



### 3. Forecasts of Consolidated Financial Results for the fiscal year ending March 31, 2018 (April 1, 2017 to March 31, 2018)

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 | 189,000         | (21.8) | 152,000   | (8.7) | 392.88               |

Note) Revisions to the latest announced forecasts of financial results: None

#### (Notes)

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2017 (changes in specified subsidiaries resulting in changes in the scope of consolidation): Yes  
Decrease: 1 (Company Name: Endurance Specialty Holdings Ltd.)
- (2) Application of accounting methods used specifically for the preparation of the quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimations, and retrospective restatements
- ① Changes in accounting policies due to revisions to accounting standards, etc.: None
  - ② Changes in accounting policies due to reasons other than the above: Yes
  - ③ Changes in accounting estimations: Yes
  - ④ Retrospective restatements: None

Note) Please refer to "2. (6) Changes in Accounting Policies, Changes in Accounting Estimations, and Retrospective Restatements" on page 6 for details.

#### (4) Number of shares outstanding (Common stock):

- ① Total shares outstanding including treasury stock:
  - As of December 31, 2017 415,352,294 shares
  - As of March 31, 2017 415,352,294 shares
- ② Treasury stock:
  - As of December 31, 2017 34,771,203 shares
  - As of March 31, 2017 21,953,718 shares
- ③ Average number of shares outstanding:
  - For the nine months ended December 31, 2017 388,940,732 shares
  - For the nine months ended December 31, 2016 398,182,889 shares

#### (Expression of implementation status of quarterly review procedures)

This summary is not subject to quarterly reviews.

#### (Notes for using forecasts of financial results, 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.

## Contents – Appendices

|   |          |
|---|----------|
| <b>1. Qualitative Information Related to Consolidated Financial Results for the nine months ended</b>                                   |          |
| <b>December 31, 2017</b> .....  | <b>2</b> |
| (1) Qualitative Information Related to Consolidated Results of Operations .....   | 2        |
| (2) Qualitative Information Related to Consolidated Financial Condition .....   | 2        |
| (3) Qualitative Information Related to the Forecasts of Consolidated Financial Results .....  | 2        |
| <b>2. Quarterly Consolidated Financial Statements and Major Notes</b> .....   | <b>3</b> |
| (1) Quarterly Consolidated Balance Sheet .....  | 3        |
| (2) Quarterly Consolidated Statement of Income and<br>Quarterly Consolidated Statement of Comprehensive Income .....                    | 4        |
| (3) Notes on Going-Concern Assumption .....   | 6        |
| (4) Notes on Significant Changes in Shareholders' Equity .....  | 6        |
| (5) Application of Accounting Methods Used Specifically for the Preparation of the Quarterly Consolidated<br>Financial Statements ..... | 6        |
| (6) Changes in Accounting Policies, Changes in Accounting Estimations, and Retrospective Restatements ..                                | 6        |
| <b>3. Supplementary Information</b> .....   | <b>7</b> |
| (1) Summary of Results of Operations (Consolidated) .....   | 7        |
| (2) Premiums Written and Claims Paid by Business Lines (Consolidated) .....   | 8        |
| (3) Securities (Consolidated) .....   | 9        |

## **1. Qualitative Information Related to Consolidated Financial Results for the nine months ended December 31, 2017**

### **(1) Qualitative Information Related to Consolidated Results of Operations**

During the nine months ended December 31, 2017, the global economy continued to gradually recover, including a steady business rebound in the U.S. The Japanese economy remained on a moderate recovery path, supported by a rebound in exports and personal consumption, amid ongoing improvement in corporate earnings and employment conditions, along with gradual increases in production and capital investment.

Under these circumstances, the consolidated financial results of Sompo Holdings Group (“SOMPO HOLDINGS”) for the nine months ended December 31, 2017 were as follows:

Ordinary income increased by 352.5 billion yen to 2,856.4 billion yen compared with the same period last year, the components of which were underwriting income of 2,562.3 billion yen, investment income of 187.6 billion yen and other ordinary income of 106.4 billion yen. Meanwhile, ordinary expenses increased by 410.6 billion yen to 2,748.9 billion yen compared with the same period last year, the components of which were underwriting expenses of 2,181.2 billion yen, investment expenses of 19.0 billion yen, operating, general and administrative expenses of 457.6 billion yen and other ordinary expenses of 91.0 billion yen.

As a result of the foregoing, Sompo Holdings, Inc. (the “Company”) reported ordinary profit, calculated as ordinary income minus ordinary expenses, of 107.4 billion yen, a decrease of 58.0 billion yen from the same period last year. The main reason for the decrease in profits was an increase in net incurred loss by overseas consolidated subsidiaries due to natural disasters outside Japan, including Hurricanes in North America, etc.

Meanwhile, the Company posted net income attributable to shareholders of the parent, after extraordinary items, net of income taxes and deferred income taxes and others, of 137.2 billion yen, an increase of 27.4 billion yen from the same period last year due mainly to the recording of a gain on liquidation of subsidiaries resulting from a reorganization of overseas consolidated subsidiaries as extraordinary gains, as well as a decrease in income tax expenses associated with reorganization.

### **(2) Qualitative Information Related to Consolidated Financial Condition**

Total assets as of December 31, 2017 amounted to 12,546.9 billion yen on a consolidated basis, an increase of 615.7 billion yen from March 31, 2017, due mainly to an increase in unrealized gains and losses on securities available for sale and the issuance of corporate bonds.

### **(3) Qualitative Information Related to the Forecasts of Consolidated Financial Results**

For the fiscal year ending March 31, 2018, the Company is forecasting consolidated ordinary profit of 189.0 billion yen and net income attributable to shareholders of the parent of 152.0 billion yen. There is no change from the forecasts in the Summary of Consolidated Financial Results disclosed on November 17, 2017.

## 2. Quarterly Consolidated Financial Statements and Major Notes

### (1) Quarterly Consolidated Balance Sheet

|  | (Millions of yen)    |                         |
|--|----------------------|-------------------------|
|  | As of March 31, 2017 | As of December 31, 2017 |
| Assets:  |                      |                         |
| Cash and deposits  | 814,217              | 825,141                 |
| Receivables under resale agreements                          | 54,999               | 74,999                  |
| Monetary receivables bought                                  | 11,718               | 6,581                   |
| Money trusts   | 104,423              | 101,283                 |
| Securities   | 8,303,829            | 8,709,482               |
| Loans  | 638,768              | 657,277                 |
| Tangible fixed assets  | 402,480              | 398,909                 |
| Intangible fixed assets                                      | 469,825              | 429,932                 |
| Other assets   | 1,119,434            | 1,322,821               |
| Net defined benefit asset                                    | 756                  | 641                     |
| Deferred tax assets  | 17,194               | 26,149                  |
| Allowance for possible credit losses                         | (6,512)              | (6,303)                 |
| <b>Total assets</b>  | <b>11,931,135</b>    | <b>12,546,915</b>       |
| Liabilities:   |                      |                         |
| Underwriting funds:  | 8,335,158            | 8,528,999               |
| Reserve for outstanding losses and claims                    | 1,674,277            | 1,758,545               |
| Underwriting reserves  | 6,660,881            | 6,770,453               |
| Corporate bonds  | 424,991              | 511,924                 |
| Other liabilities  | 978,343              | 1,064,379               |
| Net defined benefit liability                                | 134,263              | 139,491                 |
| Reserve for retirement benefits to directors                 | 36                   | 40                      |
| Reserve for bonus payments                                   | 35,253               | 14,428                  |
| Reserve for bonus payments to directors                      | 306                  | —                       |
| Reserve for stocks payments                                  | 445                  | 937                     |
| Reserves under the special laws:                             | 74,200               | 83,417                  |
| Reserve for price fluctuation                                | 74,200               | 83,417                  |
| Deferred tax liabilities                                     | 79,195               | 149,518                 |
| <b>Total liabilities</b>                                     | <b>10,062,195</b>    | <b>10,493,136</b>       |
| Net assets:  |                      |                         |
| Shareholders' equity:  |                      |                         |
| Common stock   | 100,045              | 100,045                 |
| Capital surplus  | 408,382              | 408,335                 |
| Retained earnings  | 501,561              | 600,105                 |
| Treasury stock   | (71,459)             | (128,176)               |
| <b>Total shareholders' equity</b>                            | <b>938,529</b>       | <b>980,310</b>          |
| Accumulated other comprehensive income:                      |                      |                         |
| Unrealized gains and losses on securities available for sale | 863,455              | 1,090,326               |
| Deferred gains and losses on hedges                          | 8,003                | 4,661                   |
| Foreign currency translation adjustments                     | 22,663               | (22,527)                |
| Remeasurements of defined benefit plans                      | (29,676)             | (27,642)                |
| <b>Total accumulated other comprehensive income</b>          | <b>864,445</b>       | <b>1,044,817</b>        |
| Stock acquisition rights                                     | 926                  | 752                     |
| Non-controlling interests                                    | 65,038               | 27,896                  |
| <b>Total net assets</b>                                      | <b>1,868,940</b>     | <b>2,053,778</b>        |
| <b>Total liabilities and net assets</b>                      | <b>11,931,135</b>    | <b>12,546,915</b>       |

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income  
 Quarterly Consolidated Statement of Income  
 Nine months ended December 31, 2017

|  | (Millions of yen)   |   |
|--|---|---|
|  | Nine months ended<br>December 31, 2016<br>(April 1 to<br>December 31, 2016) | Nine months ended<br>December 31, 2017<br>(April 1 to<br>December 31, 2017) |
| Ordinary income:   | 2,503,879   | 2,856,457   |
| Underwriting income:   | 2,255,001   | 2,562,331   |
| Net premiums written   | 1,886,340   | 2,179,697   |
| Deposits of premiums by policyholders                                  | 102,221   | 91,859  |
| Interest and dividend income on deposits of premiums, etc.             | 33,540  | 29,815  |
| Life insurance premiums written  | 231,065   | 253,815   |
| Investment income:   | 150,215   | 187,680   |
| Interest and dividend income   | 124,233   | 139,749   |
| Investment gains on money trusts                                       | 1,658   | 4,990   |
| Investment gains on trading securities                                 | 4,891   | 10,194  |
| Gains on sales of securities   | 43,624  | 54,850  |
| Transfer of interest and dividend income on deposits of premiums, etc. | (33,540)  | (29,815)  |
| Other ordinary income  | 98,663  | 106,445   |
| Ordinary expenses:   | 2,338,357   | 2,748,994   |
| Underwriting expenses:   | 1,861,085   | 2,181,232   |
| Net claims paid  | 1,048,591   | 1,251,181   |
| Loss adjustment expenses   | 102,406   | 104,328   |
| Net commissions and brokerage fees                                     | 353,761   | 382,575   |
| Maturity refunds to policyholders                                      | 166,220   | 168,911   |
| Life insurance claims paid and other payments                          | 60,643  | 66,373  |
| Provision for reserve for outstanding losses and claims                | 26,495  | 88,626  |
| Provision for underwriting reserves                                    | 97,174  | 115,808   |
| Investment expenses:   | 25,811  | 19,065  |
| Investment losses on money trusts                                      | 145   | 131   |
| Losses on sales of securities  | 4,143   | 3,268   |
| Impairment losses on securities  | 2,229   | 1,457   |
| Operating, general and administrative expenses                         | 367,632   | 457,631   |
| Other ordinary expenses:   | 83,827  | 91,065  |
| Interest paid  | 7,406   | 11,015  |
| Ordinary profit  | <u>165,521</u>  | <u>107,463</u>  |
| Extraordinary gains:   | 771   | 26,924  |
| Gains on disposal of fixed assets                                      | 702   | 946   |
| Other extraordinary gains  | 69  | 25,978  |
| Extraordinary losses:  | 12,817  | 21,463  |
| Losses on disposal of fixed assets                                     | 5,655   | 1,095   |
| Impairment losses  | 244   | 11,132  |
| Provision for reserves under the special laws:                         | 6,909   | 9,216   |
| Provision for reserve for price fluctuation                            | 6,909   | 9,216   |
| Losses on reduction of real estate                                     | 7   | 18  |
| Net income before income taxes   | <u>153,476</u>  | <u>112,924</u>  |
| Income taxes and deferred income taxes                                 | 43,445  | (20,798)  |
| Net income   | <u>110,030</u>  | <u>133,722</u>  |
| Net income (loss) attributable to non-controlling interests            | 246   | (3,517)   |
| Net income attributable to shareholders of the parent                  | <u>109,783</u>  | <u>137,239</u>  |

Quarterly Consolidated Statement of Comprehensive Income  
 Nine months ended December 31, 2017

|   | (Millions of yen)   |   |
|---|---|---|
|   | Nine months ended<br>December 31, 2016<br>(April 1 to<br>December 31, 2016) | Nine months ended<br>December 31, 2017<br>(April 1 to<br>December 31, 2017) |
| Net income  | 110,030   | 133,722   |
| Other comprehensive income:   |   |   |
| Unrealized gains and losses on securities available for sale                            | 90,542  | 227,179   |
| Deferred gains and losses on hedges   | 26,229  | (3,341)   |
| Foreign currency translation adjustments  | (58,161)  | (44,078)  |
| Remeasurements of defined benefit plans   | 1,368   | 2,027   |
| Share of other comprehensive income of affiliates accounted for under the equity method | 22  | 44  |
| Total other comprehensive income  | 60,000  | 181,831   |
| Comprehensive income  | 170,031   | 315,553   |
| (Comprehensive income attributable to)  |   |   |
| Comprehensive income attributable to shareholders of the parent                         | 170,517   | 318,658   |
| Comprehensive income attributable to non-controlling shareholders                       | (486)   | (3,104)   |

(3) Notes on Going-Concern Assumption

None.

(4) Notes on Significant Changes in Shareholders' Equity

None.

(5) Application of Accounting Methods Used Specifically for the Preparation of the Quarterly Consolidated Financial Statements

Income tax expenses are calculated by multiplying net income before income taxes by an estimated effective tax rate, which is a reasonable estimate of the effective tax rate after applying tax effect accounting to net income before income taxes for the fiscal year that includes this third quarter. However, if the use of this estimated effective tax rate produces significantly unreasonable results, income tax expenses are calculated by using the statutory effective tax rate.

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

(Changes in accounting policies which are difficult to distinguish from changes in accounting estimates)

The Company and its domestic consolidated subsidiaries have changed the depreciation method for tangible fixed assets from the declining balance method to the straight-line method since the beginning of the fiscal year 2017. Previously, the Company and its domestic consolidated subsidiaries applied the declining balance method for depreciation of tangible fixed assets except for buildings acquired on or after April 1, 1998 and structures and fixtures attached to buildings acquired on or after April 1, 2016, to which the straight-line method was applied.

The proportion of companies adopting the straight-line method has increased due to the recent expansion in our overseas insurance business. In addition, in domestic P&C insurance business, it is expected that tangible fixed assets will be used stably over their useful lives in the future, due to the completion of combination and reorganization of bases and system integration resulting from merger. For this reason, the Company and its domestic consolidated subsidiaries reviewed unification of its depreciation methods and determined that allocating depreciation expenses equally represents the actual situation more and is a reasonable method. Herewith, SOMPO HOLDINGS will be able to unify accounting policies applied by domestic consolidated subsidiaries with those applied by overseas consolidated subsidiaries that have been using the straight-line method, and be able to provide more useful financial information.

As a result of this change, both ordinary profit and income before income taxes and non-controlling interests for the nine months ended December 31, 2017 increased by 2,360 million yen, compared with the previous accounting method.

### 3. Supplementary Information

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

(Millions of yen)

|   | Nine months ended<br>December 31, 2016<br>(April 1 to<br>December 31, 2016) | Nine months ended<br>December 31, 2017<br>(April 1 to<br>December 31, 2017) | Increase<br>(Decrease) | Rate of<br>change |
|---|---|---|------------------------|-------------------|
| Ordinary income and expenses:                               |   |   |                        | %                 |
| Underwriting income:  | 2,255,001   | 2,562,331   | 307,329                | 13.6              |
| Net premiums written  | 1,886,340   | 2,179,697   | 293,357                | 15.6              |
| Deposits of premiums by policyholders                       | 102,221   | 91,859  | (10,361)               | (10.1)            |
| Life insurance premiums written                             | 231,065   | 253,815   | 22,749                 | 9.8               |
| Underwriting expenses:                                      | 1,861,085   | 2,181,232   | 320,146                | 17.2              |
| Net claims paid   | 1,048,591   | 1,251,181   | 202,590                | 19.3              |
| Loss adjustment expenses                                    | 102,406   | 104,328   | 1,921                  | 1.9               |
| Net commissions and brokerage fees                          | 353,761   | 382,575   | 28,813                 | 8.1               |
| Maturity refunds to policyholders                           | 166,220   | 168,911   | 2,690                  | 1.6               |
| Life insurance claims paid and other payments               | 60,643  | 66,373  | 5,729                  | 9.4               |
| Provision for reserve for outstanding losses and claims     | 26,495  | 88,626  | 62,130                 | 234.5             |
| Provision for underwriting reserves                         | 97,174  | 115,808   | 18,633                 | 19.2              |
| Investment income:  | 150,215   | 187,680   | 37,464                 | 24.9              |
| Interest and dividend income                                | 124,233   | 139,749   | 15,515                 | 12.5              |
| Gains on sales of securities                                | 43,624  | 54,850  | 11,225                 | 25.7              |
| Investment expenses:  | 25,811  | 19,065  | (6,746)                | (26.1)            |
| Losses on sales of securities                               | 4,143   | 3,268   | (875)                  | (21.1)            |
| Impairment losses on securities                             | 2,229   | 1,457   | (771)                  | (34.6)            |
| Operating, general and administrative expenses              | 367,632   | 457,631   | 89,998                 | 24.5              |
| Other ordinary income and expenses                          | 14,836  | 15,380  | 544                    | 3.7               |
| Ordinary profit   | 165,521   | 107,463   | (58,058)               | (35.1)            |
| Extraordinary gains and losses:                             |   |   |                        |                   |
| Extraordinary gains   | 771   | 26,924  | 26,152                 | 3,390.0           |
| Extraordinary losses  | 12,817  | 21,463  | 8,645                  | 67.5              |
| Extraordinary gains and losses                              | (12,045)  | 5,461   | 17,506                 | —                 |
| Net income before income taxes                              | 153,476   | 112,924   | (40,551)               | (26.4)            |
| Income taxes and deferred income taxes                      | 43,445  | (20,798)  | (64,243)               | (147.9)           |
| Net income  | 110,030   | 133,722   | 23,691                 | 21.5              |
| Net income (loss) attributable to non-controlling interests | 246   | (3,517)   | (3,763)                | (1,525.5)         |
| Net income attributable to shareholders of the parent       | 109,783   | 137,239   | 27,455                 | 25.0              |

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

Direct premiums written (including deposits of premiums by policyholders)

(Millions of yen)

| Business line                             | Nine months ended December 31, 2016<br>(April 1 to December 31, 2016) |                   |                | Nine months ended December 31, 2017<br>(April 1 to December 31, 2017) |                   |                |
|---|---|-------------------|----------------|---|-------------------|----------------|
|   | Amount  | % of total amount | Rate of change | Amount  | % of total amount | Rate of change |
| Fire and allied insurance                 | 342,285   | 16.1              | (11.1)         | 398,440   | 16.6              | 16.4           |
| Marine insurance                          | 64,629  | 3.0               | (5.8)          | 79,337  | 3.3               | 22.8           |
| Personal accident insurance               | 229,466   | 10.8              | 3.8            | 222,414   | 9.3               | (3.1)          |
| Voluntary automobile insurance            | 928,907   | 43.7              | 4.7            | 938,877   | 39.2              | 1.1            |
| Compulsory automobile liability insurance | 233,457   | 11.0              | (1.9)          | 223,585   | 9.3               | (4.2)          |
| Others                                    | 326,584   | 15.4              | 1.0            | 534,126   | 22.3              | 63.5           |
| Total                                     | 2,125,330   | 100.0             | 0.1            | 2,396,780   | 100.0             | 12.8           |
| Deposits of premiums by policyholders     | 102,221   | 4.8               | 8.4            | 91,859  | 3.8               | (10.1)         |

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

Net premiums written

(Millions of yen)

| Business line                             | Nine months ended December 31, 2016<br>(April 1 to December 31, 2016) |                   |                | Nine months ended December 31, 2017<br>(April 1 to December 31, 2017) |                   |                |
|---|---|-------------------|----------------|---|-------------------|----------------|
|   | Amount  | % of total amount | Rate of change | Amount  | % of total amount | Rate of change |
| Fire and allied insurance                 | 262,443   | 13.9              | (18.4)         | 345,904   | 15.9              | 31.8           |
| Marine insurance                          | 59,183  | 3.1               | (12.4)         | 82,951  | 3.8               | 40.2           |
| Personal accident insurance               | 147,787   | 7.8               | (0.9)          | 148,792   | 6.8               | 0.7            |
| Voluntary automobile insurance            | 924,726   | 49.0              | 4.1            | 934,449   | 42.9              | 1.1            |
| Compulsory automobile liability insurance | 219,786   | 11.7              | (6.1)          | 223,827   | 10.3              | 1.8            |
| Others                                    | 272,414   | 14.4              | (2.4)          | 443,770   | 20.4              | 62.9           |
| Total                                     | 1,886,340   | 100.0             | (2.7)          | 2,179,697   | 100.0             | 15.6           |

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

Net claims paid

(Millions of yen)

| Business line                             | Nine months ended December 31, 2016<br>(April 1 to December 31, 2016) |                   |                | Nine months ended December 31, 2017<br>(April 1 to December 31, 2017) |                   |                |
|---|---|-------------------|----------------|---|-------------------|----------------|
|   | Amount  | % of total amount | Rate of change | Amount  | % of total amount | Rate of change |
| Fire and allied insurance                 | 174,080   | 16.6              | (12.2)         | 240,013   | 19.2              | 37.9           |
| Marine insurance                          | 29,132  | 2.8               | (20.2)         | 41,152  | 3.3               | 41.3           |
| Personal accident insurance               | 73,812  | 7.0               | (7.4)          | 75,290  | 6.0               | 2.0            |
| Voluntary automobile insurance            | 470,679   | 44.9              | (0.8)          | 504,376   | 40.3              | 7.2            |
| Compulsory automobile liability insurance | 171,673   | 16.4              | (0.6)          | 164,350   | 13.1              | (4.3)          |
| Others                                    | 129,212   | 12.3              | (7.5)          | 225,998   | 18.1              | 74.9           |
| Total                                     | 1,048,591   | 100.0             | (4.8)          | 1,251,181   | 100.0             | 19.3           |

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

## (3) Securities (Consolidated)

## 1. Bonds held to maturity

(Millions of yen)

|                    | As of March 31, 2017 |            |                             | As of December 31, 2017 |            |                             |
|--------------------|----------------------|------------|-----------------------------|-------------------------|------------|-----------------------------|
|                    | Carrying amount      | Fair value | Unrealized gains and losses | Carrying amount         | Fair value | Unrealized gains and losses |
| Domestic bonds     | 1,203,685            | 1,481,038  | 277,352                     | 1,196,431               | 1,476,017  | 279,586                     |
| Foreign securities | 2,070                | 2,044      | (26)                        | 3,354                   | 3,402      | 47                          |
| Total              | 1,205,755            | 1,483,082  | 277,326                     | 1,199,785               | 1,479,419  | 279,634                     |

## 2. Policy reserve matching bonds

(Millions of yen)

|                | As of March 31, 2017 |            |                             | As of December 31, 2017 |            |                             |
|----------------|----------------------|------------|-----------------------------|-------------------------|------------|-----------------------------|
|                | Carrying amount      | Fair value | Unrealized gains and losses | Carrying amount         | Fair value | Unrealized gains and losses |
| Domestic bonds | 199,659              | 215,634    | 15,974                      | 253,062                 | 271,869    | 18,806                      |
| Total          | 199,659              | 215,634    | 15,974                      | 253,062                 | 271,869    | 18,806                      |

## 3. Securities available for sale

(Millions of yen)

|                    | As of March 31, 2017 |                 |                             | As of December 31, 2017 |                 |                             |
|--------------------|----------------------|-----------------|-----------------------------|-------------------------|-----------------|-----------------------------|
|                    | Cost                 | Carrying amount | Unrealized gains and losses | Cost                    | Carrying amount | Unrealized gains and losses |
| Domestic bonds     | 2,018,952            | 2,203,575       | 184,623                     | 1,984,180               | 2,166,441       | 182,261                     |
| Domestic stocks    | 632,392              | 1,520,117       | 887,725                     | 603,325                 | 1,749,015       | 1,145,690                   |
| Foreign securities | 2,324,203            | 2,427,781       | 103,578                     | 2,613,975               | 2,768,506       | 154,531                     |
| Others             | 58,725               | 63,907          | 5,182                       | 53,105                  | 59,434          | 6,329                       |
| Total              | 5,034,273            | 6,215,382       | 1,181,109                   | 5,254,586               | 6,743,399       | 1,488,813                   |

## Notes)

| As of March 31, 2017  | As of December 31, 2017  |
|---|--|
| 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. Certificate of deposit classified as cash and deposits and beneficial interests in the loan trusts classified as monetary receivables bought in the quarterly consolidated balance sheet are included in "Others" above.  |
| 3. 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 744 million yen (domestic stocks: 527 million yen, foreign securities: 216 million yen).<br>Basically, Sampo 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. | 3. 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 1,347 million yen (foreign securities only).<br>Basically, impairment losses on securities are recognized if fair value at the end of the first quarter declines by 30% or more from their cost. |