of internal transactions among segments:	(4,767)	million yen

4. Segment income (loss) is adjusted to net income in the consolidated statement of income.
5. Extraordinary losses for domestic P&C insurance business include 87,106 million yen of merger cost.



[Related information]

Fiscal year ended March 31, 2014 (April 1, 2013 to March 31, 2014)

## 1. Information by products and services

(Millions of yen)

	Fire and allied insurance	Marine insurance	Personal accident insurance	Voluntary automobile insurance	Compulsory automobile liability insurance	Others	Total
Net premiums written	311,417	58,553	190,743	1,108,121	298,911	301,222	2,268,967

(Millions of yen)

	Individual Insurance	Individual annuities	Group insurance	Group annuities	Total
Life insurance premiums written	253,174	9,669	14,387	—	277,230

## 2. Information by geographic area

## (1) Sales

(Millions of yen)

Japan	Overseas	Total
2,296,785	249,413	2,546,198

Notes)

1. Sales represent amounts of net premiums written and life insurance premiums written.
2. Geographic area is classified into "Japan" or "Overseas" in line with the classification used for management purpose mainly based on locations of customers.

## (2) Tangible fixed assets

Geographic information is omitted because tangible fixed assets located in Japan constitute more than 90 percent of tangible fixed assets in the consolidated balance sheet.

## 3. Information by major customers

None.

Fiscal year ended March 31, 2015 (April 1, 2014 to March 31, 2015)

## 1. Information by products and services

(Millions of yen)

	Fire and allied insurance	Marine insurance	Personal accident insurance	Voluntary automobile insurance	Compulsory automobile liability insurance	Others	Total
Net premiums written	396,516	83,102	195,249	1,178,030	305,869	349,263	2,508,031

(Millions of yen)

	Individual Insurance	Individual annuities	Group insurance	Group annuities	Total
Life insurance premiums written	253,404	8,408	15,396	—	277,208

## 2. Information by geographic area

## (1) Sales

(Millions of yen)

Japan	Overseas	Total
2,377,714	407,525	2,785,240

Notes)

- Sales represent amounts of net premiums written and life insurance premiums written.
- Geographic area is classified into "Japan" or "Overseas" in line with the classification used for management purpose mainly based on locations of customers.

## (2) Tangible fixed assets

Geographic information is omitted because tangible fixed assets located in Japan constitute more than 90 percent of tangible fixed assets in the consolidated balance sheet.

## 3. Information by major customers

None.

[Information related to impairment losses on fixed assets by reportable segments]

Fiscal year ended March 31, 2014 (April 1, 2013 to March 31, 2014)

(Millions of yen)

	Reportable segments				Others	Unallocated amounts and eliminations	Total
	Domestic P&C insurance business	Domestic life insurance business	Overseas insurance business	Total			
Impairment losses	4,021	—	—	4,021	—	—	4,021

Fiscal year ended March 31, 2015 (April 1, 2014 to March 31, 2015)

(Millions of yen)

	Reportable segments				Others	Unallocated amounts and eliminations	Total
	Domestic P&C insurance business	Domestic life insurance business	Overseas insurance business	Total			
Impairment losses	5,517	—	—	5,517	—	—	5,517

[Information related to amortization of goodwill and balance of goodwill by reportable segments]

Fiscal year ended March 31, 2014 (April 1, 2013 to March 31, 2014)

(Millions of yen)

	Reportable segments				Others	Unallocated amounts and eliminations	Total
	Domestic P&C insurance business	Domestic life insurance business	Overseas insurance business	Total			
Amortization for the fiscal year ended March 31, 2014	177	1,872	2,423	4,473	—	—	4,473
Balance as of March 31, 2014	291	13,736	40,403	54,431	—	—	54,431

Fiscal year ended March 31, 2015 (April 1, 2014 to March 31, 2015)

(Millions of yen)

	Reportable segments				Others	Unallocated amounts and eliminations	Total
	Domestic P&C insurance business	Domestic life insurance business	Overseas insurance business	Total			
Amortization for the fiscal year ended March 31, 2015	132	1,872	3,692	5,697	—	—	5,697
Balance as of March 31, 2015	307	11,864	71,464	83,636	—	—	83,636

[Information related to gains on negative goodwill by reportable segments]

Fiscal year ended March 31, 2014 (April 1, 2013 to March 31, 2014)

None.

Fiscal year ended March 31, 2015 (April 1, 2014 to March 31, 2015)

(Millions of yen)

	Reportable segments				Others	Unallocated amounts and eliminations	Total
	Domestic P&C insurance business	Domestic life insurance business	Overseas insurance business	Total			
Gains on negative goodwill	—	—	0	0	—	—	0

## (Securities)

## 1. Trading Securities

(Millions of yen)

	As of March 31, 2014		As of March 31, 2015	
	Carrying amount	Unrealized gains and losses recognized in statement of income	Carrying amount	Unrealized gains and losses recognized in statement of income
Trading securities	48,095	1,175	284,672	3,909

Notes)

As of March 31, 2014	As of March 31, 2015
Certificate of deposit classified as cash and deposits in the consolidated balance sheet is included in the above table.	—

## 2. Bonds held to maturity

(Millions of yen)

		As of March 31, 2014			As of March 31, 2015		
		Carrying amount	Fair value	Unrealized gains and losses	Carrying amount	Fair value	Unrealized gains and losses
Securities whose fair value exceeds their carrying amount	Domestic bonds	1,206,086	1,323,913	117,826	1,236,030	1,424,142	188,112
	Foreign securities	9,652	9,785	132	7,155	7,214	59
	Subtotal	1,215,739	1,333,698	117,959	1,243,185	1,431,357	188,172
Securities whose fair value does not exceed their carrying amount	Domestic bonds	44,959	44,790	(168)	—	—	—
	Foreign securities	2,308	2,279	(28)	3,452	3,411	(41)
	Subtotal	47,267	47,070	(197)	3,452	3,411	(41)
Total		1,263,007	1,380,769	117,762	1,246,637	1,434,768	188,131

## 3. Policy reserve matching bonds

(Millions of yen)

		As of March 31, 2014			As of March 31, 2015		
		Carrying amount	Fair value	Unrealized gains and losses	Carrying amount	Fair value	Unrealized gains and losses
Securities whose fair value exceeds their carrying amount	Domestic bonds	—	—	—	70,358	73,364	3,005
Securities whose fair value does not exceed their carrying amount	Domestic bonds	—	—	—	5,139	5,114	(24)
Total		—	—	—	75,497	78,479	2,981

4. Securities available for sale

(Millions of yen)

		As of March 31, 2014			As of March 31, 2015		
		Carrying amount	Cost	Unrealized gains and losses	Carrying amount	Cost	Unrealized gains and losses
Securities whose carrying amount exceeds their cost	Domestic bonds	2,344,132	2,233,901	110,230	2,329,103	2,178,105	150,997
	Domestic stocks	1,384,548	669,238	715,309	1,741,289	686,530	1,054,758
	Foreign securities	1,187,117	1,065,445	121,671	1,634,361	1,398,116	236,244
	Others	45,291	39,316	5,974	35,506	29,656	5,850
	Subtotal	4,961,088	4,007,903	953,185	5,740,261	4,292,408	1,447,852
Securities whose carrying amount does not exceed their cost	Domestic bonds	88,664	89,167	(502)	47,169	47,360	(191)
	Domestic stocks	75,780	82,827	(7,046)	27,709	29,508	(1,798)
	Foreign securities	348,569	359,678	(11,109)	177,929	183,151	(5,222)
	Others	28,050	28,303	(252)	32,012	32,509	(497)
	Subtotal	541,064	559,976	(18,912)	284,820	292,530	(7,709)
Total		5,502,153	4,567,879	934,273	6,025,081	4,584,939	1,440,142

Notes)

As of March 31, 2014	As of March 31, 2015
1. Securities available for sale which are considered extremely difficult to figure out their fair value are not included in the above table.	1. Same as on the left
2. Certificate of deposit classified as cash and deposits and beneficial interests in the loan trusts classified as monetary receivables bought in the consolidated balance sheet are included in "Others" above.	2. Same as on the left

5. Securities available for sale sold

(Millions of yen)

	Fiscal year ended March 31, 2014 (April 1, 2013 to March 31, 2014)			Fiscal year ended March 31, 2015 (April 1, 2014 to March 31, 2015)		
	Proceeds from sales	Gains on sales	Losses on sales	Proceeds from sales	Gains on sales	Losses on sales
Domestic bonds	332,120	8,935	460	212,303	3,036	85
Domestic stocks	209,659	88,088	1,356	90,889	44,633	159
Foreign securities	128,162	9,157	3,746	185,872	16,224	903
Others	17,815	5,545	12	0	923	225
Total	687,757	111,726	5,575	489,065	64,817	1,374

6. Securities for which impairment losses are recognized

Fiscal year ended March 31, 2014 (April 1, 2013 to March 31, 2014)	Fiscal year ended March 31, 2015 (April 1, 2014 to March 31, 2015)
For the fiscal year ended March 31, 2014, impairment losses on securities available for sale (excluding securities available for sale which are considered extremely difficult to figure out their fair value) amount to 1,080 million yen (domestic stocks: 199 million yen, foreign securities: 880 million yen), and impairment losses on securities available for sale which are considered extremely difficult to figure out their fair value amount to 89 million yen (domestic stocks: 82 million yen, foreign securities: 6 million yen). Basically, Sompo Japan Nipponkoa Holdings, Inc. and its domestic consolidated subsidiaries recognize impairment losses on securities if fair value at the end of the fiscal year declines by 30% or more from their cost.	For the fiscal year ended March 31, 2015, impairment losses on securities available for sale (excluding securities available for sale which are considered extremely difficult to figure out their fair value) amount to 842 million yen (domestic stocks: 534 million yen, foreign securities: 307 million yen), and impairment losses on securities available for sale which are considered extremely difficult to figure out their fair value amount to 118 million yen (domestic stocks only). Basically, Sompo Japan Nipponkoa Holdings, Inc. and its domestic consolidated subsidiaries recognize impairment losses on securities if fair value at the end of the fiscal year declines by 30% or more from their cost.

## (Per share information)

	Fiscal year ended March 31, 2014 (April 1, 2013 to March 31, 2014)	Fiscal year ended March 31, 2015 (April 1, 2014 to March 31, 2015)
Net assets per share	3,360.70 yen	4,464.24 yen
Net income per share	106.98 yen	132.85 yen
Diluted net income per share	106.77 yen	132.61 yen

## Notes)

1. Calculation of net income per share and diluted net income per share is based on the following figures.

(Millions of yen)

	Fiscal year ended March 31, 2014 (April 1, 2013 to March 31, 2014)	Fiscal year ended March 31, 2015 (April 1, 2014 to March 31, 2015)
Net income per share		
Net income	44,169	54,276
Amount not attributable to common stockholders	—	—
Net income attributable to common stocks	44,169	54,276
Average number of common stocks outstanding	412,854 thousand shares	408,545 thousand shares
Diluted net income per share		
Adjustment of net income	—	—
Increase of common stocks:	830 thousand shares	714 thousand shares
Stock acquisition rights	830 thousand shares	714 thousand shares

2. Calculation of net assets per share is based on the following figures.

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
Total net assets	1,390,153	1,829,852
Amount to be deducted from total net assets:	7,947	8,270
Stock acquisition rights	1,851	1,550
Non-controlling interests	6,096	6,720
Net assets attributable to common stocks	1,382,205	1,821,582
Number of common stocks used for calculation of net assets per share	411,284 thousand shares	408,037 thousand shares

## (Significant subsequent events)

## Acquisition of treasury stock

Sompo Japan Nipponkoa Holdings, Inc. (“the Company”) passed a resolution setting out details of the Company’s stock buybacks to be conducted in accord with Article 156 of the Companies Act applied pursuant to Article 165, paragraph 3, of that Act at the Company’s Board of Directors meeting on May 20, 2015. Details of the resolution are as follows.

## 1. Reason for stock buybacks

While maintaining financial soundness and improving capital efficiency by investing on growing fields, etc., the Company has a shareholder return policy of paying stable dividends, with the option of stock buybacks depending on capital conditions. The Company has set a medium-term target of the shareholder return for the total payout ratio of 50 percent of adjusted consolidated profit (excluding the domestic life insurance business). In accordance with this policy, the Company will conduct stock buybacks as a part of the shareholder return for the financial results of fiscal year ended March 31, 2015.

## 2. Details of stock buybacks

(a) Class of shares	Common stock of the Company
(b) Potential total number	5,666,666 shares (upper limit)
(c) Total price	17,000,000,000 yen (upper limit)
(d) Period	May 21, 2015 — September 18, 2015



## 5. Other

### (1) Summary of Results of Operations (Consolidated)

	(Millions of yen)			
	Fiscal year ended March 31, 2014 (April 1, 2013 to March 31, 2014)	Fiscal year ended March 31, 2015 (April 1, 2014 to March 31, 2015)	Increase (Decrease)	Rate of change
Ordinary income and expenses:				%
Underwriting income:	2,744,636	3,043,075	298,438	10.9
Net premiums written	2,268,967	2,508,031	239,063	10.5
Deposits of premiums by policyholders	140,943	144,213	3,269	2.3
Life insurance premiums written	277,230	277,208	(22)	(0.0)
Underwriting expenses:	2,420,220	2,581,292	161,071	6.7
Net claims paid	1,339,253	1,531,221	191,967	14.3
Loss adjustment expenses	136,112	135,161	(950)	(0.7)
Net commissions and brokerage fees	412,344	476,876	64,532	15.7
Maturity refunds to policyholders	285,504	293,114	7,609	2.7
Life insurance claims paid and other payments	73,730	78,594	4,864	6.6
Investment income:	248,906	213,680	(35,225)	(14.2)
Interest and dividend income	161,257	161,246	(10)	(0.0)
Gains on sales of securities	112,625	66,865	(45,760)	(40.6)
Investment expenses:	20,665	17,288	(3,377)	(16.3)
Losses on sales of securities	5,597	1,468	(4,129)	(73.8)
Impairment losses on securities	1,169	1,434	265	22.7
Operating, general and administrative expenses	439,382	465,019	25,636	5.8
Other ordinary income and expenses:	(881)	15,154	16,036	—
Investment gains on the equity method	(159)	175	335	—
Ordinary profit	112,391	208,309	95,917	85.3
Extraordinary gains and losses:				
Extraordinary gains	4,284	1,476	(2,807)	(65.5)
Extraordinary losses	47,518	105,258	57,739	121.5
Extraordinary gains and losses	(43,234)	(103,781)	(60,547)	—
Net income before income taxes and non-controlling interests	69,157	104,527	35,370	51.1
Income taxes	9,319	14,569	5,249	56.3
Deferred income taxes	14,921	34,892	19,970	133.8
Total income taxes	24,240	49,461	25,220	104.0
Net income before non-controlling interests	44,916	55,066	10,149	22.6
Income attributable to non-controlling interests	746	790	43	5.8
Net income	44,169	54,276	10,106	22.9

## (2) Premiums Written and Claims Paid by Business Lines (Consolidated)

Direct premiums written (including deposits of premiums by policyholders)

(Millions of yen)

Business line	Fiscal year ended March 31, 2014 (April 1, 2013 to March 31, 2014)			Fiscal year ended March 31, 2015 (April 1, 2014 to March 31, 2015)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	434,606	16.8	8.6	485,286	17.4	11.7
Marine insurance	72,430	2.8	19.7	89,043	3.2	22.9
Personal accident insurance	287,808	11.1	0.5	302,679	10.8	5.2
Voluntary automobile insurance	1,108,405	42.9	7.2	1,177,575	42.2	6.2
Compulsory automobile liability insurance	325,990	12.6	10.6	324,060	11.6	(0.6)
Others	357,113	13.8	16.5	413,496	14.8	15.8
Total	2,586,354	100.0	8.6	2,792,142	100.0	8.0
Deposits of premiums by policyholders	140,943	5.4	(3.7)	144,213	5.2	2.3

Note) The above figures represent amounts after offsetting internal transactions among segments.

Net premiums written

(Millions of yen)

Business line	Fiscal year ended March 31, 2014 (April 1, 2013 to March 31, 2014)			Fiscal year ended March 31, 2015 (April 1, 2014 to March 31, 2015)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	311,417	13.7	17.7	396,516	15.8	27.3
Marine insurance	58,553	2.6	17.9	83,102	3.3	41.9
Personal accident insurance	190,743	8.4	2.1	195,249	7.8	2.4
Voluntary automobile insurance	1,108,121	48.8	7.2	1,178,030	47.0	6.3
Compulsory automobile liability insurance	298,911	13.2	8.7	305,869	12.2	2.3
Others	301,222	13.3	19.2	349,263	13.9	15.9
Total	2,268,967	100.0	10.0	2,508,031	100.0	10.5

Note) The above figures represent amounts after offsetting internal transactions among segments.

Net claims paid

(Millions of yen)

Business line	Fiscal year ended March 31, 2014 (April 1, 2013 to March 31, 2014)			Fiscal year ended March 31, 2015 (April 1, 2014 to March 31, 2015)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	184,644	13.8	(11.9)	271,685	17.7	47.1
Marine insurance	31,407	2.3	25.1	46,853	3.1	49.2
Personal accident insurance	104,802	7.8	2.9	116,753	7.6	11.4
Voluntary automobile insurance	626,750	46.8	(1.9)	671,759	43.9	7.2
Compulsory automobile liability insurance	228,843	17.1	(0.9)	226,331	14.8	(1.1)
Others	162,805	12.2	25.3	197,837	12.9	21.5
Total	1,339,253	100.0	0.2	1,531,221	100.0	14.3

Note) The above figures represent amounts after offsetting internal transactions among segments.

## (3) Risk-monitored Loans (Consolidated)

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015	Change
Loans to borrowers in bankruptcy	76	70	(6)
Overdue loans	748	572	(176)
Loans overdue for three months or more	—	15	15
Restructured loans	74	60	(13)
Total	900	719	(180)
Percent of total loans	0.1%	0.1%	(0.0)%

## (Reference)

Total loans	606,541	604,058	(2,483)
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Note) The definitions of each loan are as follows.

## (1) Loans to borrowers in bankruptcy

Loans to borrowers in bankruptcy represent non-accrual loans which meet the events defined in Article 96, paragraph (1), item (iii) (the maximum amount transferable to allowance for possible credit losses) or Article 96, paragraph (1), item (iv) of the "Order for Enforcement of the Corporation Tax Act" (Cabinet Order No. 97 of 1965). Non-accrual loans are defined as loans (excluding the portion of the loans that were written off), on which accrued interest receivable is not recognized because payments of principal or interest are overdue for considerable periods and therefore are regarded as improbable.

## (2) Overdue loans

Overdue loans represent non-accrual loans other than (a) loans to borrowers in bankruptcy or (b) loans on which grace on interest payments has been granted in order to assist or facilitate the restructuring of borrowers in financial difficulties.

## (3) Loans overdue for three months or more

Loans overdue for three months or more represent, among loans which are not included in loans to borrowers in bankruptcy or overdue loans, loans on which the payment of principal or interest has been delayed for three months or more from the date following the due date.

## (4) Restructured loans

Restructured loans represent, among loans which are not included in any of the above categories, loans on which favorable terms for the benefit of borrowers such as interest exemption or reduction, grace on interest payments, grace on principal repayments or forgiveness of debts have been granted in order to assist or facilitate the restructuring of borrowers in financial difficulties.