



SOMPO
HOLDINGS

UNOFFICIAL TRANSLATION

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

Summary of
Consolidated Financial Results
for the fiscal year ended March 31, 2015
Supplementary Information

May 20, 2015

Sompo Japan Nipponkoa Holdings, Inc.

(Securities Code : 8630)

Summary of Consolidated Financial Results for the fiscal year ended March 31, 2015

Contents – Supplementary Information

1. Overview of Consolidated Financial Results for the fiscal year ended March 31, 2015**Sompo Japan Nipponkoa Holdings, Inc.**

Overview of Consolidated Financial Results for the fiscal year ended March 31, 2015	3
Impact of the lowered corporate income tax rate (Fiscal year ended March 31, 2015)	3

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

Overview of Financial Results for the fiscal year ended March 31, 2015	4
Summary of Results of Operations	4
Premiums Written and Claims Paid by Business Lines	5
Net Incurred Loss during the period due to Natural Disasters in Japan	6
Breakdown of Operating, General and Administrative Expenses and Loss Adjustment Expenses	6
Reserve for Outstanding Losses and Claims	6
Ordinary Underwriting Reserves	6
Catastrophic Loss Reserve	6

2. Forecasts for the fiscal year ending March 31, 2016 (April 1, 2015 to March 31, 2016)

Sompo Japan Nipponkoa Holdings, Inc. (Consolidated)	7
Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated (The Two Companies Combined))	7

3. Overview of Business Results of Principal Consolidated Subsidiaries

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated (The Two Companies Combined))	8
Balance Sheet	8
Statement of Income	10
Premiums Written and Claims Paid by Business Lines	12
Non-consolidated Solvency Margin Ratio	13
Sompo 24 Insurance Company Limited (Non-consolidated)	14
Balance Sheet	14
Statement of Income	15
Premiums Written and Claims Paid by Business Lines	16
Non-consolidated Solvency Margin Ratio	17
SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED (Non-consolidated)	18
Balance Sheet	18
Statement of Income	20
Premiums Written and Claims Paid by Business Lines	21
Non-consolidated Solvency Margin Ratio	22
Sompo Japan Nipponkoa Himawari Life Insurance, Inc. (Non-consolidated)	23
Balance Sheet	23
Statement of Income	25
Major Business Results	
(Total amount of policies in force, Total amount of new policies, and Annualized premiums)	26
Non-consolidated Solvency Margin Ratio	27

Supplementary Explanation	28
Calculation of returns	28
Calculation of ratios, etc.	28
Non-consolidated solvency margin ratio	29
4. Supplementary Data about Financial Results for the fiscal year ended March 31, 2015 at Press Conference	
Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated (The Two Companies Combined))	30

1. Overview of Consolidated Financial Results for the fiscal year ended March 31, 2015

Sompo Japan Nipponkoa Holdings, Inc.

Overview of Consolidated Financial Results for the fiscal year ended March 31, 2015

(Yen in hundred millions, %)

		Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015	Increase (Decrease)	Rate of change
Ordinary income:	①	30,083	32,823	2,740	9.1
Net premiums written:	②	22,689	25,080	2,390	10.5
Sompo Japan Nipponkoa Insurance Inc.	③	20,821	21,813	991	4.8
Overseas consolidated subsidiaries	④	1,540	2,902	1,361	88.4
Others	⑤	327	365	37	11.5
Life insurance premiums written	⑥	2,772	2,772	(0)	(0.0)
Ordinary profit:	⑦	1,123	2,083	959	85.3
Sompo Japan Nipponkoa Insurance Inc.	⑧	1,177	1,951	773	65.7
Net income:	⑨	441	542	101	22.9
Sompo Japan Nipponkoa Insurance Inc.	⑩	495	450	(44)	(9.0)
Sompo Japan Nipponkoa Himawari Life Insurance, Inc.	⑪	80	97	16	20.6
Overseas consolidated subsidiaries	⑫	115	194	78	68.0
Others and consolidation adjustment, etc.	⑬	(250)	(199)	50	—

Notes)

- As for the amount of "Sompo Japan Nipponkoa Insurance Inc." in the above table, amount for the fiscal year ended March 31, 2014 represents the combined results of Sompo Japan Insurance Inc. and NIPPONKOA Insurance Company, Limited. In addition, amount for the fiscal year ended March 31, 2015 represents the amounts, which include the result of NIPPONKOA Insurance Company, Limited for the five months ended August 31, 2014, corresponding to the combined results for the fiscal year ended March 31, 2014. The same applies hereafter.
- In establishing Sompo Japan Nipponkoa Holdings, Inc., the purchase method was applied to account for the business combination. "Consolidation adjustment, etc." in the above table includes amounts of adjustments following the application of the purchase method.

Impact of the lowered corporate income tax rate (Fiscal year ended March 31, 2015)

(Yen in hundred millions)

	Impact on net income (loss)
Total	(181)
Sompo Japan Nipponkoa Insurance Inc.	(196)
Sompo Japan Nipponkoa Himawari Life Insurance, Inc.	(17)
Others and consolidation adjustment, etc.	32

Note) "Consolidation adjustment, etc." includes the amount of impact following the application of the purchase method.

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

Overview of Financial Results for the fiscal year ended March 31, 2015

Summary of Results of Operations

(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 and expenses:					
Direct premiums written (including deposits of premiums by policyholders)	①	2,352,235	2,421,208	68,972	2.9 %
Direct premiums written	②	2,211,550	2,277,179	65,628	3.0
(+) Net premiums written	③	2,082,193	2,181,302	99,108	4.8
(-) Net claims paid	④	1,236,052	1,305,471	69,418	5.6
(-) Loss adjustment expenses	⑤	130,983	125,323	(5,660)	(4.3)
(-) Net commissions and brokerage fees	⑥	363,739	392,778	29,038	8.0
(+) Deposits of premiums by policyholders	⑦	140,685	144,029	3,344	2.4
(+) Interest and dividend income on deposits of premiums, etc.	⑧	48,933	46,075	(2,857)	(5.8)
(-) Maturity refunds and dividends to policyholders	⑨	284,729	292,493	7,764	2.7
(-) Provision for (reversal of) reserve for outstanding losses and claims	⑩	64,363	(17,684)	(82,047)	(127.5)
(-) Provision for (reversal of) underwriting reserves	⑪	(52,949)	(73,634)	(20,685)	-
(+) Other underwriting income and expenses	⑫	3,571	4,620	1,048	29.4
Gross underwriting margin	⑬	248,464	351,279	102,814	41.4
Operating, general and administrative expenses related to underwriting	⑭	307,185	300,868	(6,317)	(2.1)
Other income and expenses	⑮	(3,849)	(5,178)	(1,328)	-
Underwriting profit (loss)	⑯	(62,570)	45,232	107,802	-
Investment income and expenses:					
(+) Interest and dividend income	⑰	118,751	113,855	(4,895)	(4.1)
(+) Investment gains and losses on money trusts	⑱	4,678	6,090	1,411	30.2
(+) Gains and losses on sales of securities	⑲	128,247	70,950	(57,296)	(44.7)
(-) Impairment losses on securities	⑳	10,993	919	(10,074)	(91.6)
(+) Transfer of interest and dividend income on deposits of premiums, etc.	㉑	(48,933)	(46,075)	2,857	-
(+) Gains and losses on derivatives	㉒	(7,519)	(4,561)	2,958	-
(+) Other investment income and expenses	㉓	8,483	12,260	3,777	44.5
Gross investment margin	㉔	192,712	151,599	(41,113)	(21.3)
(-) Operating, general and administrative expenses	㉕	318,969	313,579	(5,389)	(1.7)
(+) Other ordinary income and expenses	㉖	(4,442)	5,836	10,278	-
Ordinary profit	㉗	117,765	195,134	77,369	65.7
Extraordinary gains and losses:					
(+) Extraordinary gains	㉘	3,901	1,198	(2,702)	(69.3)
(-) Extraordinary losses	㉙	46,751	102,950	56,198	120.2
Extraordinary gains and losses	㉚	(42,849)	(101,751)	(58,901)	-
Net income before income taxes	㉛	74,915	93,383	18,468	24.7
(-) Income taxes	㉜	1,653	4,237	2,583	156.3
(-) Deferred income taxes	㉝	23,737	44,086	20,348	85.7
Total income taxes	㉞	25,391	48,323	22,932	90.3
Net income	㉟	49,524	45,059	(4,464)	(9.0)

Underwriting result:					
(+) Net premiums written	⑳	2,082,193	2,181,302	99,108	4.8
(-) Net claims paid	㉑	1,236,052	1,305,471	69,418	5.6
(-) Loss adjustment expenses	㉒	130,983	125,323	(5,660)	(4.3)
(-) Net operating expenses:	㉓	670,925	693,647	22,721	3.4
Net commissions and brokerage fees	㉔	363,739	392,778	29,038	8.0
Operating, general and administrative expenses related to underwriting	㉕	307,185	300,868	(6,317)	(2.1)
Underwriting result	㉖	44,232	56,860	12,628	28.6
Ratios:					
Net loss ratio (%)	㉗	65.7	65.6	(0.1)	
Net operating expenses ratio (%)	㉘	32.2	31.8	(0.4)	
Combined ratio (%)	㉙	97.9	97.4	(0.5)	
Return on investments (income base) (%)	㉚	2.25	2.19	(0.06)	
Return on investments (realized base) (%)	㉛	4.53	3.77	(0.76)	

Reference) Total return based on the fair value: Fiscal year ended March 31, 2014 5.21 %
Fiscal year ended March 31, 2015 10.66 %

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

Premiums Written and Claims Paid by Business Lines

Direct premiums written (excluding deposits of premiums by policyholders)

(Millions of yen)

Business line	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	337,724	15.3	5.1	354,075	15.5	4.8
Marine insurance	51,211	2.3	10.0	51,881	2.3	1.3
Personal accident insurance	182,072	8.2	0.3	184,182	8.1	1.2
Voluntary automobile insurance	1,012,341	45.8	3.4	1,042,755	45.8	3.0
Compulsory automobile liability insurance	325,991	14.7	10.7	324,060	14.2	(0.6)
Others	302,208	13.7	9.1	320,223	14.1	6.0
Total	2,211,550	100.0	5.3	2,277,179	100.0	3.0
Deposits of premiums by policyholders	140,685	—	(3.6)	144,029	—	2.4

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	283,651	13.6	12.4	323,230	14.8	14.0
Marine insurance	45,646	2.2	14.7	52,547	2.4	15.1
Personal accident insurance	184,998	8.9	1.3	185,268	8.5	0.1
Voluntary automobile insurance	1,014,167	48.7	3.4	1,043,759	47.9	2.9
Compulsory automobile liability insurance	298,265	14.3	8.7	305,203	14.0	2.3
Others	255,463	12.3	8.3	271,293	12.4	6.2
Total	2,082,193	100.0	5.9	2,181,302	100.0	4.8

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	Rate of change	Net loss ratio	Amount	Rate of change	Net loss ratio
Fire and allied insurance	177,847	(10.0)	64.8	224,113	26.0	70.9
Marine insurance	25,477	18.7	58.4	28,769	12.9	58.0
Personal accident insurance	101,832	2.4	60.2	101,873	0.0	59.2
Voluntary automobile insurance	575,569	(5.2)	65.0	581,297	1.0	63.4
Compulsory automobile liability insurance	228,117	(0.9)	83.5	225,646	(1.1)	80.6
Others	127,207	2.1	53.7	143,769	13.0	56.7
Total	1,236,052	(3.5)	65.7	1,305,471	5.6	65.6

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

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

(Millions of yen)

	Fiscal year ended March 31, 2014			Fiscal year ended March 31, 2015		
	Net claims paid	Reserve for outstanding losses and claims	Net incurred loss	Net claims paid	Reserve for outstanding losses and claims	Net incurred loss
Fire and allied insurance	44,110	51,155	95,266	24,331	4,366	28,698
Voluntary automobile insurance	7,971	3,990	11,962	3,022	46	3,069
Other than the above	1,711	2,794	4,506	1,109	358	1,467
Total	53,794	57,940	111,735	28,464	4,770	33,234

Note) Net incurred loss = Net claims paid + Reserve for outstanding losses and claims

Reserve for outstanding losses and claims represents amounts deducting reinsurance recoverable on unpaid loss from reserve for outstanding losses and claims of direct insurance and assumed reinsurance.

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

(Millions of yen)

	Fiscal year ended March 31, 2014			Fiscal year ended March 31, 2015		
	Amount	Increase (Decrease)	Rate of change	Amount	Increase (Decrease)	Rate of change
Personnel expenses	247,223	(10,707)	(4.2)	239,738	(7,485)	(3.0)
Non-personnel expenses	183,292	(4,543)	(2.4)	180,290	(3,001)	(1.6)
Others (taxes and contributions)	19,437	670	3.6	18,874	(563)	(2.9)
Total	449,953	(14,579)	(3.1)	438,903	(11,050)	(2.5)

Reserve for Outstanding Losses and Claims

(Millions of yen)

	Fiscal year ended March 31, 2014		Fiscal year ended March 31, 2015	
	Balance	Change	Balance	Change
Fire and allied insurance	152,434	44,074	128,395	(23,230)
Marine insurance	21,188	2,230	29,118	8,116
Personal accident insurance	76,291	274	69,725	(6,566)
Voluntary automobile insurance	425,876	5,813	413,025	(12,309)
Compulsory automobile liability insurance	87,847	1,373	89,835	1,987
Others	197,182	10,596	198,412	14,318
Total	960,821	64,363	928,513	(17,684)

Note) Part of overseas insurance contracts have been transferred during the fiscal year ended March 31, 2015. The change during the fiscal year ended March 31, 2015 excludes the decrease in reserve for outstanding losses and claims related to the transfer.

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

Ordinary Underwriting Reserves

(Millions of yen)

	Fiscal year ended March 31, 2014		Fiscal year ended March 31, 2015	
	Balance	Change	Balance	Change
Fire and allied insurance	738,663	16,567	760,009	22,275
Marine insurance	14,627	1,237	17,409	3,000
Personal accident insurance	119,727	4,280	120,878	1,150
Voluntary automobile insurance	292,440	14,310	302,872	10,886
Compulsory automobile liability insurance	402,532	(7,326)	403,817	1,285
Others	289,471	11,018	297,457	11,462
Total	1,857,462	40,088	1,902,444	50,061

Notes)

- This table excludes reserve for maturity refunds and reserve for dividends to policyholders of savings-type insurance and includes underwriting reserves of earthquake insurance and compulsory automobile liability insurance.
- Part of overseas insurance contracts have been transferred during the fiscal year ended March 31, 2015. The change during the fiscal year ended March 31, 2015 excludes the decrease in ordinary underwriting reserves related to the transfer.
Ordinary underwriting reserves related to the transfer is 5,079 million yen. The components of this amount are 929 million yen of fire and allied insurance, 218 million yen of marine insurance, 454 million yen of voluntary automobile insurance and 3,476 million yen of others.

Catastrophic Loss Reserve

(Millions of yen)

	Fiscal year ended March 31, 2014				Fiscal year ended March 31, 2015			
	Reversal	Provision	Balance	Balance ratio	Reversal	Provision	Balance	Balance ratio
Fire and allied insurance	33,387	38,386	199,200	70.5	60,034	44,691	183,857	57.0
Marine insurance	475	2,126	48,391	106.0	1,185	2,780	49,985	95.1
Personal accident insurance	11,770	5,777	80,440	43.5	11,501	5,814	74,753	40.3
Voluntary automobile insurance	62,009	63,872	63,872	6.3	61,583	62,614	64,903	6.2
Others	4,190	13,647	170,184	66.6	6,858	14,024	177,351	65.4
Total	111,834	123,810	562,089	31.5	141,164	129,925	550,851	29.4

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

2. Forecasts for the fiscal year ending March 31, 2016 (April 1, 2015 to March 31, 2016)

Sompo Japan Nipponkoa Holdings, Inc. (Consolidated)

(Yen in hundred millions, %)

	Fiscal year ended March 31, 2015 Result	Fiscal year ending March 31, 2016 Forecast	Increase (Decrease)	Rate of change
Net premiums written	25,080	26,070	989	3.9
Life insurance premiums written	2,772	2,770	(2)	(0.1)
Ordinary profit	2,083	2,300	216	10.4
Net income attributable to shareholders of the parent:	542	1,600	1,057	194.8
Sompo Japan Nipponkoa Insurance Inc.	450	1,280	829	184.1
Sompo Japan Nipponkoa Himawari Life Insurance, Inc.	97	102	5	5.7
Overseas consolidated subsidiaries	194	195	1	0.5
Others and consolidation adjustment, etc.	(199)	21	221	—
Dividends per share (annual)	70 yen	80 yen	10 yen	—

Note) In establishing Sompo Japan Nipponkoa Holdings, Inc., the purchase method was applied to account for the business combination.
"Consolidation adjustment, etc." in the above table includes amounts of adjustments following the application of the purchase method.

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

(Yen in hundred millions, %)

	Fiscal year ended March 31, 2015 Result	Fiscal year ending March 31, 2016 Forecast	Increase (Decrease)	Rate of change
Net premiums written	21,813	22,206	393	1.8
(Excluding earthquake insurance and compulsory automobile liability insurance)	18,752	19,147	395	2.1
Net loss ratio	65.6	62.5	(3.1)	—
(Excluding earthquake insurance and compulsory automobile liability insurance)	63.2	59.7	(3.5)	—
Net operating expenses ratio	31.8	31.4	(0.4)	—
(Excluding earthquake insurance and compulsory automobile liability insurance)	33.6	33.1	(0.6)	—
Combined ratio	97.4	93.8	(3.6)	—
(Excluding earthquake insurance and compulsory automobile liability insurance)	96.8	92.7	(4.1)	—
Underwriting profit	452	880	427	94.6
Gross investment margin	1,515	1,060	(455)	(30.1)
Ordinary profit	1,951	1,860	(91)	(4.7)
Net income	450	1,280	829	184.1

3. Overview of Business Results of Principal Consolidated Subsidiaries

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

Balance Sheet

	(Millions of yen)		Increase (Decrease)
	As of March 31, 2014	As of March 31, 2015	
	Amount	Amount	
Assets:			
Cash and deposits:	325,749	320,987	(4,762)
Cash	75	3	(72)
Deposits	325,673	320,983	(4,689)
Call loans	75,000	—	(75,000)
Receivables under resale agreements	126,984	71,985	(54,998)
Monetary receivables bought	16,951	14,234	(2,717)
Money trusts	97,819	111,162	13,342
Securities:	4,911,703	5,340,339	428,635
Government bonds	1,169,101	1,164,671	(4,430)
Municipal bonds	24,905	15,573	(9,332)
Corporate bonds	577,061	506,772	(70,288)
Domestic stocks	1,574,157	1,854,715	280,558
Foreign securities	1,524,052	1,765,528	241,476
Other securities	42,425	33,078	(9,347)
Loans:	579,142	586,639	7,496
Policy loans	11,543	10,271	(1,272)
Ordinary loans	567,598	576,367	8,768
Tangible fixed assets:	318,756	310,995	(7,761)
Land	159,046	154,142	(4,903)
Buildings	124,500	126,062	1,561
Leased assets	5,932	4,690	(1,241)
Construction in progress	3,338	1,267	(2,070)
Other tangible fixed assets	25,937	24,830	(1,106)
Intangible fixed assets:	600	598	(2)
Other intangible fixed assets	600	598	(2)
Other assets:	588,603	580,684	(7,919)
Premiums receivable	1,748	1,049	(699)
Agency accounts receivable	124,903	153,512	28,609
Foreign agency accounts receivable	50,338	52,487	2,149
Coinsurance accounts receivable	23,336	9,850	(13,486)
Reinsurance accounts receivable	100,833	102,816	1,982
Foreign reinsurance accounts receivable	56,481	80,744	24,262
Proxy service receivable	0	872	871
Accounts receivable	41,856	28,559	(13,297)
Accrued income	12,279	10,974	(1,304)
Advance deposits	21,476	22,732	1,256
Earthquake insurance deposits	12,066	12,795	729
Suspense payments	127,969	76,078	(51,891)
Deposits paid for future transactions	3,178	4,068	890
Derivative assets	12,131	24,139	12,007
Other assets	1	1	0
Prepaid pension cost	13	692	679
Deferred tax assets	57,741	—	(57,741)
Customers' liabilities for acceptances and guarantees	12,299	—	(12,299)
Allowance for possible credit losses	(3,755)	(3,713)	42
Allowance for possible investment losses	(8,671)	(8,369)	301
Total assets	7,098,938	7,326,234	227,295

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

Balance Sheet

	(Millions of yen)		Increase (Decrease)
	As of March 31, 2014	As of March 31, 2015	
	Amount	Amount	
Liabilities:			
Underwriting funds:	5,100,357	4,989,335	(111,021)
Reserve for outstanding losses and claims	960,821	928,513	(32,308)
Underwriting reserves	4,139,535	4,060,822	(78,713)
Corporate bonds	261,560	133,560	(128,000)
Other liabilities:	333,746	347,743	13,997
Coinsurance accounts payable	5,662	5,430	(232)
Reinsurance accounts payable	92,164	92,656	491
Foreign reinsurance accounts payable	25,012	31,569	6,557
Borrowings	4,592	4,635	42
Income taxes payable	5,762	6,367	604
Deposits received	4,736	4,483	(253)
Unearned income	1,372	405	(967)
Accounts payable	105,825	103,094	(2,730)
Suspense receipts	68,991	81,690	12,699
Derivative liabilities	11,663	10,749	(914)
Lease obligations	5,978	4,632	(1,345)
Asset retirement obligations	1,981	2,028	46
Other liabilities	0	—	(0)
Reserve for retirement benefits	96,907	89,223	(7,683)
Reserve for bonus payments	19,616	19,223	(393)
Reserve for bonus payments to directors	86	109	23
Reserves under the special laws:	41,028	50,134	9,105
Reserve for price fluctuation	41,028	50,134	9,105
Deferred tax liabilities	—	104,251	104,251
Acceptances and guarantees	12,299	—	(12,299)
Total liabilities	5,865,602	5,733,581	(132,021)
Net assets:			
Shareholders' equity:			
Common stock	161,249	70,000	(91,249)
Capital surplus:	45,931	121,180	75,249
Capital reserves	45,931	70,000	24,068
Other capital surplus	—	51,180	51,180
Retained earnings:	273,963	291,394	17,430
Legal reserve	94,059	—	(94,059)
Other retained earnings:	179,903	291,394	111,490
Reserve for advanced depreciation	4,337	4,361	24
General reserve	83,300	83,300	—
Retained earnings carried forward	92,266	203,732	111,465
Total shareholders' equity	481,144	482,575	1,430
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	744,986	1,101,992	357,006
Deferred gains and losses on hedges	7,205	8,085	880
Total valuation and translation adjustments	752,191	1,110,078	357,887
Total net assets	1,233,336	1,592,653	359,317
Total liabilities and net assets	7,098,938	7,326,234	227,295

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

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)	Increase (Decrease)	Rate of change
	Amount	Amount		
Ordinary income:	2,563,356	2,644,316	80,960	3.2
Underwriting income:	2,331,159	2,470,489	139,330	6.0
Net premiums written	2,082,193	2,181,302	99,108	4.8
Deposits of premiums by policyholders	140,685	144,029	3,344	2.4
Interest and dividend income on deposits of premiums, etc.	48,933	46,075	(2,857)	(5.8)
Reversal of reserve for outstanding losses and claims	—	17,684	17,684	—
Reversal of underwriting reserves	52,949	73,634	20,685	39.1
Foreign exchange gains	4,290	3,029	(1,260)	(29.4)
Other underwriting income	2,106	4,733	2,626	124.7
Investment income:	224,146	160,468	(63,677)	(28.4)
Interest and dividend income	118,751	113,855	(4,895)	(4.1)
Investment gains on money trusts	4,922	6,260	1,337	27.2
Investment gains on trading securities	128	—	(128)	(100.0)
Gains on sales of securities	135,509	71,730	(63,778)	(47.1)
Gains on redemption of securities	2,292	772	(1,519)	(66.3)
Foreign exchange gains	10,256	13,583	3,327	32.4
Other investment income	1,220	341	(878)	(72.0)
Transfer of interest and dividend income on deposits of premiums, etc.	(48,933)	(46,075)	2,857	—
Other ordinary income	8,051	13,358	5,307	65.9
Ordinary expenses:	2,445,591	2,449,182	3,590	0.1
Underwriting expenses:	2,082,694	2,119,210	36,515	1.8
Net claims paid	1,236,052	1,305,471	69,418	5.6
Loss adjustment expenses	130,983	125,323	(5,660)	(4.3)
Net commissions and brokerage fees	363,739	392,778	29,038	8.0
Maturity refunds to policyholders	284,619	292,388	7,769	2.7
Dividends to policyholders	109	105	(4)	(4.3)
Provision for reserve for outstanding losses and claims	64,363	—	(64,363)	(100.0)
Other underwriting expenses	2,825	3,143	317	11.2
Investment expenses:	31,433	8,869	(22,563)	(71.8)
Investment losses on money trusts	243	170	(73)	(30.2)
Losses on sales of securities	7,261	780	(6,481)	(89.3)
Impairment losses on securities	10,993	919	(10,074)	(91.6)
Losses on redemption of securities	253	82	(171)	(67.5)
Losses on derivatives	7,519	4,561	(2,958)	(39.3)
Other investment expenses	5,160	2,355	(2,804)	(54.3)
Operating, general and administrative expenses	318,969	313,579	(5,389)	(1.7)
Other ordinary expenses:	12,493	7,522	(4,971)	(39.8)
Interest paid	11,592	5,758	(5,834)	(50.3)
Provision for allowance for possible credit losses	—	84	84	—
Losses on bad debt	12	6	(6)	(50.1)
Other ordinary expenses	888	1,673	784	88.3
Ordinary profit	117,765	195,134	77,369	65.7

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

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)	Increase (Decrease)	Rate of change
	Amount	Amount		
Extraordinary gains:	3,901	1,198	(2,702)	(69.3)
Gains on disposal of fixed assets	3,901	1,198	(2,702)	(69.3)
Extraordinary losses:	46,751	102,950	56,198	120.2
Losses on disposal of fixed assets	3,131	1,221	(1,910)	(61.0)
Impairment losses	4,021	5,517	1,495	37.2
Provision for reserves under the special laws:	7,790	9,105	1,314	16.9
Provision for reserve for price fluctuation	7,790	9,105	1,314	16.9
Other extraordinary losses	31,807	87,106	55,298	173.9
Net income before income taxes	74,915	93,383	18,468	24.7
Income taxes	1,653	4,237	2,583	156.3
Deferred income taxes	23,737	44,086	20,348	85.7
Total income taxes	25,391	48,323	22,932	90.3
Net income	49,524	45,059	(4,464)	(9.0)
Underwriting result:				
Net premiums written (+)	2,082,193	2,181,302	99,108	4.8
Net claims paid (-)	1,236,052	1,305,471	69,418	5.6
Loss adjustment expenses (-)	130,983	125,323	(5,660)	(4.3)
Net operating expenses: (-)	670,925	693,647	22,721	3.4
Net commissions and brokerage fees	363,739	392,778	29,038	8.0
Operating, general and administrative expenses related to underwriting	307,185	300,868	(6,317)	(2.1)
Underwriting result	44,232	56,860	12,628	28.6
Underwriting profit (loss)	(62,570)	45,232	107,802	-
Ratios:				
Net loss ratio (%)	65.7	65.6	(0.1)	
Net operating expenses ratio (%)	32.2	31.8	(0.4)	
Combined ratio (%)	97.9	97.4	(0.5)	

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

Premiums Written and Claims Paid by Business Lines

Direct premiums written (excluding deposits of premiums by policyholders)

(Millions of yen)

Business line	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	337,724	15.3	5.1	354,075	15.5	4.8
Marine insurance	51,211	2.3	10.0	51,881	2.3	1.3
Personal accident insurance	182,072	8.2	0.3	184,182	8.1	1.2
Voluntary automobile insurance	1,012,341	45.8	3.4	1,042,755	45.8	3.0
Compulsory automobile liability insurance	325,991	14.7	10.7	324,060	14.2	(0.6)
Others	302,208	13.7	9.1	320,223	14.1	6.0
Total	2,211,550	100.0	5.3	2,277,179	100.0	3.0
Deposits of premiums by policyholders	140,685	—	(3.6)	144,029	—	2.4

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	283,651	13.6	12.4	323,230	14.8	14.0
Marine insurance	45,646	2.2	14.7	52,547	2.4	15.1
Personal accident insurance	184,998	8.9	1.3	185,268	8.5	0.1
Voluntary automobile insurance	1,014,167	48.7	3.4	1,043,759	47.9	2.9
Compulsory automobile liability insurance	298,265	14.3	8.7	305,203	14.0	2.3
Others	255,463	12.3	8.3	271,293	12.4	6.2
Total	2,082,193	100.0	5.9	2,181,302	100.0	4.8

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	Rate of change	Net loss ratio	Amount	Rate of change	Net loss ratio
Fire and allied insurance	177,847	(10.0)	64.8	224,113	26.0	70.9
Marine insurance	25,477	18.7	58.4	28,769	12.9	58.0
Personal accident insurance	101,832	2.4	60.2	101,873	0.0	59.2
Voluntary automobile insurance	575,569	(5.2)	65.0	581,297	1.0	63.4
Compulsory automobile liability insurance	228,117	(0.9)	83.5	225,646	(1.1)	80.6
Others	127,207	2.1	53.7	143,769	13.0	56.7
Total	1,236,052	(3.5)	65.7	1,305,471	5.6	65.6

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)

Non-consolidated Solvency Margin Ratio

(Millions of yen)

	As of March 31, 2014		As of March 31, 2015
	Sompo Japan Insurance Inc.	NIPPONKOA Insurance Company, Limited	
(A) Total Non-consolidated Solvency Margin	1,636,131	724,387	2,683,345
Capital and funds, etc.	275,199	205,944	482,575
Reserve for price fluctuation	24,611	16,417	50,134
Contingency reserve	611	9	611
Catastrophic loss reserve	405,552	170,890	565,587
General allowance for possible credit losses	148	39	203
Unrealized gains and losses on securities (before tax effect deductions)	647,211	300,559	1,367,903
Unrealized gains and losses on land	21,421	17,709	35,852
Excess amount of reserve for maturity refunds	—	—	—
Subordinated debt, etc.	261,560	—	133,560
Excess amount of reserve for maturity refunds and subordinated debt, etc. which are excluded from total solvency margin	—	—	—
Deductions	67,066	11,769	81,916
Others	66,880	24,587	128,834
(B) Total Non-consolidated Risks	458,707	221,843	749,202
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$			
Underwriting risk (R_1)	113,713	57,602	176,741
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_2)	—	0	—
Guaranteed interest rate risk (R_3)	15,979	8,773	23,256
Investment risk (R_4)	298,150	133,222	512,131
Business management risk (R_5)	10,832	5,258	17,598
Major catastrophe risk (R_6)	113,795	63,349	167,796
(C) Non-consolidated Solvency Margin Ratio [(A) / { (B) × 1/2 }] × 100	713.3 %	653.0 %	716.3 %

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

Sonpo 24 Insurance Company Limited (Non-consolidated)

Balance Sheet

	(Millions of yen)		Increase (Decrease)
	As of March 31, 2014	As of March 31, 2015	
	Amount	Amount	
Assets:			
Cash and deposits:	3,076	4,950	1,873
Deposits	3,076	4,950	1,873
Securities:	17,320	15,727	(1,592)
Government bonds	17,220	15,627	(1,592)
Other securities	100	100	—
Tangible fixed assets:	229	318	88
Buildings	22	18	(3)
Other tangible fixed assets	207	300	92
Other assets:	1,075	1,126	50
Accounts receivable	878	881	2
Accrued income	7	6	(1)
Advance deposits	171	171	(0)
Suspense payments	17	67	49
Total assets	21,703	22,123	420
Liabilities:			
Underwriting funds:	13,232	14,494	1,262
Reserve for outstanding losses and claims	4,912	5,993	1,080
Underwriting reserves	8,319	8,501	181
Other liabilities:	2,168	2,257	88
Reinsurance accounts payable	6	2	(4)
Income taxes payable	42	41	(0)
Deposits received	8	8	(0)
Accounts payable	1,219	1,323	103
Suspense receipts	891	880	(10)
Reserve for retirement benefits	186	217	30
Reserve for bonus payments	93	96	3
Reserves under the special laws:	33	36	3
Reserve for price fluctuation	33	36	3
Deferred tax liabilities	8	5	(3)
Total liabilities	15,723	17,108	1,384
Net assets:			
Shareholders' equity:			
Common stock	19,000	19,000	—
Capital surplus:	19,000	19,000	—
Capital reserves	19,000	19,000	—
Retained earnings:	(32,040)	(32,998)	(958)
Other retained earnings:	(32,040)	(32,998)	(958)
Retained earnings carried forward	(32,040)	(32,998)	(958)
Total shareholders' equity	5,959	5,001	(958)
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	19	13	(5)
Total valuation and translation adjustments	19	13	(5)
Total net assets	5,979	5,015	(963)
Total liabilities and net assets	21,703	22,123	420

Sonpo 24 Insurance Company Limited (Non-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)	Increase (Decrease)	Rate of change
	Amount	Amount		
Ordinary income:	13,830	14,193	363	2.6
Underwriting income:	13,808	14,174	365	2.6
Net premiums written	13,799	14,163	363	2.6
Interest and dividend income on deposits of premiums, etc.	8	10	1	16.9
Other underwriting income	—	0	0	—
Investment income:	21	19	(1)	(9.0)
Interest and dividend income	30	29	(0)	(1.2)
Transfer of interest and dividend income on deposits of premiums, etc.	(8)	(10)	(1)	—
Other ordinary income	0	0	0	15.9
Ordinary expenses:	14,221	15,139	917	6.5
Underwriting expenses:	11,120	11,316	195	1.8
Net claims paid	7,922	8,090	167	2.1
Loss adjustment expenses	943	1,048	105	11.2
Net commissions and brokerage fees	913	914	0	0.1
Provision for reserve for outstanding losses and claims	886	1,080	194	21.9
Provision for underwriting reserves	453	181	(272)	(60.0)
Other underwriting expenses	0	0	0	6.9
Operating, general and administrative expenses	3,101	3,823	721	23.3
Other ordinary expenses:	0	0	(0)	(6.3)
Other ordinary expenses	0	0	(0)	(6.3)
Ordinary loss	(391)	(945)	(553)	—
Extraordinary losses:	5	8	3	72.0
Losses on disposal of fixed assets	1	5	3	248.1
Provision for reserves under the special laws:	3	3	(0)	(9.2)
Provision for reserve for price fluctuation	3	3	(0)	(9.2)
Net loss before income taxes	(396)	(954)	(557)	—
Income taxes	3	3	—	—
Total income taxes	3	3	—	—
Net loss	(400)	(958)	(557)	—
Underwriting result:				
Net premiums written (+)	13,799	14,163	363	2.6
Net claims paid (—)	7,922	8,090	167	2.1
Loss adjustment expenses (—)	943	1,048	105	11.2
Net operating expenses: (—)	4,012	4,734	721	18.0
Net commissions and brokerage fees	913	914	0	0.1
Operating, general and administrative expenses related to underwriting	3,099	3,820	721	23.3
Underwriting result	920	289	(631)	(68.6)
Underwriting profit (loss)	(412)	(961)	(549)	—
Ratios:				
Net loss ratio (%)	64.3	64.5	0.3	
Net operating expenses ratio (%)	29.1	33.4	4.4	
Combined ratio (%)	93.3	98.0	4.6	

Sonpo 24 Insurance Company Limited (Non-consolidated)

Premiums Written and Claims Paid by Business Lines

Direct premiums written (excluding deposits of premiums by policyholders)

(Millions of yen)

Business line	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	—	—	—	—	—	—
Marine insurance	—	—	—	—	—	—
Personal accident insurance	—	—	—	—	—	—
Voluntary automobile insurance	13,646	100.0	5.9	14,002	100.0	2.6
Compulsory automobile liability insurance	—	—	—	—	—	—
Others	—	—	—	—	—	—
Total	13,646	100.0	5.9	14,002	100.0	2.6
Deposits of premiums by policyholders	—	—	—	—	—	—

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	—	—	—	—	—	—
Marine insurance	—	—	—	—	—	—
Personal accident insurance	—	—	—	—	—	—
Voluntary automobile insurance	13,547	98.2	5.9	13,908	98.2	2.7
Compulsory automobile liability insurance	252	1.8	12.3	254	1.8	0.9
Others	—	—	—	—	—	—
Total	13,799	100.0	6.0	14,163	100.0	2.6

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	Rate of change	Net loss ratio	Amount	Rate of change	Net loss ratio
Fire and allied insurance	—	—	—	—	—	—
Marine insurance	—	—	—	—	—	—
Personal accident insurance	—	—	—	—	—	—
Voluntary automobile insurance	7,675	(0.4)	63.6	7,834	2.1	63.9
Compulsory automobile liability insurance	247	4.4	98.3	255	3.0	100.3
Others	—	—	—	—	—	—
Total	7,922	(0.3)	64.3	8,090	2.1	64.5

Sonpo 24 Insurance Company Limited (Non-consolidated)

Non-consolidated Solvency Margin Ratio

	(Millions of yen)	
	As of March 31, 2014	As of March 31, 2015
(A) Total Non-consolidated Solvency Margin	6,453	5,502
Capital and funds, etc.	5,959	5,001
Reserve for price fluctuation	33	36
Contingency reserve	—	—
Catastrophic loss reserve	434	446
General allowance for possible credit losses	—	—
Unrealized gains and losses on securities (before tax effect deductions)	25	17
Unrealized gains and losses on land	—	—
Excess amount of reserve for maturity refunds	—	—
Subordinated debt, etc.	—	—
Excess amount of reserve for maturity refunds and subordinated debt, etc. which are excluded from total solvency margin	—	—
Deductions	—	—
Others	—	—
(B) Total Non-consolidated Risks	2,036	2,100
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$		
Underwriting risk (R_1)	1,793	1,857
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_2)	—	—
Guaranteed interest rate risk (R_3)	—	—
Investment risk (R_4)	378	365
Business management risk (R_5)	69	70
Major catastrophe risk (R_6)	134	136
(C) Non-consolidated Solvency Margin Ratio $[(A) / \{(B) \times 1/2\}] \times 100$	633.9 %	523.9 %

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

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

Balance Sheet

	As of March 31, 2014	As of March 31, 2015	(Millions of yen) Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits:	2,887	2,380	(506)
Cash	0	0	0
Deposits	2,887	2,380	(506)
Securities:	31,932	35,725	3,793
Government bonds	14,098	13,878	(220)
Municipal bonds	2,287	2,675	388
Corporate bonds	5,970	4,722	(1,247)
Domestic stocks	56	30	(26)
Foreign securities	238	20	(217)
Other securities	9,281	14,398	5,117
Loans:	7	2	(5)
Policy loans	7	2	(5)
Tangible fixed assets:	254	193	(61)
Buildings	51	50	(0)
Leased assets	200	136	(64)
Other tangible fixed assets	2	6	3
Intangible fixed assets:	3,449	3,199	(250)
Software	3,421	3,184	(237)
Leased assets	21	9	(11)
Other intangible fixed assets	5	4	(0)
Other assets:	3,202	3,207	5
Premiums receivable	1,220	1,114	(105)
Agency accounts receivable	54	54	(0)
Coinsurance accounts receivable	12	12	0
Reinsurance accounts receivable	86	247	161
Foreign reinsurance accounts receivable	113	64	(49)
Accounts receivable	363	487	124
Accrued income	54	47	(7)
Advance deposits	314	303	(10)
Suspense payments	982	875	(106)
Allowance for possible credit losses	(0)	(2)	(1)
Total assets	41,733	44,706	2,973

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

Balance Sheet

	As of March 31, 2014	As of March 31, 2015	(Millions of yen) Increase (Decrease)
	Amount	Amount	
Liabilities:			
Underwriting funds:	27,238	30,610	3,371
Reserve for outstanding losses and claims	6,717	7,630	912
Underwriting reserves	20,521	22,980	2,459
Other liabilities:	2,221	2,116	(105)
Coinsurance accounts payable	34	37	3
Reinsurance accounts payable	187	230	43
Foreign reinsurance accounts payable	231	202	(28)
Income taxes payable	82	75	(6)
Deposits received	3	2	(1)
Accounts payable	1,332	1,230	(101)
Suspense receipts	119	185	66
Lease obligations	232	151	(80)
Reserve for retirement benefits to directors	42	44	2
Reserve for bonus payments	211	228	16
Reserves under the special laws:	20	28	7
Reserve for price fluctuation	20	28	7
Deferred tax liabilities	146	160	13
Total liabilities	29,880	33,187	3,306
Net assets:			
Shareholders' equity:			
Common stock	20,110	23,610	3,500
Capital surplus:	18,347	21,847	3,499
Capital reserves	18,347	21,847	3,499
Other capital surplus	0	0	—
Retained earnings:	(27,017)	(34,424)	(7,406)
Other retained earnings:	(27,017)	(34,424)	(7,406)
Retained earnings carried forward	(27,017)	(34,424)	(7,406)
Total shareholders' equity	11,440	11,033	(406)
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	412	485	73
Total valuation and translation adjustments	412	485	73
Total net assets	11,852	11,519	(333)
Total liabilities and net assets	41,733	44,706	2,973

SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED (Non-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)	Increase (Decrease)	Rate of change
	Amount	Amount		
Ordinary income:	19,819	22,783	2,964	15.0
Underwriting income:	19,250	22,595	3,344	17.4
Net premiums written	18,951	22,359	3,408	18.0
Deposits of premiums by policyholders	257	183	(74)	(28.7)
Interest and dividend income on deposits of premiums, etc.	41	40	(0)	(1.6)
Foreign exchange gains	0	0	0	77.5
Other underwriting income	—	11	11	—
Investment income:	508	153	(355)	(69.8)
Interest and dividend income	158	125	(33)	(20.9)
Investment gains on money trusts	30	—	(30)	(100.0)
Investment gains on trading securities	0	—	(0)	(100.0)
Gains on sales of securities	323	35	(287)	(89.1)
Gains on redemption of securities	24	13	(11)	(45.4)
Other investment income	12	19	6	54.4
Transfer of interest and dividend income on deposits of premiums, etc.	(41)	(40)	0	—
Other ordinary income	59	34	(25)	(41.8)
Ordinary expenses:	28,259	30,171	1,912	6.8
Underwriting expenses:	17,408	19,151	1,743	10.0
Net claims paid	10,997	12,350	1,352	12.3
Loss adjustment expenses	1,470	1,849	379	25.8
Net commissions and brokerage fees	1,355	849	(505)	(37.3)
Maturity refunds to policyholders	885	725	(159)	(18.0)
Provision for reserve for outstanding losses and claims	1,483	912	(571)	(38.5)
Provision for underwriting reserves	1,211	2,459	1,247	102.9
Other underwriting expenses	4	4	(0)	(2.8)
Investment expenses:	6	4	(2)	(35.4)
Losses on sales of securities	1	—	(1)	(100.0)
Other investment expenses	5	4	(0)	(15.5)
Operating, general and administrative expenses	10,776	10,978	201	1.9
Other ordinary expenses:	67	37	(30)	(44.6)
Interest paid	8	6	(1)	(23.1)
Provision for allowance for possible credit losses	—	1	1	—
Other ordinary expenses	59	29	(30)	(50.9)
Ordinary loss	(8,439)	(7,388)	1,051	—
Extraordinary losses:	189	10	(179)	(94.6)
Losses on disposal of fixed assets	3	2	(1)	(33.5)
Impairment losses	1	0	(1)	(59.0)
Provision for reserves under the special laws:	7	7	0	7.6
Provision for reserve for price fluctuation	7	7	0	7.6
Other extraordinary losses	177	—	(177)	(100.0)
Net loss before income taxes	(8,629)	(7,398)	1,231	—
Income taxes	9	8	(1)	(12.4)
Total income taxes	9	8	(1)	(12.4)
Net loss	(8,639)	(7,406)	1,232	—
Underwriting result:				
Net premiums written (+)	18,951	22,359	3,408	18.0
Net claims paid (—)	10,997	12,350	1,352	12.3
Loss adjustment expenses (—)	1,470	1,849	379	25.8
Net operating expenses: (—)	12,104	11,808	(296)	(2.4)
Net commissions and brokerage fees	1,355	849	(505)	(37.3)
Operating, general and administrative expenses related to underwriting	10,749	10,958	208	1.9
Underwriting result	(5,621)	(3,649)	1,972	—
Underwriting profit (loss)	(8,873)	(7,513)	1,360	—
Ratios:				
Net loss ratio (%)	65.8	63.5	(2.3)	
Net operating expenses ratio (%)	63.9	52.8	(11.1)	
Combined ratio (%)	129.7	116.3	(13.4)	

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

Premiums Written and Claims Paid by Business Lines

Direct premiums written (excluding deposits of premiums by policyholders)

(Millions of yen)

Business line	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	2,483	11.9	(26.2)	1,911	7.8	(23.1)
Marine insurance	—	—	—	—	—	—
Personal accident insurance	4,131	19.7	(5.7)	4,026	16.5	(2.5)
Voluntary automobile insurance	13,329	63.7	22.4	17,404	71.2	30.6
Compulsory automobile liability insurance	(1)	(0.0)	(102.3)	(0)	(0.0)	—
Others	991	4.7	8.8	1,088	4.5	9.8
Total	20,935	100.0	6.8	24,430	100.0	16.7
Deposits of premiums by policyholders	257	—	(36.2)	183	—	(28.7)

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	1,698	9.0	(28.1)	1,050	4.7	(38.2)
Marine insurance	27	0.1	7.0	6	0.0	(77.6)
Personal accident insurance	2,616	13.8	(4.0)	2,574	11.5	(1.6)
Voluntary automobile insurance	13,214	69.7	22.2	17,225	77.0	30.4
Compulsory automobile liability insurance	394	2.1	10.0	412	1.8	4.6
Others	1,000	5.3	9.4	1,091	4.9	9.1
Total	18,951	100.0	10.2	22,359	100.0	18.0

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	Rate of change	Net loss ratio	Amount	Rate of change	Net loss ratio
Fire and allied insurance	423	1.4	27.6	719	70.0	73.3
Marine insurance	48	202.7	174.8	13	(73.2)	208.7
Personal accident insurance	1,993	9.1	85.7	1,627	(18.3)	72.8
Voluntary automobile insurance	7,885	28.5	67.9	9,387	19.1	62.9
Compulsory automobile liability insurance	477	(5.1)	125.1	429	(10.0)	106.9
Others	169	65.6	24.5	171	1.5	24.1
Total	10,997	22.1	65.8	12,350	12.3	63.5

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

Non-consolidated Solvency Margin Ratio

	(Millions of yen)	
	As of March 31, 2014	As of March 31, 2015
(A) Total Non-consolidated Solvency Margin	14,862	14,872
Capital and funds, etc.	11,440	11,033
Reserve for price fluctuation	20	28
Contingency reserve	11	11
Catastrophic loss reserve	2,882	3,213
General allowance for possible credit losses	—	—
Unrealized gains and losses on securities (before tax effect deductions)	503	581
Unrealized gains and losses on land	—	—
Excess amount of reserve for maturity refunds	—	—
Subordinated debt, etc.	—	—
Excess amount of reserve for maturity refunds and subordinated debt, etc. which are excluded from total solvency margin	—	—
Deductions	—	—
Others	4	4
(B) Total Non-consolidated Risks	2,647	3,328
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$		
Underwriting risk (R_1)	1,787	2,123
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_2)	—	—
Guaranteed interest rate risk (R_3)	28	27
Investment risk (R_4)	824	935
Business management risk (R_5)	96	118
Major catastrophe risk (R_6)	570	878
(C) Non-consolidated Solvency Margin Ratio $[(A) / \{(B) \times 1/2\}] \times 100$	1,122.5 %	893.6 %

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

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

Balance Sheet

	As of March 31, 2014	As of March 31, 2015	(Millions of yen) Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits:	38,819	34,021	(4,797)
Cash	2	3	1
Deposits	38,816	34,017	(4,799)
Securities:	1,988,668	2,157,819	169,151
Government bonds	1,477,004	1,593,387	116,383
Municipal bonds	65,587	59,762	(5,824)
Corporate bonds	334,832	317,734	(17,098)
Domestic stocks	8,588	7,886	(701)
Foreign securities	102,655	179,048	76,393
Loans:	35,672	36,414	741
Policy loans	35,672	36,414	741
Tangible fixed assets:	1,228	1,065	(163)
Buildings	626	540	(86)
Leased assets	426	391	(35)
Other tangible fixed assets	175	133	(41)
Intangible fixed assets:	1,075	95	(979)
Software	1,075	95	(979)
Agency accounts receivable	125	115	(9)
Reinsurance accounts receivable	930	1,423	493
Other assets:	40,062	42,201	2,139
Accounts receivable	29,224	29,006	(218)
Prepaid expenses	1,267	1,481	214
Accrued income	5,414	6,127	712
Advance deposits	2,807	2,821	13
Derivative assets	86	995	909
Suspense payments	1,230	1,716	485
Other assets	30	53	22
Deferred tax assets	13,747	5,032	(8,715)
Allowance for possible credit losses	(43)	(41)	2
Total assets	2,120,286	2,278,147	157,861

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

Balance Sheet

	As of March 31, 2014	As of March 31, 2015	(Millions of yen) Increase (Decrease)
	Amount	Amount	
Liabilities:			
Policy reserves:	1,995,280	2,119,354	124,074
Reserve for outstanding claims	31,850	34,091	2,241
Policy reserves	1,959,172	2,080,338	121,166
Reserve for dividends to policyholders	4,257	4,923	665
Agency accounts payable	3,253	4,340	1,087
Reinsurance accounts payable	1,026	1,047	20
Other liabilities:	13,353	18,957	5,604
Income taxes payable	3,068	3,890	822
Accounts payable	3,103	5,563	2,460
Accrued expenses	5,479	7,098	1,618
Deposits received	125	132	7
Derivative liabilities	262	1,072	810
Lease obligations	499	464	(35)
Suspense receipts	814	735	(79)
Reserve for bonus payments to directors	49	49	0
Reserve for retirement benefits	2,590	2,417	(172)
Reserves under the special laws:	2,688	3,353	665
Reserve for price fluctuation	2,688	3,353	665
Total liabilities	2,018,241	2,149,521	131,280
Net assets:			
Shareholders' equity:			
Common stock	17,250	17,250	—
Capital surplus:	30,000	24,500	(5,500)
Capital reserves	10,000	11,100	1,100
Other capital surplus	20,000	13,400	(6,600)
Retained earnings:	28,448	38,571	10,122
Other retained earnings:	28,448	38,571	10,122
Reserve under Article 10 of the Supplementary Provisions of Ordinance for Enforcement of the Insurance Business Act	325	325	—
Retained earnings carried forward	28,123	38,246	10,122
Total shareholders' equity	75,698	80,321	4,622
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	26,345	48,304	21,958
Total valuation and translation adjustments	26,345	48,304	21,958
Total net assets	102,044	128,626	26,581
Total liabilities and net assets	2,120,286	2,278,147	157,861

Sompo Japan Nipponkoa Himawari Life Insurance, Inc. (Non-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)	Increase (Decrease)	Rate of change
	Amount	Amount		
				%
Ordinary income:	415,266	426,197	10,931	2.6
Insurance premiums and other:	372,878	380,741	7,862	2.1
Insurance premiums	369,504	376,867	7,363	2.0
Reinsurance income	3,374	3,873	498	14.8
Investment income:	40,618	43,373	2,754	6.8
Interest and dividend income and other:	35,565	38,028	2,462	6.9
Interest and dividends on securities	34,387	36,871	2,483	7.2
Interest on loans	1,168	1,149	(19)	(1.7)
Other interest and dividends	8	7	(1)	(14.0)
Gains on sales of securities	2,739	2,081	(658)	(24.0)
Foreign exchange gains	55	0	(54)	(99.0)
Reversal of allowance for possible credit losses	4	0	(3)	(81.5)
Other investment income	—	0	0	—
Investment gains on special account	2,252	3,261	1,008	44.8
Other ordinary income:	1,769	2,083	313	17.7
Fund receipt for annuity rider	353	645	291	82.4
Fund receipt for claim deposit payments	1,404	1,432	27	2.0
Other ordinary income	11	5	(5)	(48.2)
Ordinary expenses:	398,009	403,603	5,594	1.4
Insurance claims and other:	174,043	184,849	10,806	6.2
Insurance claims	33,561	33,733	171	0.5
Annuity payments	7,387	10,081	2,694	36.5
Insurance benefits	33,703	36,201	2,498	7.4
Surrender benefits	93,280	98,040	4,759	5.1
Other refunds	1,701	2,467	766	45.1
Reinsurance premiums	4,409	4,325	(83)	(1.9)
Provision for policy reserves and other:	138,697	123,408	(15,288)	(11.0)
Provision for reserve for outstanding claims	3,504	2,241	(1,262)	(36.0)
Provision for policy reserves	135,192	121,166	(14,025)	(10.4)
Provision for interest portion of reserve for dividends to policyholders	0	0	0	18.8
Investment expenses:	568	488	(80)	(14.1)
Interest paid	69	65	(4)	(6.4)
Losses on sales of securities	401	133	(268)	(66.9)
Losses on derivatives	67	250	182	269.6
Other investment expenses	29	40	10	35.4
Operating expenses	80,100	90,309	10,208	12.7
Other ordinary expenses:	4,599	4,547	(52)	(1.1)
Claim deposit payments	1,047	1,030	(17)	(1.6)
Taxes	1,616	1,732	115	7.1
Depreciation	1,466	1,363	(102)	(7.0)
Provision for reserve for retirement benefits	444	397	(46)	(10.4)
Other ordinary expenses	24	22	(1)	(7.5)
Ordinary profit	17,257	22,594	5,336	30.9
Extraordinary losses:	545	1,819	1,273	233.4
Losses on disposal of fixed assets and other	76	2	(74)	(96.9)
Provision for reserves under the special laws:	469	665	196	41.9
Provision for reserve for price fluctuation	469	665	196	41.9
Other extraordinary losses	—	1,151	1,151	—
Provision for reserve for dividends to policyholders	3,465	4,276	811	23.4
Net income before income taxes	13,246	16,498	3,251	24.5
Income taxes	5,051	6,228	1,177	23.3
Deferred income taxes	126	541	415	328.4
Total income taxes	5,177	6,770	1,592	30.8
Net income	8,068	9,727	1,659	20.6

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

Major Business Results

Total amount of policies in force

(Number in thousands, Yen in hundred millions, %)

	As of March 31, 2014				As of March 31, 2015			
	Number		Amount		Number		Amount	
		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year
Individual insurance	3,211	105.3	199,642	105.7	3,414	106.3	207,685	104.0
Individual annuities	70	99.1	2,812	98.7	69	98.7	2,745	97.6
Group insurance	—	—	31,424	100.8	—	—	31,143	99.1
Group annuities	—	—	—	—	—	—	—	—

Note) Amounts of "Individual annuities" represent the sums of annuity fund at the beginning of annuity payment of contracts before the beginning of annuity payment and policy reserves for the contracts after the beginning of annuity payment.

Total amount of new policies

(Number in thousands, Yen in hundred millions, %)

	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)			
	Number		Amount		Number		Amount	
		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year
Individual insurance	339	82.6	26,275	86.6	436	128.8	23,835	90.7
Individual annuities	1	67.1	74	70.3	0	60.0	51	68.4
Group insurance	—	—	412	115.3	—	—	168	40.9
Group annuities	—	—	—	—	—	—	—	—

Note) Amounts of "Individual annuities" represent amounts of annuity fund at the beginning of annuity payment.

Annualized premiums

Policies in force

(Millions of yen, %)

	As of March 31, 2014		As of March 31, 2015	
		% of previous fiscal year		% of previous fiscal year
Individual insurance	290,889	102.4	298,890	102.8
Individual annuities	17,617	106.4	18,574	105.4
Total	308,507	102.7	317,465	102.9
Medical and survival benefits	113,524	104.7	119,057	104.9

New policies

(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)	
		% of previous fiscal year		% of previous fiscal year
Individual insurance	30,205	79.4	35,419	117.3
Individual annuities	290	63.5	191	65.7
Total	30,496	79.2	35,611	116.8
Medical and survival benefits	12,022	86.2	17,001	141.4

Notes)

- Annualized premiums are calculated by using multipliers for various premium payment terms to the premium per payment. In single premium contracts, the amount is calculated by dividing the premium by the duration of the policy.
- Annualized premiums for medical and survival benefits include (a) premium related to medical benefits such as hospitalization and surgery benefits, (b) premium related to survival benefits such as specific illness and nursing benefits, and (c) premium related to premium waiver benefits, in which disability cause is excluded but causes such as specific illness and nursing care are included.

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

Non-consolidated Solvency Margin Ratio

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
(A) Total Non-consolidated Solvency Margin	255,250	298,297
Capital, etc.	75,698	80,321
Reserve for price fluctuation	2,688	3,353
Contingency reserve	25,475	26,715
General allowance for possible credit losses	13	7
Unrealized gains and losses on securities (90% of gain or 100% of loss)	34,098	61,059
Unrealized gains and losses on land (85% of gain or 100% of loss)	—	—
Excess amount of continued Zillmerized reserve	129,606	132,485
Subordinated debt, etc.	—	—
Excess amount of continued Zillmerized reserve and subordinated debt, etc. which are excluded from total solvency margin	(25,368)	(21,670)
Brought in capital, etc.	—	—
Deductions	—	—
Others	13,037	16,025
(B) Total Non-consolidated Risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	32,244	35,589
Underwriting risk (R_1)	12,739	13,178
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_8)	6,290	6,978
Guaranteed interest rate risk (R_2)	8,208	8,259
Guaranteed minimum benefit risk (R_7)	357	358
Investment risk (R_3)	16,366	19,533
Business management risk (R_4)	879	966
(C) Non-consolidated Solvency Margin Ratio $[(A) / \{(B) \times 1/2\}] \times 100$	1,583.2 %	1,676.3 %

Notes)

1. The above amounts and figures are calculated based on provisions of Articles 86 and 87 of the Ordinance for Enforcement of the Insurance Business Act and Public Notice No. 50 of the Ministry of Finance (1996).
2. Guaranteed minimum benefit risk is calculated by using the standard method.

Supplementary Explanation

< Calculation of returns >

The calculation methods of “Return on investments (income base)”, “Return on investments (realized base)” and “Total return based on the fair value” are as follows.

1. Return on investments (income base)

The results of investment activities are shown from the point of view of income earned (interest and dividend income earned).

Numerator is based on interest and dividend income related to investment assets. Denominator is based on cost of investment assets.

Numerator = Interest and dividend income (including amounts which correspond to interest and dividend income of investment gains and losses on money trusts)

Denominator = Average balances of investment assets based on the cost or the amortized cost

2. Return on investments (realized base)

The results of investment activities are shown from the point of view of the contribution to periodic gains and losses of the period (statement of income).

Numerator is based on realized gains and losses. Denominator is based on cost of investment assets.

Numerator = Investment income + Interest and dividend income on deposits of premiums, etc. - Investment expenses

Denominator = Average balances of investment assets based on the cost or the amortized cost

3. Total return based on the fair value (reference)

The return on investment based on fair value is shown.

Numerator is based on realized gains and losses and changes in unrealized gains and losses on investment assets.

Denominator is based on fair value of investment assets.

Numerator = (Investment income + Interest and dividend income on deposits of premiums, etc. - Investment expenses) + (Unrealized gains and losses at the end of this period* - Unrealized gains and losses at the end of the previous period*) + Increase or decrease in deferred gains and losses on hedges

Denominator = Average balances of investment assets based on the cost or the amortized cost + Unrealized gains and losses at the end of the previous period* + Unrealized gains and losses on trading securities at the end of the previous period

* Unrealized gains and losses relate to securities available for sale, monetary receivables bought and money trusts classified as other than trading purposes or held to maturity. The amount is based on before tax effect deductions.

< Calculation of ratios, etc. >

- Underwriting profit = Underwriting income - Underwriting expenses - Operating, general and administrative expenses related to underwriting + Other income and expenses*

*Other income and expenses include, but not limited to, income tax expenses for compulsory automobile liability insurance.

- Net loss ratio = (Net claims paid + Loss adjustment expenses) / Net premiums written × 100
- Net operating expenses ratio = (Net commissions and brokerage fees + Operating, general and administrative expenses related to underwriting) / Net premiums written × 100
- Combined ratio = Net loss ratio + Net operating expenses ratio

< Non-consolidated solvency margin ratio >

- In addition to reserves to cover payments for claims, benefits and maturity refunds, etc., it is necessary for insurance companies to maintain sufficient solvency in order to cover against risks which exceed their normal estimates, i.e. occurrence of major catastrophes, fluctuation in mortality rate due to significant changes in key environmental factors and big decline in value of assets held by insurance companies.

- (C) Non-consolidated Solvency Margin Ratio, which is calculated in accordance with the Insurance Business Act, etc. is the ratio of "solvency margin of insurance companies by means of their capital, reserves, etc." ((A) Total Non-consolidated Solvency Margin) to "risks which exceed their normal estimates" ((B) Total Non-consolidated Risks).

- "Risks which exceed their normal estimates" are composed of risks described below.

- <1> Underwriting risk, Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance:

- Risks of rate of occurrence of insurance claims, etc. in excess of normal estimates (excluding risks relating to major catastrophes)

- <2> Guaranteed interest rate risk:

- Risks of invested assets failing to yield assumed interest rates due to the aggravation of investment conditions

- <3> Investment risk:

- Risks of securities and other assets held fluctuating in prices in excess of normal estimates

- <4> Business management risk:

- Risks beyond normal estimates arising from business management that do not fall under other categories

- <5> Major catastrophe risk:

- Risks of the occurrence of major catastrophic losses in excess of normal estimates (risks such as the Great Kanto Earthquake or Isewan Typhoon)

- <6> Guaranteed minimum benefit risk:

- Risks of special account assets fluctuating in prices in excess of normal estimates

- "Solvency margin of insurance companies by means of their capital, reserves, etc." (total non-consolidated solvency margin) is the sum of total net assets (excluding planned outflows), certain reserves (reserve for price fluctuation, contingency reserve and catastrophic loss reserve, etc.) and parts of unrealized gains and losses on land, etc.

- Solvency margin ratio is one of the indicators for the regulatory authorities to monitor financial soundness of insurance companies. Solvency margin ratio exceeding 200% would indicate adequate capability to meet payments of possible insurance claims and others.

4. Supplementary Data about Financial Results for the fiscal year ended March 31, 2015 at Press Conference

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

(1) Key figures

(Yen in hundred millions)

	Fiscal year ended March 31, 2014	Six months ended September 30, 2014	Fiscal year ended March 31, 2015	Increase (Decrease)	
				(C) - (A)	(C) - (B)
	(A)	(B)	(C)		
① Net premiums written	20,821	10,974	21,813	991	—
Rate of change	5.9 %	5.9 %	4.8 %	(1.1)%	(1.1)%
② Total assets	70,989	69,975	73,262	2,272	3,287
③ Loss ratio	65.7 %	65.6 %	65.6 %	(0.1)%	(0.0)%
④ Operating expenses ratio	32.2 %	32.0 %	31.8 %	(0.4)%	(0.2)%
⑤ Combined ratio	97.9 %	97.6 %	97.4 %	(0.5)%	(0.2)%
Underwriting result ratio	2.1 %	2.4 %	2.6 %	0.5 %	0.2 %
⑥ Voluntary automobile insurance					
• Net premiums written	10,141	5,154	10,437	295	—
Rate of change	3.4 %	2.7 %	2.9 %	(0.5)%	0.2 %
• Underwriting result ratio	3.7 %	5.4 %	5.2 %	1.4 %	(0.2)%
• Loss ratio	65.0 %	62.7 %	63.4 %	(1.6)%	0.7 %
• Operating expenses ratio	31.3 %	31.8 %	31.4 %	0.1 %	(0.4)%
⑦ Fire and allied insurance					
• Net premiums written	2,836	1,505	3,232	395	—
Rate of change	12.4 %	16.9 %	14.0 %	1.6 %	(3.0)%
• Underwriting result ratio	(6.6)%	(30.1)%	(11.0)%	(4.3)%	19.2 %
• Loss ratio	64.8 %	88.3 %	70.9 %	6.1 %	(17.4)%
• Operating expenses ratio	41.9 %	41.9 %	40.1 %	(1.8)%	(1.8)%
⑧ Number of employees	27,352	27,584	27,144	(208)	(440)
⑨ Number of agencies	77,461	60,881	64,371	(13,090)	3,490

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

(Yen in hundred millions)

	Fiscal year ended March 31, 2014	Six months ended September 30, 2014	Fiscal year ended March 31, 2015	Increase (Decrease)	
				(C) - (A)	(C) - (B)
	(A)	(B)	(C)		
① Ordinary income	30,083	16,062	32,823	2,740	—
② Net premiums written	22,689	12,444	25,080	2,390	—
Rate of change	10.0%	11.2%	10.5%	0.5%	(0.7)%
③ Life insurance premiums written	2,772	1,343	2,772	(0)	—
Rate of change	4.7%	0.3%	(0.0)%	(4.7)%	(0.3)%
④ Ordinary profit	1,123	1,039	2,083	959	—
⑤ Net income	441	154	542	101	—

Notes)

1. Loss ratio = (Net claims paid + Loss adjustment expenses) / Net premiums written × 100
2. Operating expenses ratio = (Net commissions and brokerage fees + Operating, general and administrative expenses related to underwriting) / Net premiums written × 100
3. Combined ratio = Loss ratio + Operating expenses ratio
4. Underwriting result ratio = 100 - Combined ratio
5. Items with % within "Increase (Decrease)" represent change from the fiscal year ended March 31, 2014 and the six months ended September 30, 2014, respectively.

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

(2) Other figures

① Non-performing assets

Risk-monitored loans

(Yen in hundred millions)

	As of March 31, 2014	As of September 30, 2014	As of March 31, 2015
Loans to borrowers in bankruptcy	0	0	0
Overdue loans	7	6	5
Loans overdue for three months or more	—	0	0
Restructured loans	0	0	0
Total	9	8	7
Percent of total loans	0.2%	0.1%	0.1%

(Reference) Total loans	5,791	5,686	5,866
-------------------------	-------	-------	-------

Results of self-assessment

(Yen in hundred millions)

	As of March 31, 2014	As of September 30, 2014	As of March 31, 2015
No category	69,894	69,647	72,928
Category II	519	330	335
Category III	105	102	99
Category IV	27	22	32
Subtotal (Category II-IV)	651	455	467
Total	70,546	70,102	73,396

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

② Impairment losses on securities

(Yen in hundred millions)

	Fiscal year ended March 31, 2014	Six months ended September 30, 2014	Fiscal year ended March 31, 2015
Domestic bonds	—	—	—
Domestic stocks	101	0	1
Foreign securities	8	0	3
Others	—	—	4
Total	109	1	9

Note) Besides the above, impairment losses on trust assets (securities) in money trusts other than trading purposes or held to maturity amount to 0 hundred million yen for the fiscal year ended March 31, 2014, 1 hundred million yen for the six months ended September 30, 2014 and 3 hundred million yen for the fiscal year ended March 31, 2015.
These amounts are recognized in "Investment gains on money trusts" and "Investment losses on money trusts" in the statement of income.

Applied rules of impairment loss recognition

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

③ Impairment losses on fixed assets

(Yen in hundred millions)

	Fiscal year ended March 31, 2014	Six months ended September 30, 2014	Fiscal year ended March 31, 2015
Land	27	0	43
Buildings	12	0	11
Others	—	—	—
Total	40	0	55

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

④ Unrealized gains and losses on securities

(Yen in hundred millions)

	As of March 31, 2014	As of September 30, 2014	As of March 31, 2015
Domestic bonds	800	899	1,038
Domestic stocks	8,646	10,007	11,979
Foreign securities	1,032	1,486	2,068
Others	54	41	49
Total	10,534	12,435	15,136

Notes)

1. Unrealized gains and losses on monetary receivables bought are included in "Others" above.
2. Besides the above, unrealized gains and losses on trust assets (securities) in money trusts other than trading purposes or held to maturity amount to 41 hundred million yen as of March 31, 2014, 62 hundred million yen as of September 30 2014 and 142 hundred million yen as of March 31, 2015.

⑤ Claims during the period due to natural disasters in Japan

(Yen in hundred millions)

	Fiscal year ended March 31, 2014	Six months ended September 30, 2014	Fiscal year ended March 31, 2015
Direct claims paid a	574	84	295
Net claims paid b	537	82	284
Unpaid claims c	579	52	47
Net incurred loss b + c	1,117	134	332

Notes)

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

⑥ Catastrophic loss reserve

(Yen in hundred millions, %)

Business line	Fiscal year ended March 31, 2014			Six months ended September 30, 2014			Fiscal year ended March 31, 2015		
	Balance	Balance ratio	Provision	Balance	Balance ratio	Provision	Balance	Balance ratio	Provision
Fire and allied insurance	1,992	70.5	383	1,760	58.6	210	1,838	57.0	446
Marine insurance	483	106.0	21	497	94.3	14	499	95.1	27
Personal accident insurance	804	43.5	57	821	41.1	31	747	40.3	58
Voluntary automobile insurance	638	6.3	638	691	6.7	312	649	6.2	626
Others	1,701	66.6	136	1,767	58.6	78	1,773	65.4	140
Total	5,620	31.5	1,238	5,538	29.4	646	5,508	29.4	1,299

Notes)

1. Balance ratio = Balance of catastrophic loss reserve / Net premiums written (excluding household earthquake insurance and compulsory automobile liability insurance) × 100
As for the six months ended September 30, 2014, net premiums written (excluding household earthquake insurance and compulsory automobile liability insurance) are doubled for the calculation of balance ratio.
2. Provision represents gross amounts before deducting reversal.

⑦ Claims paid due to the heavy snowfall in February 2014

(Yen in hundred millions)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015	Cumulative amount as of March 31, 2015
Net claims paid	208	731	940
Net incurred loss	730	263	994

Note) Cumulative amount as of March 31, 2015 represents cumulative total amount as of March 31, 2015 since the occurrence of the heavy snowfall in February 2014.

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

⑧ Reinsurance assumed

(Yen in hundred millions)

Business line	Fiscal year ended March 31, 2014		Fiscal year ended March 31, 2015	
	Reinsurance premiums assumed	Reinsurance claims assumed	Reinsurance premiums assumed	Reinsurance claims assumed
Fire and allied insurance	640	314	852	369
Marine insurance	132	102	134	74
Personal accident insurance	67	35	43	30
Voluntary automobile insurance	36	27	31	40
Compulsory automobile liability insurance	2,192	2,281	2,265	2,256
Others	151	46	174	54
Total	3,221	2,808	3,502	2,825

⑨ Reinsurance ceded

(Yen in hundred millions)

Business line	Fiscal year ended March 31, 2014		Fiscal year ended March 31, 2015	
	Reinsurance premiums ceded	Reinsurance claims ceded	Reinsurance premiums ceded	Reinsurance claims ceded
Fire and allied insurance	1,181	406	1,161	346
Marine insurance	188	143	127	106
Personal accident insurance	38	22	32	18
Voluntary automobile insurance	18	8	21	5
Compulsory automobile liability insurance	2,470	2,536	2,453	2,513
Others	618	289	663	283
Total	4,515	3,407	4,460	3,273