

Selected Unofficial Translation of Summary of Consolidated Financial Results for the fiscal year ended March 31, 2018

Note) This document is an unofficial English translation of the Japanese original. Additional English translation will be posted around May 29, 2018.

May 18, 2018

Sompo Holdings, Inc.

**Summary of Consolidated Financial Results for the fiscal year ended March 31, 2018
[Under Japanese GAAP]**

Company Name: Sompo Holdings, Inc.
Listed on: Tokyo Stock Exchange
Securities Code: 8630
URL: <https://www.sompo-hd.com/>
Representative: Kengo Sakurada, President & CEO
Scheduled date to hold general meeting of stockholders: June 25, 2018
Scheduled date to file Securities Report: June 28, 2018
Scheduled date to start payment of dividends: June 26, 2018
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, 2018 (April 1, 2017 to March 31, 2018)

(1) Consolidated Results of Operations

Note) Percentages are changes from previous fiscal year.

	Ordinary income		Ordinary profit		Net income attributable to shareholders of the parent	
	millions of yen	%	millions of yen	%	millions of yen	%
Fiscal year ended March 31, 2018	3,770,052	10.3	141,890	(41.3)	139,817	(16.0)
Fiscal year ended March 31, 2017	3,419,530	5.0	241,713	11.5	166,402	4.3
Note) Comprehensive income:	Fiscal year ended March 31, 2018		177,754	million yen	(21.7)	%
	Fiscal year ended March 31, 2017		226,949	million yen	—	%

	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, 2018	361.39	361.09	7.6	1.2	3.8
Fiscal year ended March 31, 2017	419.15	418.71	9.7	2.2	7.1

Reference) Investment gains and losses on the equity method: Fiscal year ended March 31, 2018 592 million yen
Fiscal year ended March 31, 2017 398 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, 2018	11,948,323	1,916,210	15.8	4,960.24
As of March 31, 2017	11,931,135	1,868,940	15.1	4,583.07

Reference) Equity capital: As of March 31, 2018 1,887,769 million yen
As of March 31, 2017 1,802,975 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, 2018	246,433	(31,859)	(66,597)	931,033
Fiscal year ended March 31, 2017	362,920	(526,668)	363,835	773,466

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, 2017	—	40.00	—	50.00	90.00	35,459	21.5	2.1
Fiscal year ended March 31, 2018	—	55.00	—	55.00	110.00	42,291	30.4	2.3
Fiscal year ending March 31, 2019 (Forecast)	—	65.00	—	65.00	130.00		23.6	

3. Forecasts of Consolidated Financial Results for the fiscal year ending March 31, 2019 (April 1, 2018 to March 31, 2019)

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	290,000	104.4	210,000	50.2	551.78

(Notes)

(1) Changes in significant subsidiaries during the fiscal year ended March 31, 2018 (changes in specified subsidiaries resulting in changes in the scope of consolidation): Yes

Decrease: 2 (Company Name: Endurance Specialty Holdings Ltd., Canopus Reinsurance AG)

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

① Changes in accounting policies due to revisions to accounting standards, etc.: None

② Changes in accounting policies due to reasons other than the above: Yes

③ Changes in accounting estimations: Yes

④ Retrospective restatements: None

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

① Total shares outstanding including treasury stock:

As of March 31, 2018 415,352,294 shares

As of March 31, 2017 415,352,294 shares

② Treasury stock:

As of March 31, 2018 34,772,350 shares

As of March 31, 2017 21,953,718 shares

③ Average number of shares outstanding:

For the fiscal year ended March 31, 2018 386,879,149 shares

For the fiscal year ended March 31, 2017 396,995,036 shares

(Expression of implementation status of audit procedures)

This summary is not subject to audits by a certified public accountant or an incorporated accounting firm.

(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 and Major Notes**(1) Consolidated Balance Sheet**

	(Millions of yen)	
	As of March 31, 2017	As of March 31, 2018
Assets:		
Cash and deposits	814,217	894,437
Receivables under resale agreements	54,999	74,998
Monetary receivables bought	11,718	6,727
Money trusts	104,423	98,744
Securities	8,303,829	8,275,132
Loans	638,768	668,419
Tangible fixed assets:	402,480	354,593
Land	172,575	132,601
Buildings	132,909	123,682
Leased assets	63,632	59,305
Construction in progress	2,774	6,935
Other tangible fixed assets	30,589	32,069
Intangible fixed assets:	469,825	402,839
Software	11,943	20,090
Goodwill	279,386	223,977
Other intangible fixed assets	178,495	158,770
Other assets	1,119,434	1,155,305
Net defined benefit asset	756	1,062
Deferred tax assets	17,194	22,312
Allowance for possible credit losses	(6,512)	(6,249)
Total assets	11,931,135	11,948,323
Liabilities:		
Underwriting funds:	8,335,158	8,277,130
Reserve for outstanding losses and claims	1,674,277	1,563,825
Underwriting reserves	6,660,881	6,713,304
Corporate bonds	424,991	512,045
Other liabilities	978,343	939,362
Net defined benefit liability	134,263	102,992
Reserve for retirement benefits to directors	36	40
Reserve for bonus payments	35,253	31,731
Reserve for bonus payments to directors	306	290
Reserve for stocks payments	445	937
Reserves under the special laws:	74,200	86,095
Reserve for price fluctuation	74,200	86,095
Deferred tax liabilities	79,195	81,487
Total liabilities	10,062,195	10,032,113

(Millions of yen)

As of March 31, 2017

As of March 31, 2018

Net assets:

Shareholders' equity:

Common stock	100,045	100,045
Capital surplus	408,382	408,335
Retained earnings	501,561	603,615
Treasury stock	(71,459)	(128,182)
Total shareholders' equity	938,529	983,814

Accumulated other comprehensive income:

Unrealized gains and losses on securities available for sale	863,455	922,425
Deferred gains and losses on hedges	8,003	7,050
Foreign currency translation adjustments	22,663	(22,317)
Remeasurements of defined benefit plans	(29,676)	(3,205)
Total accumulated other comprehensive income	864,445	903,954

Stock acquisition rights

926	749
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Non-controlling interests

65,038	27,692
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Total net assets

1,868,940	1,916,210
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Total liabilities and net assets

11,931,135	11,948,323
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(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Consolidated Statement of Income

(Millions of yen)

	Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)	Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)
Ordinary income:	3,419,530	3,770,052
Underwriting income:	3,050,550	3,369,720
Net premiums written	2,550,336	2,854,755
Deposits of premiums by policyholders	131,617	120,380
Interest and dividend income on deposits of premiums, etc.	41,823	39,333
Life insurance premiums written	323,860	346,998
Other underwriting income	2,911	8,252
Investment income:	232,846	254,395
Interest and dividend income	173,563	190,863
Investment gains on money trusts	2,534	5,476
Investment gains on trading securities	5,574	11,461
Gains on sales of securities	81,973	83,450
Gains on redemption of securities	256	756
Investment gains on special account	1,851	1,478
Other investment income	8,918	242
Transfer of interest and dividend income on deposits of premiums, etc.	(41,823)	(39,333)
Other ordinary income:	136,133	145,936
Investment gains on the equity method	398	592
Other ordinary income	135,734	145,344
Ordinary expenses:	3,177,817	3,628,162
Underwriting expenses:	2,515,138	2,868,010
Net claims paid	1,427,712	1,698,171
Loss adjustment expenses	136,599	138,317
Net commissions and brokerage fees	484,365	516,938
Maturity refunds to policyholders	226,431	231,367
Dividends to policyholders	87	186
Life insurance claims paid and other payments	82,779	88,899
Provision for reserve for outstanding losses and claims	31,018	75,625
Provision for underwriting reserves	118,856	113,706
Other underwriting expenses	7,285	4,797
Investment expenses:	41,213	29,270
Investment losses on money trusts	198	168
Losses on sales of securities	14,560	9,682
Impairment losses on securities	3,257	3,745
Losses on redemption of securities	192	97
Losses on derivatives	18,298	11,546
Other investment expenses	4,705	4,030
Operating, general and administrative expenses	506,537	608,427
Other ordinary expenses:	114,927	122,453
Interest paid	9,657	14,549
Provision for allowance for possible credit losses	119	—
Losses on bad debt	120	60
Other ordinary expenses	105,029	107,843
Ordinary profit	241,713	141,890

(Millions of yen)

	Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)	Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)
Extraordinary gains:	9,381	30,692
Gains on disposal of fixed assets	9,312	4,714
Other extraordinary gains	69	25,978
Extraordinary losses:	19,105	58,246
Losses on disposal of fixed assets	6,983	35,200
Impairment losses	387	11,132
Provision for reserves under the special laws:	11,713	11,894
Provision for reserve for price fluctuation	11,713	11,894
Losses on reduction of real estate	20	18
Net income before income taxes	231,989	114,336
Income taxes	58,171	13,618
Deferred income taxes	7,101	(35,920)
Total income taxes	65,272	(22,301)
Net income	166,716	136,637
Net income (loss) attributable to non-controlling shareholders	313	(3,179)
Net income attributable to shareholders of the parent	166,402	139,817

Consolidated Statement of Comprehensive Income

	(Millions of yen)	
	Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)	Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)
Net income	166,716	136,637
Other comprehensive income:		
Unrealized gains and losses on securities available for sale	37,559	59,196
Deferred gains and losses on hedges	(2,507)	(952)
Foreign currency translation adjustments	30,176	(43,504)
Remeasurements of defined benefit plans	(5,026)	26,458
Share of other comprehensive income of affiliates accounted for under the equity method	30	(81)
Total other comprehensive income	60,232	41,116
Comprehensive income	226,949	177,754
(Comprehensive income attributable to)		
Comprehensive income attributable to shareholders of the parent	227,039	180,373
Comprehensive income attributable to non-controlling shareholders	(90)	(2,618)

(3) Consolidated Statement of Changes in Net Assets
Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)

(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	411,086	364,888	(36,975)	839,045
Changes during the period:					
Dividends			(31,925)		(31,925)
Net income attributable to shareholders of the parent			166,402		166,402
Acquisition of treasury stock				(35,230)	(35,230)
Disposal of treasury stock		(229)		745	516
Changes in the scope of consolidation			2,195		2,195
Changes in interest of the parent related to transactions with non-controlling shareholders		(2,474)			(2,474)
Net changes in items other than shareholders' equity					
Total changes during the period	—	(2,703)	136,672	(34,484)	99,484
Balance at the end of the period	100,045	408,382	501,561	(71,459)	938,529

	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	825,912	10,510	(7,965)	(24,648)	803,808	1,486	8,498	1,652,839
Changes during the period:								
Dividends								(31,925)
Net income attributable to shareholders of the parent								166,402
Acquisition of treasury stock								(35,230)
Disposal of treasury stock								516
Changes in the scope of consolidation								2,195
Changes in interest of the parent related to transactions with non-controlling shareholders								(2,474)
Net changes in items other than shareholders' equity	37,542	(2,507)	30,629	(5,027)	60,636	(560)	56,539	116,615
Total changes during the period	37,542	(2,507)	30,629	(5,027)	60,636	(560)	56,539	216,100
Balance at the end of the period	863,455	8,003	22,663	(29,676)	864,445	926	65,038	1,868,940

Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)

(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	408,382	501,561	(71,459)	938,529
Changes during the period:					
Dividends			(41,027)		(41,027)
Net income attributable to shareholders of the parent			139,817		139,817
Acquisition of treasury stock				(56,941)	(56,941)
Disposal of treasury stock		(45)		219	173
Changes in the scope of consolidation			2,332		2,332
Changes in interest of the parent related to transactions with non-controlling shareholders		(1)			(1)
Others			931		931
Net changes in items other than shareholders' equity					
Total changes during the period	—	(47)	102,054	(56,722)	45,284
Balance at the end of the period	100,045	408,335	603,615	(128,182)	983,814

	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	863,455	8,003	22,663	(29,676)	864,445	926	65,038	1,868,940
Changes during the period:								
Dividends								(41,027)
Net income attributable to shareholders of the parent								139,817
Acquisition of treasury stock								(56,941)
Disposal of treasury stock								173
Changes in the scope of consolidation								2,332
Changes in interest of the parent related to transactions with non-controlling shareholders								(1)
Others								931
Net changes in items other than shareholders' equity	58,970	(952)	(44,981)	26,471	39,509	(177)	(37,346)	1,985
Total changes during the period	58,970	(952)	(44,981)	26,471	39,509	(177)	(37,346)	47,269
Balance at the end of the period	922,425	7,050	(22,317)	(3,205)	903,954	749	27,692	1,916,210

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)	Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)
Cash flows from operating activities:		
Net income before income taxes	231,989	114,336
Depreciation	25,603	73,069
Impairment losses	387	11,132
Amortization of goodwill	8,907	25,731
Increase (decrease) in reserve for outstanding losses and claims	21,218	91,837
Increase (decrease) in underwriting reserves	114,436	110,798
Increase (decrease) in allowance for possible credit losses	88	(222)
Increase (decrease) in net defined benefit liability	2,985	4,877
Increase (decrease) in reserve for retirement benefits to directors	(78)	4
Increase (decrease) in reserve for bonus payments	146	(1,547)
Increase (decrease) in reserve for bonus payments to directors	125	(15)
Increase (decrease) in reserve for stocks payments	445	491
Increase (decrease) in reserve for price fluctuation	11,713	11,894
Interest and dividend income	(173,563)	(190,863)
Losses (gains) on investment in securities	(64,217)	(70,667)
Interest expenses	9,657	14,549
Foreign exchange losses (gains)	(8,623)	(1,349)
Losses (gains) related to tangible fixed assets	(7,429)	28,220
Losses (gains) related to loans	1	1
Investment losses (gains) on the equity method	(398)	(592)
Decrease (increase) in other assets (other than investing and financing activities)	(15,360)	(71,583)
Increase (decrease) in other liabilities (other than investing and financing activities)	20,947	9,294
Others	34,503	(15,167)
Subtotal	213,486	144,227
Interest and dividend received	175,913	193,223
Interest paid	(8,250)	(13,906)
Income taxes paid	(18,228)	(77,109)
Cash flows from operating activities	362,920	246,433

(Millions of yen)

	Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)	Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)
Cash flows from investing activities:		
Net decrease (increase) in deposits	(35,467)	(22,547)
Purchase of monetary receivables bought	—	(415)
Proceeds from sales and redemption of monetary receivables bought	3,410	5,173
Increase in money trusts	(16,737)	(96)
Decrease in money trusts	33,185	8,531
Purchase of securities	(1,345,927)	(1,589,361)
Proceeds from sales and redemption of securities	1,410,254	1,581,387
Loans made	(212,039)	(198,238)
Collection of loans	173,918	154,792
Net increase (decrease) in receivables under securities borrowing transactions and payables under securities lending transactions	—	22,921
Others	44,975	(11,354)
Total of investment transactions	55,573	(49,207)
Total of operating activities and investment transactions as above	418,494	197,226
Acquisition of tangible fixed assets	(15,786)	(24,178)
Proceeds from sales of tangible fixed assets	12,302	24,298
Acquisition of stocks of subsidiaries resulting in changes in the scope of consolidation	(549,226)	—
Proceeds from sales of stocks of subsidiaries resulting in changes in the scope of consolidation	—	67,991
Others	(29,531)	(50,763)
Cash flows from investing activities	(526,668)	(31,859)
Cash flows from financing activities:		
Proceeds from borrowings	50	152,150
Repayments of borrowings	(6,728)	(15,937)
Proceeds from issuance of corporate bonds	200,000	100,000
Redemption of corporate bonds	(115)	(11,300)
Net increase (decrease) in payables under securities lending transactions	250,063	(154,345)
Proceeds from sales of treasury stock	25	46
Acquisition of treasury stock	(35,230)	(56,941)
Dividends paid	(31,885)	(40,983)
Dividends paid to non-controlling shareholders	(72)	(7,205)
Repayments to non-controlling shareholders	—	(25,990)
Acquisition of stocks of subsidiaries that do not result in changes in the scope of consolidation	(4,678)	(16)
Others	(7,593)	(6,073)
Cash flows from financing activities	363,835	(66,597)
Effect of exchange rate changes on cash and cash equivalents	(5,679)	3,365
Increase (decrease) in cash and cash equivalents	194,408	151,343
Cash and cash equivalents at the beginning of the period	576,791	773,466
Increase in cash and cash equivalents resulting from newly consolidated subsidiaries	—	6,224
Increase in cash and cash equivalents resulting from merger	2,266	—
Cash and cash equivalents at the end of the period	773,466	931,033

(Securities)

1. Trading Securities

(Millions of yen)

	As of March 31, 2017		As of March 31, 2018	
	Carrying amount	Unrealized gains and losses recognized in statement of income	Carrying amount	Unrealized gains and losses recognized in statement of income
Trading securities	630,798	2,501	212,004	1

Note)

As of March 31, 2017	As of March 31, 2018
Certificate of deposit classified as cash and deposits and commercial paper as monetary receivables bought in the consolidated balance sheet are included above.	---

2. Bonds held to maturity

(Millions of yen)

		As of March 31, 2017			As of March 31, 2018		
		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	1,188,313	1,466,468	278,155	1,180,112	1,465,926	285,814
	Foreign securities	153	161	7	2,019	2,087	67
	Subtotal	1,188,467	1,466,629	278,162	1,182,131	1,468,013	285,881
Securities whose fair value does not exceed their carrying amount	Domestic bonds	15,371	14,569	(802)	15,129	14,694	(435)
	Foreign securities	1,916	1,883	(33)	1,996	1,979	(17)
	Subtotal	17,288	16,452	(836)	17,125	16,673	(452)
Total		1,205,755	1,483,082	277,326	1,199,257	1,484,687	285,429

3. Policy reserve matching bonds

(Millions of yen)

		As of March 31, 2017			As of March 31, 2018		
		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	147,193	165,622	18,428	231,867	255,152	23,285
Securities whose fair value does not exceed their carrying amount	Domestic bonds	52,465	50,011	(2,453)	36,110	34,877	(1,233)
Total		199,659	215,634	15,974	267,978	290,029	22,051

4. Securities available for sale

(Millions of yen)

		As of March 31, 2017			As of March 31, 2018		
		Carrying amount	Cost	Unrealized gains and losses	Carrying amount	Cost	Unrealized gains and losses
Securities whose carrying amount exceeds their cost	Domestic bonds	1,969,971	1,777,125	192,845	2,014,762	1,827,096	187,665
	Domestic stocks	1,488,337	598,400	889,937	1,560,427	560,579	999,847
	Foreign securities	1,291,177	1,170,790	120,387	1,355,885	1,234,891	120,994
	Others	42,600	37,297	5,302	58,933	52,793	6,139
	Subtotal	4,792,087	3,583,614	1,208,472	4,990,008	3,675,361	1,314,646
Securities whose carrying amount does not exceed their cost	Domestic bonds	233,604	241,826	(8,221)	133,071	136,423	(3,352)
	Domestic stocks	31,779	33,991	(2,211)	28,161	31,536	(3,374)
	Foreign securities	1,136,603	1,153,412	(16,808)	1,370,567	1,413,677	(43,109)
	Others	21,307	21,427	(120)	8,648	8,693	(45)
	Subtotal	1,423,295	1,450,658	(27,363)	1,540,448	1,590,330	(49,882)
Total		6,215,382	5,034,273	1,181,109	6,530,456	5,265,692	1,264,764

Notes)

As of March 31, 2017	As of March 31, 2018
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, etc. 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, 2017 (April 1, 2016 to March 31, 2017)			Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)		
	Proceeds from sales	Gains on sales	Losses on sales	Proceeds from sales	Gains on sales	Losses on sales
Domestic bonds	312,815	9,123	4,591	111,882	2,830	1,679
Domestic stocks	109,096	66,525	218	112,071	69,085	491
Foreign securities	342,135	5,356	9,727	613,830	9,319	6,177
Others	4,033	965	22	7,301	1,616	2
Total	768,080	81,971	14,560	845,086	82,852	8,350

6. Securities for which impairment losses are recognized

Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)	Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)
For the fiscal year ended March 31, 2017, impairment losses on securities available for sale (excluding securities available for sale which are considered extremely difficult to figure out their fair value) amount to 744 million yen (domestic stocks: 527 million yen, foreign securities: 216 million yen), and impairment losses on securities available for sale which are considered extremely difficult to figure out their fair value amount to 351 million yen (domestic stocks: 9 million yen, foreign securities: 341 million yen). Basically, Sompo 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, 2018, 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 1,627 million yen (foreign securities only), and impairment losses on securities available for sale which are considered extremely difficult to figure out their fair value amount to 2,051 million yen (domestic stocks: 1,248 million yen, foreign securities: 802 million yen). Basically, impairment losses on securities are recognized 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, 2017 (April 1, 2016 to March 31, 2017)	Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)	Increase (Decrease)	Rate of change
Ordinary income and expenses:				%
Underwriting income:	3,050,550	3,369,720	319,170	10.5
Net premiums written	2,550,336	2,854,755	304,418	11.9
Deposits of premiums by policyholders	131,617	120,380	(11,236)	(8.5)
Life insurance premiums written	323,860	346,998	23,137	7.1
Underwriting expenses:	2,515,138	2,868,010	352,872	14.0
Net claims paid	1,427,712	1,698,171	270,458	18.9
Loss adjustment expenses	136,599	138,317	1,717	1.3
Net commissions and brokerage fees	484,365	516,938	32,572	6.7
Maturity refunds to policyholders	226,431	231,367	4,936	2.2
Life insurance claims paid and other payments	82,779	88,899	6,120	7.4
Provision for reserve for outstanding losses and claims	31,018	75,625	44,606	143.8
Provision for underwriting reserves	118,856	113,706	(5,150)	(4.3)
Investment income:	232,846	254,395	21,548	9.3
Interest and dividend income	173,563	190,863	17,299	10.0
Gains on sales of securities	81,973	83,450	1,476	1.8
Investment expenses:	41,213	29,270	(11,943)	(29.0)
Losses on sales of securities	14,560	9,682	(4,878)	(33.5)
Impairment losses on securities	3,257	3,745	487	15.0
Operating, general and administrative expenses	506,537	608,427	101,889	20.1
Other ordinary income and expenses	21,206	23,483	2,277	10.7
Investment gains on the equity method	398	592	194	48.7
Ordinary profit	241,713	141,890	(99,822)	(41.3)
Extraordinary gains and losses:				
Extraordinary gains	9,381	30,692	21,310	227.2
Extraordinary losses	19,105	58,246	39,140	204.9
Extraordinary gains and losses	(9,724)	(27,554)	(17,829)	—
Net income before income taxes	231,989	114,336	(117,652)	(50.7)
Income taxes	58,171	13,618	(44,552)	(76.6)
Deferred income taxes	7,101	(35,920)	(43,021)	(605.8)
Total income taxes	65,272	(22,301)	(87,574)	(134.2)
Net income	166,716	136,637	(30,078)	(18.0)
Net income (loss) attributable to non-controlling shareholders	313	(3,179)	(3,493)	(1,113.7)
Net income attributable to shareholders of the parent	166,402	139,817	(26,585)	(16.0)

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

Direct premiums written (including deposits of premiums by policyholders)

(Millions of yen)

Business line	Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)			Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	478,351	16.7	(3.5)	538,247	17.0	12.5
Marine insurance	88,710	3.1	(0.8)	104,351	3.3	17.6
Personal accident insurance	298,883	10.4	4.5	288,131	9.1	(3.6)
Voluntary automobile insurance	1,251,748	43.6	4.4	1,250,159	39.5	(0.1)
Compulsory automobile liability insurance	318,407	11.1	0.7	297,410	9.4	(6.6)
Others	436,772	15.2	3.2	687,145	21.7	57.3
Total	2,872,874	100.0	2.3	3,165,447	100.0	10.2
Deposits of premiums by policyholders	131,617	4.6	9.4	120,380	3.8	(8.5)

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, 2017 (April 1, 2016 to March 31, 2017)			Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	373,558	14.6	(8.4)	454,125	15.9	21.6
Marine insurance	79,335	3.1	(7.6)	105,325	3.7	32.8
Personal accident insurance	194,152	7.6	(0.1)	192,798	6.8	(0.7)
Voluntary automobile insurance	1,245,666	48.8	4.0	1,241,314	43.5	(0.3)
Compulsory automobile liability insurance	295,884	11.6	(3.7)	292,021	10.2	(1.3)
Others	361,739	14.2	0.7	569,170	19.9	57.3
Total	2,550,336	100.0	(0.1)	2,854,755	100.0	11.9

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, 2017 (April 1, 2016 to March 31, 2017)			Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	229,211	16.1	(8.7)	337,488	19.9	47.2
Marine insurance	41,321	2.9	(14.6)	63,003	3.7	52.5
Personal accident insurance	99,533	7.0	(5.8)	100,955	5.9	1.4
Voluntary automobile insurance	644,783	45.2	0.9	679,027	40.0	5.3
Compulsory automobile liability insurance	224,462	15.7	(1.0)	215,441	12.7	(4.0)
Others	188,400	13.2	(1.1)	302,254	17.8	60.4
Total	1,427,712	100.0	(2.3)	1,698,171	100.0	18.9

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