

Selected Unofficial Translation of Summary of Consolidated Financial Results for the six months ended September 30, 2015

Note) This document is an unofficial English translation of the Japanese original. Additional translation will be posted around November 25, 2015.

November 18, 2015

Sompo Japan Nipponkoa Holdings, Inc.

Summary of Consolidated Financial Results for the six months ended September 30, 2015
[Under Japanese GAAP]

Company Name: Sompo Japan Nipponkoa Holdings, Inc.
Listed on: Tokyo Stock Exchange
Securities Code: 8630
URL: <http://www.sompo-hd.com/>
Representative: Kengo Sakurada, President & CEO
Scheduled date to file Quarterly Securities Report: November 27, 2015
Scheduled date to start payment of dividends: December 9, 2015
Supplementary information for quarterly financial statements: Yes
Schedule for quarterly investor meeting: Yes (intended for institutional investors and analysts)

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

1. Consolidated Financial Results for the six months ended September 30, 2015 (April 1 to September 30, 2015)

(1) Consolidated Results of Operations

Note) Percentages are changes from corresponding period of previous fiscal year.

	Ordinary income		Ordinary profit		Net income attributable to shareholders of the parent	
	millions of yen	%	millions of yen	%	millions of yen	%
Six months ended September 30, 2015	1,675,721	4.3	43,511	(58.1)	28,562	85.1
Six months ended September 30, 2014	1,606,294	10.0	103,946	93.6	15,434	(47.1)

Note) Comprehensive income: Six months ended September 30, 2015 (131,367) million yen — %
Six months ended September 30, 2014 163,603 million yen 22.3 %

	Net income per share	Diluted net income per share
	yen	yen
Six months ended September 30, 2015	70.44	70.35
Six months ended September 30, 2014	37.72	37.66

(2) Consolidated Financial Conditions

	Total assets	Net assets	Equity ratio
	millions of yen	millions of yen	%
As of September 30, 2015	10,184,904	1,651,978	16.1
As of March 31, 2015	10,253,431	1,829,852	17.8

Reference) Equity capital: As of September 30, 2015 1,643,819 million yen
As of March 31, 2015 1,821,582 million yen

2. Dividends

	Dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Annual
	yen	yen	yen	yen	yen
Fiscal year ended March 31, 2015	—	30.00	—	40.00	70.00
Fiscal year ending March 31, 2016	—	40.00			
Fiscal year ending March 31, 2016 (Forecast)			—	40.00	80.00

Note) Revisions to the latest announced dividends forecasts: None

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

Note) Percentages are changes from previous fiscal year.

	Ordinary profit		Net income attributable to shareholders of the parent		Net income per share
	millions of yen	%	millions of yen	%	yen
Full year	230,000	10.4	160,000	194.8	394.62

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

(Notes)

(1) Changes in significant subsidiaries during the six months ended September 30, 2015 (changes in specified subsidiaries resulting in changes in the scope of consolidation): None

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

- ① Changes in accounting policies due to revisions to accounting standards: Yes
- ② Changes in accounting policies due to reasons other than the above: None
- ③ Changes in accounting estimations: None
- ④ Retrospective restatements: None

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

① Total shares outstanding including treasury stock:

As of September 30, 2015	415,352,294 shares
As of March 31, 2015	415,352,294 shares

② Treasury stock:

As of September 30, 2015	11,190,476 shares
As of March 31, 2015	7,314,446 shares

③ Average number of shares outstanding:

For the six months ended September 30, 2015	405,449,176 shares
For the six months ended September 30, 2014	409,083,802 shares

(Expression of implementation status of interim audit procedures)

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

(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.

Sompo Japan Nipponkoa Holdings, Inc. prepares the interim consolidated financial statements for the six months ended September 30, 2015, since it conducts business defined in the provision of Article 17-15, Paragraph (2) of the Cabinet Office Ordinance on Disclosure of Corporate Information, etc.

Interim Consolidated Financial Statements

(1) Interim Consolidated Balance Sheet

	(Millions of yen)	
	As of March 31, 2015	As of September 30, 2015
Assets:		
Cash and deposits	523,465	515,576
Receivables under resale agreements	71,985	128,976
Monetary receivables bought	14,234	12,733
Money trusts	111,293	106,786
Securities	7,682,930	7,545,587
Loans	604,058	616,334
Tangible fixed assets	343,322	336,594
Intangible fixed assets	100,230	89,262
Other assets	795,963	825,177
Net defined benefit asset	315	289
Deferred tax assets	11,560	13,718
Allowance for possible credit losses	(5,928)	(6,134)
Total assets	10,253,431	10,184,904
Liabilities:		
Underwriting funds:	7,579,309	7,756,543
Reserve for outstanding losses and claims	1,264,221	1,297,086
Underwriting reserves	6,315,087	6,459,456
Corporate bonds	135,958	133,560
Other liabilities	416,340	400,303
Net defined benefit liability	96,854	99,137
Reserve for retirement benefits to directors	64	65
Reserve for bonus payments	24,567	26,441
Reserve for bonus payments to directors	216	—
Reserves under the special laws:	53,553	58,084
Reserve for price fluctuation	53,553	58,084
Deferred tax liabilities	116,713	58,789
Total liabilities	8,423,578	8,532,925
Net assets:		
Shareholders' equity:		
Common stock	100,045	100,045
Capital surplus	438,306	411,107
Retained earnings	222,682	250,036
Treasury stock	(19,067)	(36,975)
Total shareholders' equity	741,967	724,214
Accumulated other comprehensive income:		
Unrealized gains and losses on securities available for sale	1,048,718	894,091
Deferred gains and losses on hedges	8,085	8,084
Foreign currency translation adjustments	26,046	20,506
Remeasurements of defined benefit plans	(3,235)	(3,076)
Total accumulated other comprehensive income	1,079,614	919,605
Stock acquisition rights	1,550	1,498
Non-controlling interests	6,720	6,659
Total net assets	1,829,852	1,651,978
Total liabilities and net assets	10,253,431	10,184,904

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

	(Millions of yen)	
	Six months ended September 30, 2014 (April 1 to September 30, 2014)	Six months ended September 30, 2015 (April 1 to September 30, 2015)
Ordinary income:	1,606,294	1,675,721
Underwriting income:	1,494,847	1,561,613
Net premiums written	1,244,489	1,330,503
Deposits of premiums by policyholders	63,859	62,734
Interest and dividend income on deposits of premiums, etc.	22,859	22,335
Life insurance premiums written	134,364	143,681
Reversal of reserve for outstanding losses and claims	22,063	—
Investment income:	97,804	102,583
Interest and dividend income	81,975	84,632
Investment gains on money trusts	2,939	5,592
Investment gains on trading securities	2,749	2,623
Gains on sales of securities	24,725	20,800
Transfer of interest and dividend income on deposits of premiums, etc.	(22,859)	(22,335)
Other ordinary income	13,642	11,524
Ordinary expenses:	1,502,347	1,632,209
Underwriting expenses:	1,266,979	1,373,518
Net claims paid	730,414	710,032
Loss adjustment expenses	67,828	67,488
Net commissions and brokerage fees	232,351	252,861
Maturity refunds to policyholders	134,229	109,172
Life insurance claims paid and other payments	36,191	37,465
Provision for reserve for outstanding losses and claims	—	40,477
Provision for underwriting reserves	64,020	153,612
Investment expenses:	3,259	13,562
Investment losses on money trusts	168	158
Losses on sales of securities	851	460
Impairment losses on securities	116	8,924
Operating, general and administrative expenses	226,453	239,268
Other ordinary expenses:	5,655	5,860
Interest paid	3,503	2,371
Ordinary profit	103,946	43,511

	(Millions of yen)	
	Six months ended September 30, 2014 (April 1 to September 30, 2014)	Six months ended September 30, 2015 (April 1 to September 30, 2015)
Extraordinary gains:	613	1,279
Gains on disposal of fixed assets	471	1,219
Gains on negative goodwill	0	—
Other extraordinary gains	140	60
Extraordinary losses:	86,435	5,129
Losses on disposal of fixed assets	1,016	598
Impairment losses	4	—
Provision for reserves under the special laws:	5,269	4,531
Provision for reserve for price fluctuation	5,269	4,531
Other extraordinary losses	80,144	—
Net income before income taxes	18,124	39,661
Income taxes	6,785	7,817
Deferred income taxes	(4,315)	2,889
Total income taxes	2,469	10,706
Net income	15,655	28,955
Net income attributable to non-controlling interests	220	392
Net income attributable to shareholders of the parent	15,434	28,562

Interim Consolidated Statement of Comprehensive Income

	(Millions of yen)	
	Six months ended September 30, 2014 (April 1 to September 30, 2014)	Six months ended September 30, 2015 (April 1 to September 30, 2015)
Net income	15,655	28,955
Other comprehensive income:		
Unrealized gains and losses on securities available for sale	149,672	(154,686)
Deferred gains and losses on hedges	334	(1)
Foreign currency translation adjustments	(3,189)	(5,694)
Remeasurements of defined benefit plans	1,075	158
Share of other comprehensive income of affiliates accounted for under the equity method	55	(98)
Total other comprehensive income	147,948	(160,322)
Comprehensive income	163,603	(131,367)
(Comprehensive income attributable to)		
Comprehensive income attributable to shareholders of the parent	163,450	(131,306)
Comprehensive income attributable to non-controlling interests	153	(61)

(3) Interim Consolidated Statement of Changes in Net Assets
Six months ended September 30, 2014 (April 1 to September 30, 2014)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	100,045	438,536	188,087	(9,825)	716,845
Cumulative effects of changes in accounting policies			4,665		4,665
Restated balance	100,045	438,536	192,753	(9,825)	721,511
Changes during the period:					
Dividends			(12,338)		(12,338)
Net income attributable to shareholders of the parent			15,434		15,434
Acquisition of treasury stock				(10,018)	(10,018)
Disposal of treasury stock		(200)		704	503
Changes in the scope of consolidation			214		214
Net changes in items other than shareholders' equity					
Total changes during the period	—	(200)	3,310	(9,314)	(6,204)
Balance at the end of the period	100,045	438,336	196,064	(19,139)	715,306

	Accumulated other comprehensive income					Stock acquisition rights	Non-controlling interests	Total net assets
	Unrealized gains and losses on securities available for sale	Deferred gains and losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the period	659,375	7,205	(4,341)	3,120	665,360	1,851	6,096	1,390,153
Cumulative effects of changes in accounting policies								4,665
Restated balance	659,375	7,205	(4,341)	3,120	665,360	1,851	6,096	1,394,819
Changes during the period:								
Dividends								(12,338)
Net income attributable to shareholders of the parent								15,434
Acquisition of treasury stock								(10,018)
Disposal of treasury stock								503
Changes in the scope of consolidation								214
Net changes in items other than shareholders' equity	150,250	334	(3,514)	1,075	148,146	(227)	(117)	147,801
Total changes during the period	150,250	334	(3,514)	1,075	148,146	(227)	(117)	141,597
Balance at the end of the period	809,626	7,539	(7,855)	4,195	813,506	1,623	5,979	1,536,416

Six months ended September 30, 2015 (April 1 to September 30, 2015)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	100,045	438,306	222,682	(19,067)	741,967
Cumulative effects of changes in accounting policies		(27,041)	15,624		(11,417)
Restated balance	100,045	411,265	238,306	(19,067)	730,550
Changes during the period:					
Dividends			(16,321)		(16,321)
Net income attributable to shareholders of the parent			28,562		28,562
Acquisition of treasury stock				(18,537)	(18,537)
Disposal of treasury stock		(157)		629	471
Changes in the scope of consolidation			(511)		(511)
Net changes in items other than shareholders' equity					
Total changes during the period	—	(157)	11,729	(17,908)	(6,336)
Balance at the end of the period	100,045	411,107	250,036	(36,975)	724,214

	Accumulated other comprehensive income					Stock acquisition rights	Non-controlling interests	Total net assets
	Unrealized gains and losses on securities available for sale	Deferred gains and losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the period	1,048,718	8,085	26,046	(3,235)	1,079,614	1,550	6,720	1,829,852
Cumulative effects of changes in accounting policies			(139)		(139)		1	(11,555)
Restated balance	1,048,718	8,085	25,906	(3,235)	1,079,474	1,550	6,721	1,818,297
Changes during the period:								
Dividends								(16,321)
Net income attributable to shareholders of the parent								28,562
Acquisition of treasury stock								(18,537)
Disposal of treasury stock								471
Changes in the scope of consolidation								(511)
Net changes in items other than shareholders' equity	(154,626)	(1)	(5,400)	158	(159,869)	(51)	(61)	(159,982)
Total changes during the period	(154,626)	(1)	(5,400)	158	(159,869)	(51)	(61)	(166,318)
Balance at the end of the period	894,091	8,084	20,506	(3,076)	919,605	1,498	6,659	1,651,978

Supplementary Information

(1) Summary of Results of Operations (Consolidated)

	Six months ended September 30, 2014 (April 1 to September 30, 2014)	Six months ended September 30, 2015 (April 1 to September 30, 2015)	Increase (Decrease)	Rate of change
				(Millions of yen)
Ordinary income and expenses:				%
Underwriting income:	1,494,847	1,561,613	66,766	4.5
Net premiums written	1,244,489	1,330,503	86,013	6.9
Deposits of premiums by policyholders	63,859	62,734	(1,125)	(1.8)
Life insurance premiums written	134,364	143,681	9,316	6.9
Underwriting expenses:	1,266,979	1,373,518	106,539	8.4
Net claims paid	730,414	710,032	(20,381)	(2.8)
Loss adjustment expenses	67,828	67,488	(339)	(0.5)
Net commissions and brokerage fees	232,351	252,861	20,510	8.8
Maturity refunds to policyholders	134,229	109,172	(25,057)	(18.7)
Life insurance claims paid and other payments	36,191	37,465	1,274	3.5
Investment income:	97,804	102,583	4,779	4.9
Interest and dividend income	81,975	84,632	2,657	3.2
Gains on sales of securities	24,725	20,800	(3,924)	(15.9)
Investment expenses:	3,259	13,562	10,303	316.1
Losses on sales of securities	851	460	(390)	(45.9)
Impairment losses on securities	116	8,924	8,808	7,548.8
Operating, general and administrative expenses	226,453	239,268	12,814	5.7
Other ordinary income and expenses	7,986	5,663	(2,323)	(29.1)
Ordinary profit	103,946	43,511	(60,435)	(58.1)
Extraordinary gains and losses:				
Extraordinary gains	613	1,279	666	108.7
Extraordinary losses	86,435	5,129	(81,305)	(94.1)
Extraordinary gains and losses	(85,822)	(3,849)	81,972	—
Net income before income taxes	18,124	39,661	21,536	118.8
Income taxes	6,785	7,817	1,031	15.2
Deferred income taxes	(4,315)	2,889	7,204	—
Total income taxes	2,469	10,706	8,236	333.5
Net income	15,655	28,955	13,300	85.0
Net income attributable to non-controlling interests	220	392	172	78.2
Net income attributable to shareholders of the parent	15,434	28,562	13,127	85.1

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

Direct premiums written (including deposits of premiums by policyholders)

(Millions of yen)

Business line	Six months ended September 30, 2014 (April 1 to September 30, 2014)			Six months ended September 30, 2015 (April 1 to September 30, 2015)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	232,815	16.9	15.2	263,239	18.1	13.1
Marine insurance	38,954	2.8	1.4	49,160	3.4	26.2
Personal accident insurance	149,487	10.8	(1.1)	151,583	10.4	1.4
Voluntary automobile insurance	579,247	42.0	6.4	596,154	41.0	2.9
Compulsory automobile liability insurance	159,779	11.6	(1.3)	162,155	11.2	1.5
Others	217,712	15.8	15.6	231,531	15.9	6.3
Total	1,377,997	100.0	7.1	1,453,824	100.0	5.5
Deposits of premiums by policyholders	63,859	4.6	(8.9)	62,734	4.3	(1.8)

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

Net premiums written

(Millions of yen)

Business line	Six months ended September 30, 2014 (April 1 to September 30, 2014)			Six months ended September 30, 2015 (April 1 to September 30, 2015)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	184,391	14.8	30.7	220,216	16.6	19.4
Marine insurance	35,480	2.9	22.8	48,636	3.7	37.1
Personal accident insurance	104,197	8.4	1.9	105,586	7.9	1.3
Voluntary automobile insurance	580,326	46.6	6.6	596,891	44.9	2.9
Compulsory automobile liability insurance	154,589	12.4	5.9	158,678	11.9	2.6
Others	185,504	14.9	18.5	200,494	15.1	8.1
Total	1,244,489	100.0	11.2	1,330,503	100.0	6.9

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

Net claims paid

(Millions of yen)

Business line	Six months ended September 30, 2014 (April 1 to September 30, 2014)			Six months ended September 30, 2015 (April 1 to September 30, 2015)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	142,400	19.5	64.4	116,248	16.4	(18.4)
Marine insurance	15,821	2.2	1.3	22,363	3.1	41.4
Personal accident insurance	51,779	7.1	(0.4)	51,731	7.3	(0.1)
Voluntary automobile insurance	319,204	43.7	5.3	315,643	44.5	(1.1)
Compulsory automobile liability insurance	113,993	15.6	(0.1)	113,359	16.0	(0.6)
Others	87,216	11.9	26.1	90,686	12.8	4.0
Total	730,414	100.0	14.0	710,032	100.0	(2.8)

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, 2015			As of September 30, 2015		
		Carrying amount	Fair value	Unrealized gains and losses	Carrying amount	Fair value	Unrealized gains and losses
Securities whose fair value exceeds their carrying amount	Domestic bonds	1,236,030	1,424,142	188,112	1,231,225	1,415,664	184,438
	Foreign securities	7,155	7,214	59	3,679	3,707	28
	Subtotal	1,243,185	1,431,357	188,172	1,234,905	1,419,372	184,467
Securities whose fair value does not exceed their carrying amount	Domestic bonds	—	—	—	—	—	—
	Foreign securities	3,452	3,411	(41)	2,404	2,386	(17)
	Subtotal	3,452	3,411	(41)	2,404	2,386	(17)
Total		1,246,637	1,434,768	188,131	1,237,309	1,421,759	184,449

2. Policy reserve matching bonds

(Millions of yen)

		As of March 31, 2015			As of September 30, 2015		
		Carrying amount	Fair value	Unrealized gains and losses	Carrying amount	Fair value	Unrealized gains and losses
Securities whose fair value exceeds their carrying amount	Domestic bonds	70,358	73,364	3,005	100,253	103,592	3,338
Securities whose fair value does not exceed their carrying amount	Domestic bonds	5,139	5,114	(24)	—	—	—
Total		75,497	78,479	2,981	100,253	103,592	3,338

3. Securities available for sale

(Millions of yen)

		As of March 31, 2015			As of September 30, 2015		
		Carrying amount	Cost	Unrealized gains and losses	Carrying amount	Cost	Unrealized gains and losses
Securities whose carrying amount exceeds their cost	Domestic bonds	2,329,103	2,178,105	150,997	2,286,975	2,134,777	152,197
	Domestic stocks	1,741,289	686,530	1,054,758	1,552,638	644,161	908,477
	Foreign securities	1,634,361	1,398,116	236,244	1,581,752	1,389,435	192,316
	Others	35,506	29,656	5,850	39,825	35,375	4,450
	Subtotal	5,740,261	4,292,408	1,447,852	5,461,192	4,203,750	1,257,441
Securities whose carrying amount does not exceed their cost	Domestic bonds	47,169	47,360	(191)	66,735	67,084	(349)
	Domestic stocks	27,709	29,508	(1,798)	52,556	56,477	(3,921)
	Foreign securities	177,929	183,151	(5,222)	273,527	284,635	(11,108)
	Others	32,012	32,509	(497)	35,059	36,202	(1,142)
	Subtotal	284,820	292,530	(7,709)	427,878	444,399	(16,521)
Total		6,025,081	4,584,939	1,440,142	5,889,070	4,648,150	1,240,920

Notes)

As of March 31, 2015	As of September 30, 2015
1. Securities available for sale which are considered extremely difficult to figure out their fair value are not included in the above table.	1. Same as on the left
2. Certificate of deposit classified as cash and deposits and beneficial interests in the loan trusts classified as monetary receivables bought in the consolidated balance sheet are included in "Others" above.	2. Certificate of deposit classified as cash and deposits and beneficial interests in the loan trusts classified as monetary receivables bought in the interim consolidated balance sheet are included in "Others" above.

4. Securities for which impairment losses are recognized

Fiscal year ended March 31, 2015 (April 1, 2014 to March 31, 2015)	Six months ended September 30, 2015 (April 1 to September 30, 2015)
For the fiscal year ended March 31, 2015, impairment losses on securities available for sale (excluding securities available for sale which are considered extremely difficult to figure out their fair value) amount to 842 million yen (domestic stocks: 534 million yen, foreign securities: 307 million yen), and impairment losses on securities available for sale which are considered extremely difficult to figure out their fair value amount to 118 million yen (domestic stocks only). Basically, Sampo Japan Nipponkoa Holdings, Inc. and its domestic consolidated subsidiaries recognize impairment losses on securities if fair value at the end of the fiscal year declines by 30% or more from their cost.	For the six months ended September 30, 2015, impairment losses on securities available for sale (excluding securities available for sale which are considered extremely difficult to figure out their fair value) amount to 8,669 million yen (domestic stocks: 8,568 million yen, foreign securities: 100 million yen), and impairment losses on securities available for sale which are considered extremely difficult to figure out their fair value amount to 255 million yen (domestic stocks only). Basically, Sampo Japan Nipponkoa Holdings, Inc. and its domestic consolidated subsidiaries recognize impairment losses on securities if fair value at the end of the second quarter declines by 30% or more from their cost.