

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

(Note) This document is an unofficial English translation of the Japanese original. Additional English translation will be posted around May 29, 2015.

May 20, 2015

Sompo Japan Nipponkoa Holdings, Inc.

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

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

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

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

(1) Consolidated Results of Operations

(Note) Percentages are changes from previous fiscal year.

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

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

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

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

(2) Consolidated Financial Conditions

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

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

(3) Consolidated Cash Flows

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

2. Dividends

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

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

Note) Percentages are changes from previous fiscal year.

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

(Notes)

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

Increase: 1 (Company Name: Canopus Group Limited)

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

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

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

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

③ Changes in accounting estimations: None

④ Retrospective restatements: None

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

- ① Total shares outstanding including treasury stock:

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

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

- ② Treasury stock:

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

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

- ③ Average number of shares outstanding:

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

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

(Expression of implementation status of audit procedures)

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

(Notes for using forecasted information, etc.)

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

Consolidated Financial Statements**(1) Consolidated Balance Sheet**

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

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

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

Consolidated Statement of Income

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

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

Consolidated Statement of Comprehensive Income

(Millions of yen)

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

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

(Millions of yen)

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

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

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

(Millions of yen)

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

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

(4) Consolidated Statement of Cash Flows

(Millions of yen)

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

(Millions of yen)

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

(Securities)

1. Trading Securities

(Millions of yen)

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

Notes)

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

2. Bonds held to maturity

(Millions of yen)

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

3. Policy reserve matching bonds

(Millions of yen)

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

4. Securities available for sale

(Millions of yen)

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

Notes)

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

5. Securities available for sale sold

(Millions of yen)

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

6. Securities for which impairment losses are recognized

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

Other

(1) Summary of Results of Operations (Consolidated)

(Millions of yen)

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

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

Direct premiums written (including deposits of premiums by policyholders)

(Millions of yen)

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

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

Net premiums written

(Millions of yen)

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

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

Net claims paid

(Millions of yen)

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

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

(3) Risk-monitored Loans (Consolidated)

(Millions of yen)

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

(Reference)

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

(1) Loans to borrowers in bankruptcy

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

(2) Overdue loans

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

(3) Loans overdue for three months or more

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

(4) Restructured loans

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