

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.

Overview of Consolidated Financial Results for the six months ended September 30, 2015

Sompo Japan Nipponkoa Holdings, Inc.

Overview of Consolidated Financial Results for the six months ended September 30, 2015

(Yen in hundred millions, %)

		Six months ended September 30, 2014	Six months ended September 30, 2015	Increase (Decrease)	Rate of change
Ordinary income:	①	16,062	16,757	694	4.3
Net premiums written:	②	12,444	13,305	860	6.9
Sompo Japan Nipponkoa Insurance Inc.	③	10,974	11,406	431	3.9
Overseas consolidated subsidiaries	④	1,285	1,686	401	31.2
Others	⑤	184	212	27	14.8
Life insurance premiums written	⑥	1,343	1,436	93	6.9
Ordinary profit:	⑦	1,039	435	(604)	(58.1)
Sompo Japan Nipponkoa Insurance Inc.	⑧	974	201	(772)	(79.3)
Net income attributable to shareholders of the parent:	⑨	154	285	131	85.1
Sompo Japan Nipponkoa Insurance Inc.	⑩	116	88	(28)	(24.3)
Sompo Japan Nipponkoa Himawari Life Insurance, Inc.	⑪	79	63	(16)	(20.1)
Overseas consolidated subsidiaries	⑫	65	92	26	40.6
Others and consolidation adjustment, etc.	⑬	(107)	41	149	—

Notes)

- As for the amount of "Sompo Japan Nipponkoa Insurance Inc." in the above table, amount for the six months ended September 30, 2014 represents the amounts, which include the results of NIPPONKOA Insurance Company, Limited for the five months ended August 31, 2014, corresponding to the combined results for the six months ended September 30, 2015. 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.

Sampo Japan Nipponkoa Insurance Inc. (Non-consolidated)

Overview of Financial Results for the six months ended September 30, 2015

Summary of Results of Operations

(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)	Increase (Decrease)	Rate of change
Ordinary income and expenses:					
Underwriting income and expenses:					
Direct premiums written (including deposits of premiums by policyholders)	(1)	1,206,723	1,255,238	48,514	4.0 %
Direct premiums written	(2)	1,142,971	1,192,560	49,589	4.3
(+) Net premiums written	(3)	1,097,458	1,140,621	43,163	3.9
(-) Net claims paid	(4)	656,913	613,876	(43,036)	(6.6)
(-) Loss adjustment expenses	(5)	63,445	62,505	(939)	(1.5)
(-) Net commissions and brokerage fees	(6)	196,902	206,327	9,424	4.8
(+) Deposits of premiums by policyholders	(7)	63,752	62,677	(1,074)	(1.7)
(+) Interest and dividend income on deposits of premiums, etc.	(8)	22,835	22,309	(525)	(2.3)
(-) Maturity refunds and dividends to policyholders	(9)	133,918	108,969	(24,949)	(18.6)
(-) Provision for (reversal of) reserve for outstanding losses and claims	(10)	(30,193)	27,050	57,244	—
(-) Provision for (reversal of) underwriting reserves	(11)	(14,979)	71,506	86,485	—
(+) Other underwriting income and expenses	(12)	3,531	65	(3,465)	(98.2)
Gross underwriting margin	(13)	181,570	135,438	(46,132)	(25.4)
Operating, general and administrative expenses related to underwriting	(14)	154,003	155,283	1,280	0.8
Other income and expenses	(15)	(1,960)	174	2,134	—
Underwriting profit (loss)	(16)	25,607	(19,670)	(45,277)	(176.8)
Investment income and expenses:					
(+) Interest and dividend income	(17)	61,843	57,529	(4,314)	(7.0)
(+) Investment gains and losses on money trusts	(18)	2,745	5,410	2,665	97.1
(+) Gains and losses on sales of securities	(19)	25,218	16,736	(8,482)	(33.6)
(-) Impairment losses on securities	(20)	116	17,463	17,347	14,867.0
(+) Transfer of interest and dividend income on deposits of premiums, etc.	(21)	(22,835)	(22,309)	525	—
(+) Gains and losses on derivatives	(22)	(757)	2,273	3,030	—
(+) Other investment income and expenses	(23)	6,359	4,212	(2,146)	(33.8)
Gross investment margin	(24)	72,457	46,389	(26,068)	(36.0)
(-) Operating, general and administrative expenses	(25)	159,620	162,030	2,409	1.5
(+) Other ordinary income and expenses	(26)	3,039	366	(2,672)	(87.9)
Ordinary profit	(27)	97,447	20,164	(77,283)	(79.3)
Extraordinary gains and losses:					
(+) Extraordinary gains	(28)	446	893	447	100.2
(-) Extraordinary losses	(29)	84,950	4,704	(80,246)	(94.5)
Extraordinary gains and losses	(30)	(84,504)	(3,810)	80,693	—
Net income before income taxes	(31)	12,943	16,353	3,410	26.3
(-) Income taxes	(32)	1,325	1,756	430	32.5
(-) Deferred income taxes	(33)	(31)	5,781	5,813	—
Total income taxes	(34)	1,294	7,538	6,243	482.5
Net income	(35)	11,649	8,815	(2,833)	(24.3)
Underwriting result:					
(+) Net premiums written	(36)	1,097,458	1,140,621	43,163	3.9
(-) Net claims paid	(37)	656,913	613,876	(43,036)	(6.6)
(-) Loss adjustment expenses	(38)	63,445	62,505	(939)	(1.5)
(-) Net operating expenses:	(39)	350,905	361,610	10,704	3.1
Net commissions and brokerage fees	(40)	196,902	206,327	9,424	4.8
Operating, general and administrative expenses related to underwriting	(41)	154,003	155,283	1,280	0.8
Underwriting result	(42)	26,194	102,628	76,434	291.8
Ratios:					
Net loss ratio (%)	(43)	65.6	59.3	(6.3)	
Net operating expenses ratio (%)	(44)	32.0	31.7	(0.3)	
Combined ratio (%)	(45)	97.6	91.0	(6.6)	

Sampo Japan Nipponkoa Insurance Inc. (Non-consolidated)

Premiums Written and Claims Paid by Business Lines

Direct premiums written (excluding 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	166,805	14.6	8.2	197,133	16.5	18.2
Marine insurance	26,568	2.3	1.2	26,747	2.2	0.7
Personal accident insurance	99,261	8.7	1.7	100,482	8.4	1.2
Voluntary automobile insurance	514,496	45.0	2.7	530,564	44.5	3.1
Compulsory automobile liability insurance	159,779	14.0	(1.3)	162,155	13.6	1.5
Others	176,059	15.4	8.5	175,476	14.7	(0.3)
Total	1,142,971	100.0	3.6	1,192,560	100.0	4.3
Deposits of premiums by policyholders	63,752	—	(8.9)	62,677	—	(1.7)

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	150,593	13.7	16.9	175,586	15.4	16.6
Marine insurance	26,400	2.4	16.0	26,078	2.3	(1.2)
Personal accident insurance	100,029	9.1	0.9	99,976	8.8	(0.1)
Voluntary automobile insurance	515,493	47.0	2.7	530,108	46.5	2.8
Compulsory automobile liability insurance	154,247	14.1	5.9	158,338	13.9	2.7
Others	150,694	13.7	9.0	150,533	13.2	(0.1)
Total	1,097,458	100.0	5.9	1,140,621	100.0	3.9

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	Rate of change	Net loss ratio	Amount	Rate of change	Net loss ratio
		%	%		%	%
Fire and allied insurance	129,817	72.1	88.3	97,967	(24.5)	57.2
Marine insurance	11,936	(15.8)	47.7	12,824	7.4	52.4
Personal accident insurance	50,115	(1.1)	54.4	50,308	0.4	54.4
Voluntary automobile insurance	283,298	0.6	62.7	274,083	(3.3)	59.2
Compulsory automobile liability insurance	113,645	(0.1)	80.4	113,022	(0.5)	77.9
Others	68,099	11.8	48.4	65,670	(3.6)	46.9
Total	656,913	10.1	65.6	613,876	(6.6)	59.3

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)

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

(Millions of yen)

	Six months ended September 30, 2014			Six months ended September 30, 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	6,508	4,389	10,898	18,930	32,189	51,119
Voluntary automobile insurance	1,482	469	1,952	2,803	1,645	4,448
Other than the above	273	348	621	215	537	752
Total	8,264	5,207	13,472	21,948	34,371	56,320

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)

	Six months ended September 30, 2014			Six months ended September 30, 2015		
	Amount	Increase (Decrease)	Rate of change	Amount	Increase (Decrease)	Rate of change
Personnel expenses	121,235	(3,812)	(3.0)%	118,756	(2,478)	(2.0)%
Non-personnel expenses	89,894	(1,732)	(1.9)	94,409	4,515	5.0
Others (taxes and contributions)	11,936	919	8.3	11,369	(566)	(4.7)
Total	223,065	(4,626)	(2.0)	224,535	1,470	0.7

Reserve for Outstanding Losses and Claims

(Millions of yen)

	Six months ended September 30, 2014		Six months ended September 30, 2015	
	Balance	Change	Balance	Change
Fire and allied insurance	115,973	(35,652)	151,972	23,576
Marine insurance	26,419	5,417	32,323	3,204
Personal accident insurance	74,087	(2,204)	69,657	(68)
Voluntary automobile insurance	416,429	(8,905)	414,038	1,012
Compulsory automobile liability insurance	86,827	(1,020)	89,020	(814)
Others	196,266	12,172	198,552	139
Total	916,004	(30,193)	955,564	27,050

Note) Part of overseas insurance contracts have been transferred during the six months ended September 30, 2014. The change during the six months ended September 30, 2014 excludes the decrease in reserve for outstanding losses and claims related to the transfer.

Reserve for outstanding losses and claims related to the commutation 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)

	Six months ended September 30, 2014		Six months ended September 30, 2015	
	Balance	Change	Balance	Change
Fire and allied insurance	742,962	5,228	782,091	22,082
Marine insurance	17,508	3,099	17,997	587
Personal accident insurance	129,163	9,436	130,333	9,454
Voluntary automobile insurance	296,376	4,391	304,014	1,142
Compulsory automobile liability insurance	406,534	4,001	412,578	8,760
Others	304,768	18,773	316,396	18,939
Total	1,897,313	44,930	1,963,411	60,966

Notes)

1. 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.

2. Part of overseas insurance contracts have been transferred during the six months ended September 30, 2014. The change during the six months ended September 30, 2014 excludes the decrease in ordinary underwriting reserves related to the transfer.

Ordinary underwriting reserves related to the commutation 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)

	Six months ended September 30, 2014				Six months ended September 30, 2015				Fiscal year ended March 31, 2015	
	Reversal	Provision	Balance	Balance ratio	Reversal	Provision	Balance	Balance ratio	Balance	Balance ratio
Fire and allied insurance	44,235	21,038	176,003	58.6%	—	24,733	208,591	59.6%	183,857	57.0%
Marine insurance	—	1,406	49,797	94.3	—	1,363	51,349	98.4	49,985	95.1
Personal accident insurance	1,467	3,154	82,126	41.1	915	3,169	77,007	38.5	74,753	40.3
Voluntary automobile insurance	25,916	31,233	69,189	6.7	11,126	17,038	70,816	6.7	64,903	6.2
Others	1,272	7,833	176,746	58.6	1,071	7,779	184,059	61.1	177,351	65.4
Total	72,892	64,666	553,863	29.4	13,113	54,085	591,823	30.1	550,851	29.4

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

As for the six months ended September 30, 2014 and 2015, net premiums written (excluding earthquake insurance and compulsory automobile liability insurance) are doubled for the calculation of balance ratio.

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

Sampo Japan Nipponkoa Holdings, Inc. (Consolidated)

(Yen in hundred millions)

	Fiscal year ended March 31, 2015 Result	Fiscal year ending March 31, 2016 Original forecast (A)	Fiscal year ending March 31, 2016 Revised forecast (B)	Increase (Decrease) (B)-(A)
Net premiums written	25,080	26,070	25,810	(260)
Life insurance premiums written	2,772	2,770	2,770	—
Ordinary profit	2,083	2,300	2,300	—
Net income attributable to shareholders of the parent:	542	1,600	1,600	—
Sampo Japan Nipponkoa Insurance Inc.	450	1,280	1,260	(20)
Sampo Japan Nipponkoa Himawari Life Insurance, Inc.	97	102	102	—
Overseas consolidated subsidiaries	194	195	187	(8)
Others and consolidation adjustment, etc.	(199)	21	49	28
Dividends per share (annual)	70 yen	80 yen	80 yen	— yen

Note) In establishing Sampo 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.

Sampo Japan Nipponkoa Insurance Inc. (Non-consolidated)

(Yen in hundred millions, %)

	Fiscal year ended March 31, 2015 Result	Fiscal year ending March 31, 2016 Original forecast (A)	Fiscal year ending March 31, 2016 Revised forecast (B)	Increase (Decrease) (B)-(A)
Net premiums written	21,813	22,206	22,209	3
(Excluding earthquake insurance and compulsory automobile liability insurance)	18,752	19,147	19,175	28
Net loss ratio	65.6	62.5	63.0	0.5
(Excluding earthquake insurance and compulsory automobile liability insurance)	63.2	59.7	60.1	0.4
Net operating expenses ratio	31.8	31.4	31.4	0.1
(Excluding earthquake insurance and compulsory automobile liability insurance)	33.6	33.1	33.2	0.1
Combined ratio	97.4	93.8	94.4	0.6
(Excluding earthquake insurance and compulsory automobile liability insurance)	96.8	92.7	93.3	0.6
Underwriting profit	452	880	680	(200)
Investment income and expenses	1,515	1,060	1,179	118
Ordinary profit	1,951	1,860	1,780	(80)
Net income	450	1,280	1,260	(20)

Overview of Business Results of Principal Consolidated Subsidiaries

Sampo Japan Nipponkoa Insurance Inc. (Non-consolidated)

Interim Balance Sheet

	As of March 31, 2015	As of September 30, 2015	(Millions of yen) Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits	320,987	312,102	(8,884)
Receivables under resale agreements	71,985	128,976	56,990
Monetary receivables bought	14,234	12,733	(1,500)
Money trusts	111,162	106,654	(4,507)
Securities	5,340,339	5,140,387	(199,951)
Loans	586,639	579,396	(7,242)
Tangible fixed assets	310,995	304,841	(6,153)
Intangible fixed assets	598	6,887	6,289
Other assets	580,684	581,986	1,302
Prepaid pension cost	692	791	98
Allowance for possible credit losses	(3,713)	(3,675)	37
Allowance for possible investment losses	(8,369)	(8,167)	202
Total assets	7,326,234	7,162,915	(163,319)
Liabilities:			
Underwriting funds:	4,989,335	5,087,892	98,556
Reserve for outstanding losses and claims	928,513	955,564	27,050
Underwriting reserves	4,060,822	4,132,328	71,506
Corporate bonds	133,560	133,560	—
Other liabilities	347,743	280,062	(67,680)
Reserve for retirement benefits	89,223	91,408	2,184
Reserve for bonus payments	19,223	20,919	1,696
Reserve for bonus payments to directors	109	—	(109)
Reserves under the special laws:	50,134	54,263	4,128
Reserve for price fluctuation	50,134	54,263	4,128
Deferred tax liabilities	104,251	47,596	(56,654)
Total liabilities	5,733,581	5,715,703	(17,877)
Net assets:			
Shareholders' equity:			
Common stock	70,000	70,000	—
Capital surplus	121,180	121,180	—
Retained earnings	291,394	300,209	8,815
Total shareholders' equity	482,575	491,390	8,815
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	1,101,992	947,736	(154,255)
Deferred gains and losses on hedges	8,085	8,084	(1)
Total valuation and translation adjustments	1,110,078	955,821	(154,257)
Total net assets	1,592,653	1,447,212	(145,441)
Total liabilities and net assets	7,326,234	7,162,915	(163,319)

Sampo Japan Nipponkoa Insurance Inc. (Non-consolidated)

Interim 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)	Increase (Decrease)	Rate of change
	Amount	Amount		%
Ordinary income:	1,315,990	1,300,561	(15,429)	(1.2)
Underwriting income:	1,234,357	1,227,275	(7,082)	(0.6)
Net premiums written	1,097,458	1,140,621	43,163	3.9
Deposits of premiums by policyholders	63,752	62,677	(1,074)	(1.7)
Interest and dividend income on deposits of premiums, etc.	22,835	22,309	(525)	(2.3)
Reversal of reserve for outstanding losses and claims	30,193	—	(30,193)	(100.0)
Reversal of underwriting reserves	14,979	—	(14,979)	(100.0)
Investment income:	74,729	68,634	(6,094)	(8.2)
Interest and dividend income	61,843	57,529	(4,314)	(7.0)
Investment gains on money trusts	2,921	5,592	2,671	91.4
Gains on sales of securities	25,516	18,213	(7,303)	(28.6)
Transfer of interest and dividend income on deposits of premiums, etc.	(22,835)	(22,309)	525	—
Other ordinary income	6,903	4,650	(2,252)	(32.6)
Ordinary expenses:	1,218,543	1,280,396	61,853	5.1
Underwriting expenses:	1,052,787	1,091,836	39,049	3.7
Net claims paid	656,913	613,876	(43,036)	(6.6)
Loss adjustment expenses	63,445	62,505	(939)	(1.5)
Net commissions and brokerage fees	196,902	206,327	9,424	4.8
Maturity refunds to policyholders	133,851	108,928	(24,923)	(18.6)
Provision for reserve for outstanding losses and claims	—	27,050	27,050	—
Provision for underwriting reserves	—	71,506	71,506	—
Investment expenses:	2,272	22,245	19,973	879.0
Investment losses on money trusts	175	181	5	3.2
Losses on sales of securities	298	1,476	1,178	395.6
Impairment losses on securities	116	17,463	17,347	14,867.0
Operating, general and administrative expenses	159,620	162,030	2,409	1.5
Other ordinary expenses:	3,863	4,284	420	10.9
Interest paid	3,371	2,304	(1,066)	(31.6)
Ordinary profit	97,447	20,164	(77,283)	(79.3)
Extraordinary gains:	446	893	447	100.2
Gains on disposal of fixed assets	446	893	447	100.2
Extraordinary losses:	84,950	4,704	(80,246)	(94.5)
Losses on disposal of fixed assets	761	575	(186)	(24.5)
Impairment losses	4	—	(4)	(100.0)
Provision for reserves under the special laws:	4,974	4,128	(845)	(17.0)
Provision for reserve for price fluctuation	4,974	4,128	(845)	(17.0)
Other extraordinary losses	79,209	—	(79,209)	(100.0)
Net income before income taxes	12,943	16,353	3,410	26.3
Income taxes	1,325	1,756	430	32.5
Deferred income taxes	(31)	5,781	5,813	—
Total income taxes	1,294	7,538	6,243	482.5
Net income	11,649	8,815	(2,833)	(24.3)
Underwriting result:				
Net premiums written (+)	1,097,458	1,140,621	43,163	3.9
Net claims paid (—)	656,913	613,876	(43,036)	(6.6)
Loss adjustment expenses (—)	63,445	62,505	(939)	(1.5)
Net operating expenses: (—)	350,905	361,610	10,704	3.1
Net commissions and brokerage fees	196,902	206,327	9,424	4.8
Operating, general and administrative expenses related to underwriting	154,003	155,283	1,280	0.8
Underwriting result	26,194	102,628	76,434	291.8
Underwriting profit (loss)	25,607	(19,670)	(45,277)	(176.8)
Ratios:				
Net loss ratio (%)	65.6	59.3	(6.3)	
Net operating expenses ratio (%)	32.0	31.7	(0.3)	
Combined ratio (%)	97.6	91.0	(6.6)	

Sampo Japan Nipponkoa Insurance Inc. (Non-consolidated)

Premiums Written and Claims Paid by Business Lines

Direct premiums written (excluding 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	166,805	14.6	8.2	197,133	16.5	18.2
Marine insurance	26,568	2.3	1.2	26,747	2.2	0.7
Personal accident insurance	99,261	8.7	1.7	100,482	8.4	1.2
Voluntary automobile insurance	514,496	45.0	2.7	530,564	44.5	3.1
Compulsory automobile liability insurance	159,779	14.0	(1.3)	162,155	13.6	1.5
Others	176,059	15.4	8.5	175,476	14.7	(0.3)
Total	1,142,971	100.0	3.6	1,192,560	100.0	4.3
Deposits of premiums by policyholders	63,752	—	(8.9)	62,677	—	(1.7)

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	150,593	13.7	16.9	175,586	15.4	16.6
Marine insurance	26,400	2.4	16.0	26,078	2.3	(1.2)
Personal accident insurance	100,029	9.1	0.9	99,976	8.8	(0.1)
Voluntary automobile insurance	515,493	47.0	2.7	530,108	46.5	2.8
Compulsory automobile liability insurance	154,247	14.1	5.9	158,338	13.9	2.7
Others	150,694	13.7	9.0	150,533	13.2	(0.1)
Total	1,097,458	100.0	5.9	1,140,621	100.0	3.9

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	Rate of change	Net loss ratio	Amount	Rate of change	Net loss ratio
Fire and allied insurance	129,817	72.1	88.3	97,967	(24.5)	57.2
Marine insurance	11,936	(15.8)	47.7	12,824	7.4	52.4
Personal accident insurance	50,115	(1.1)	54.4	50,308	0.4	54.4
Voluntary automobile insurance	283,298	0.6	62.7	274,083	(3.3)	59.2
Compulsory automobile liability insurance	113,645	(0.1)	80.4	113,022	(0.5)	77.9
Others	68,099	11.8	48.4	65,670	(3.6)	46.9
Total	656,913	10.1	65.6	613,876	(6.6)	59.3

Sampo Japan Nipponkoa Insurance Inc. (Non-consolidated)

Non-consolidated Solvency Margin Ratio

(Millions of yen)		
	As of March 31, 2015	As of September 30, 2015
(A) Total Non-consolidated Solvency Margin	2,683,345	2,571,719
Capital and funds, etc.	482,575	491,390
Reserve for price fluctuation	50,134	54,263
Contingency reserve	611	611
Catastrophic loss reserve	565,587	607,066
General allowance for possible credit losses	203	227
Unrealized gains and losses on securities (before tax effect deductions)	1,367,903	1,169,553
Unrealized gains and losses on land	35,852	50,861
Excess amount of reserve for maturity refunds	—	—
Subordinated debt, etc.	133,560	133,560
Excess amount of reserve for maturity refunds and subordinated debt, etc. which are excluded from total solvency margin	—	—
Deductions	81,916	68,024
Others	128,834	132,209
(B) Total Non-consolidated Risks	749,202	685,725
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$		
Underwriting risk (R_1)	176,741	178,921
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_2)	—	—
Guaranteed interest rate risk (R_3)	23,256	23,085
Investment risk (R_4)	512,131	476,023
Business management risk (R_5)	17,598	16,344
Major catastrophe risk (R_6)	167,796	139,171
(C) Non-consolidated Solvency Margin Ratio [(A) / { (B) × 1/2 }] × 100	716.3 %	750.0 %

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)

Interim Balance Sheet

	As of March 31, 2015	As of September 30, 2015	(Millions of yen) Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits	34,021	35,941	1,919
Securities:	2,157,819	2,218,926	61,106
Government bonds	1,593,387	1,627,640	34,253
Municipal bonds	59,762	57,064	(2,698)
Corporate bonds	317,734	313,348	(4,385)
Domestic stocks	7,886	7,340	(545)
Foreign securities	179,048	213,532	34,483
Loans:	36,414	36,934	519
Policy loans	36,414	36,934	519
Tangible fixed assets	1,065	1,152	86
Intangible fixed assets	95	—	(95)
Agency accounts receivable	115	79	(36)
Reinsurance accounts receivable	1,423	1,324	(99)
Other assets	42,201	39,870	(2,330)
Deferred tax assets	5,032	5,893	861
Allowance for possible credit losses	(41)	(38)	2
Total assets	2,278,147	2,340,083	61,935
Liabilities:			
Policy reserves:	2,119,354	2,184,977	65,623
Reserve for outstanding claims	34,091	36,306	2,214
Policy reserves	2,080,338	2,143,531	63,192
Reserve for dividends to policyholders	4,923	5,139	215
Agency accounts payable	4,340	3,897	(442)
Reinsurance accounts payable	1,047	937	(109)
Other liabilities	18,957	10,455	(8,502)
Reserve for bonus payments to directors	49	—	(49)
Reserve for retirement benefits	2,417	2,635	217
Reserves under the special laws:	3,353	3,751	397
Reserve for price fluctuation	3,353	3,751	397
Total liabilities	2,149,521	2,206,654	57,132
Net assets:			
Shareholders' equity:			
Common stock	17,250	17,250	—
Capital surplus	24,500	24,500	—
Retained earnings	38,571	44,959	6,387
Total shareholders' equity	80,321	86,709	6,387
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	48,304	46,719	(1,585)
Total valuation and translation adjustments	48,304	46,719	(1,585)
Total net assets	128,626	133,428	4,802
Total liabilities and net assets	2,278,147	2,340,083	61,935

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

Interim 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)	Increase (Decrease)	Rate of change
	Amount	Amount		%
Ordinary income:	207,049	214,821	7,771	3.8
Insurance premiums and other:	185,223	193,278	8,055	4.3
Insurance premiums	183,295	191,658	8,363	4.6
Investment income:	21,474	20,980	(493)	(2.3)
Interest and dividend income and other	18,669	19,854	1,184	6.3
Gains on sales of securities	1,561	1,111	(449)	(28.8)
Investment gains on special account	1,240	—	(1,240)	(100.0)
Other ordinary income	352	561	209	59.5
Ordinary expenses:	192,046	202,876	10,830	5.6
Insurance claims and other:	88,959	88,188	(771)	(0.9)
Insurance claims	16,121	14,911	(1,209)	(7.5)
Annuity payments	4,413	5,233	819	18.6
Insurance benefits	16,353	17,766	1,413	8.6
Surrender benefits	48,765	47,042	(1,722)	(3.5)
Other refunds	1,071	1,071	0	0.0
Provision for policy reserves and other:	59,418	65,407	5,989	10.1
Provision for reserve for outstanding claims	2,074	2,214	140	6.8
Provision for policy reserves	57,344	63,192	5,848	10.2
Provision for interest portion of reserve for dividends to policyholders	0	0	0	33.9
Investment expenses:	166	1,449	1,282	771.4
Interest paid	32	34	1	6.1
Losses on sales of securities	58	308	249	424.3
Losses on derivatives	54	216	162	300.0
Investment losses on special account	—	863	863	—
Operating expenses	41,521	45,997	4,475	10.8
Other ordinary expenses	1,980	1,834	(145)	(7.4)
Ordinary profit	15,003	11,944	(3,058)	(20.4)
Extraordinary losses:	1,171	406	(765)	(65.3)
Losses on disposal of fixed assets and other	0	8	8	3,369.0
Provision for reserves under the special laws:	289	397	107	37.0
Provision for reserve for price fluctuation	289	397	107	37.0
Other extraordinary losses	881	—	(881)	(100.0)
Provision for reserve for dividends to policyholders	2,341	2,377	35	1.5
Net income before income taxes	11,489	9,160	(2,328)	(20.3)
Income taxes	3,591	2,992	(598)	(16.7)
Deferred income taxes	(100)	(219)	(119)	—
Total income taxes	3,490	2,773	(717)	(20.6)
Net income	7,998	6,387	(1,611)	(20.1)

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, 2015				As of September 30, 2015			
	Number		Amount		Number		Amount	
		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year
Individual insurance	3,414	106.3	207,685	104.0	3,546	103.9	210,480	101.3
Individual annuities	69	98.7	2,745	97.6	68	99.4	2,705	98.6
Group insurance	—	—	31,143	99.1	—	—	31,331	100.6
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, %)

	Six months ended September 30, 2014 (April 1 to September 30, 2014)				Six months ended September 30, 2015 (April 1 to September 30, 2015)			
	Number		Amount		Number		Amount	
		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year
Individual insurance	216	126.5	11,946	92.6	242	112.0	11,056	92.6
Individual annuities	0	54.9	20	58.8	0	100.7	22	108.4
Group insurance	—	—	90	28.7	—	—	218	241.6
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, 2015		As of September 30, 2015	
		% of previous fiscal year		% of previous fiscal year
Individual insurance	298,890	102.8	306,413	102.5
Individual annuities	18,574	105.4	18,791	101.2
Total	317,465	102.9	325,204	102.4
Medical and survival benefits	119,057	104.9	124,973	105.0

New policies

(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)	
		% of previous fiscal year		% of previous fiscal year
Individual insurance	17,251	115.5	20,260	117.4
Individual annuities	77	55.2	81	105.9
Total	17,328	114.9	20,342	117.4
Medical and survival benefits	8,292	132.5	10,956	132.1

Notes)

1. 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.
2. 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.

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

Non-consolidated Solvency Margin Ratio

(Millions of yen)

	As of March 31, 2015	As of September 30, 2015
(A) Total Non-consolidated Solvency Margin	298,297	314,470
Capital, etc.	80,321	86,948
Reserve for price fluctuation	3,353	3,751
Contingency reserve	26,715	27,483
General allowance for possible credit losses	7	7
Unrealized gains and losses on securities (90% of gain or 100% of loss)	61,059	59,055
Unrealized gains and losses on land (85% of gain or 100% of loss)	—	—
Excess amount of continued Zillmerized reserve	132,485	134,942
Subordinated debt, etc.	—	—
Excess amount of continued Zillmerized reserve and subordinated debt, etc. which are excluded from total solvency margin	(21,670)	(16,331)
Brought in capital, etc.	—	—
Deductions	—	—
Others	16,025	18,613
(B) Total Non-consolidated Risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	35,589	37,138
Underwriting risk (R_1)	13,178	13,322
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_8)	6,978	7,411
Guaranteed interest rate risk (R_2)	8,259	8,306
Guaranteed minimum benefit risk (R_7)	358	361
Investment risk (R_3)	19,533	20,922
Business management risk (R_4)	966	1,006
(C) Non-consolidated Solvency Margin Ratio [(A) / { (B) × 1/2 }] × 100	1,676.3 %	1,693.5 %

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 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.

Supplementary Data about Financial Results for the six months ended September 30, 2014 at Press Conference

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)

(1) Key figures

(Yen in hundred millions)

	Six months ended September 30, 2014	Fiscal year ended March 31, 2015	Six months ended September 30, 2015	Increase (Decrease) (C) - (B)	Increase (Decrease) (C) - (A)
	(A)	(B)	(C)	(C) - (B)	(C) - (A)
① Net premiums written	10,974	21,813	11,406	—	431
Rate of change	5.9 %	4.8 %	3.9 %	(0.8)%	(2.0)%
② Total assets	69,975	73,262	71,629	(1,633)	1,653
③ Loss ratio	65.6 %	65.6 %	59.3 %	(6.3)%	(6.3)%
④ Operating expenses ratio	32.0 %	31.8 %	31.7 %	(0.1)%	(0.3)%
⑤ Combined ratio	97.6 %	97.4 %	91.0 %	(6.4)%	(6.6)%
Underwriting result ratio	2.4 %	2.6 %	9.0 %	6.4 %	6.6 %
⑥ Voluntary automobile insurance					
• Net premiums written	5,154	10,437	5,301	—	146
Rate of change	2.7 %	2.9 %	2.8 %	(0.1)%	0.1 %
• Underwriting result ratio	5.4 %	5.2 %	9.3 %	4.2 %	3.9 %
• Loss ratio	62.7 %	63.4 %	59.2 %	(4.2)%	(3.5)%
• Operating expenses ratio	31.8 %	31.4 %	31.4 %	0.0 %	(0.4)%
⑦ Fire and allied insurance					
• Net premiums written	1,505	3,232	1,755	—	249
Rate of change	16.9 %	14.0 %	16.6 %	2.6 %	(0.3)%
• Underwriting result ratio	(30.1)%	(11.0)%	2.5 %	13.5 %	32.6 %
• Loss ratio	88.3 %	70.9 %	57.2 %	(13.7)%	(31.1)%
• Operating expenses ratio	41.9 %	40.1 %	40.3 %	0.3 %	(1.5)%
⑧ Number of employees	27,584	27,144	26,647	(497)	(937)
⑨ Number of agencies	60,881	64,371	63,516	(855)	2,635

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

(Yen in hundred millions)

	Six months ended September 30, 2014	Fiscal year ended March 31, 2015	Six months ended September 30, 2015	Increase (Decrease) (C) - (B)	Increase (Decrease) (C) - (A)
	(A)	(B)	(C)	(C) - (B)	(C) - (A)
① Ordinary income	16,062	32,823	16,757	—	694
② Net premiums written	12,444	25,080	13,305	—	860
Rate of change	11.2 %	10.5 %	6.9 %	(3.6)%	(4.3)%
③ Life insurance premiums written	1,343	2,772	1,436	—	93
Rate of change	0.3 %	(0.0)%	6.9 %	6.9 %	6.6 %
④ Ordinary profit	1,039	2,083	435	—	(604)
⑤ Net income attributable to shareholders of the parent	154	542	285	—	131

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, 2015 and the six months ended September 30, 2014, respectively.

Sampo Japan Nipponkoa Insurance Inc. (Non-consolidated)

(2) Other figures

① Non-performing assets

Risk-monitored loans

(Yen in hundred millions)

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

(Reference) Total loans	5,686	5,866	5,793
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Results of self-assessment

(Yen in hundred millions)

	As of September 30, 2014	As of March 31, 2015	As of September 30, 2015
No category	69,647	72,928	71,295
Category II	330	335	336
Category III	102	99	96
Category IV	22	32	206
Subtotal (Category II-IV)	455	467	639
Total	70,102	73,396	71,934

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)

	Six months ended September 30, 2014	Fiscal year ended March 31, 2015	Six months ended September 30, 2015
Domestic bonds	—	—	—
Domestic stocks	0	1	173
Foreign securities	0	3	1
Others	—	4	—
Total	1	9	174

Note) Besides the above, impairment losses on trust assets (securities) in money trusts other than trading purposes or held to maturity amount to 1 hundred million yen for the six months ended September 30, 2014, 3 hundred million yen for the fiscal year ended March 31, 2015 and 12 hundred million yen for the six months ended September 30, 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, Sampo 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)

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

Sampo Japan Nipponkoa Insurance Inc. (Non-consolidated)

④ Unrealized gains and losses on securities

(Yen in hundred millions)

	As of September 30, 2014	As of March 31, 2015	As of September 30, 2015
Domestic bonds	899	1,038	1,039
Domestic stocks	10,007	11,979	10,420
Foreign securities	1,486	2,068	1,632
Others	41	49	29
Total	12,435	15,136	13,122

Notes)

1. Unrealized gains and losses on monetary receivables bought are included in "Others" above.
2. Besides the above, unrealized gains and (losses) on securities which include trust assets in money trusts other than trading purposes or held to maturity amount to 62 hundred million yen as of September 30, 2014, 142 hundred million yen as of March 31, 2015 and (14) hundred million yen as of September 30, 2015.

⑤ Claims during the period due to natural disasters in Japan

(Yen in hundred millions)

	Six months ended September 30, 2014	Fiscal year ended March 31, 2015	Six months ended September 30, 2015
Direct claims paid a	84	295	222
Net claims paid b	82	284	219
Unpaid claims c	52	47	343
Net incurred loss b + c	134	332	563

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	Six months ended September 30, 2014			Fiscal year ended March 31, 2015			Six months ended September 30, 2015		
	Balance	Balance ratio	Provision	Balance	Balance ratio	Provision	Balance	Balance ratio	Provision
Fire and allied insurance	1,760	58.6	210	1,838	57.0	446	2,085	59.6	247
Marine insurance	497	94.3	14	499	95.1	27	513	98.4	13
Personal accident insurance	821	41.1	31	747	40.3	58	770	38.5	31
Voluntary automobile insurance	691	6.7	312	649	6.2	626	708	6.7	170
Others	1,767	58.6	78	1,773	65.4	140	1,840	61.1	77
Total	5,538	29.4	646	5,508	29.4	1,299	5,918	30.1	540

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 and 2015, 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.

Sompo Japan Nipponkoa Insurance Inc. (Non-consolidated)

⑦ Reinsurance assumed

(Yen in hundred millions)

Business line	Six months ended September 30, 2014		Six months ended September 30, 2015	
	Reinsurance premiums assumed	Reinsurance claims assumed	Reinsurance premiums assumed	Reinsurance claims assumed
Fire and allied insurance	400	171	403	240
Marine insurance	64	33	61	42
Personal accident insurance	24	16	13	12
Voluntary automobile insurance	21	17	9	8
Compulsory automobile liability insurance	1,152	1,136	1,185	1,130
Others	79	20	113	32
Total	1,743	1,396	1,786	1,466

⑧ Reinsurance ceded

(Yen in hundred millions)

Business line	Six months ended September 30, 2014		Six months ended September 30, 2015	
	Reinsurance premiums ceded	Reinsurance claims ceded	Reinsurance premiums ceded	Reinsurance claims ceded
Fire and allied insurance	563	139	619	78
Marine insurance	66	40	68	27
Personal accident insurance	16	9	18	7
Voluntary automobile insurance	11	2	13	4
Compulsory automobile liability insurance	1,207	1,256	1,223	1,267
Others	332	121	362	190
Total	2,198	1,569	2,306	1,576