

Selected Unofficial Translation of Summary of Consolidated Financial Results for the three months ended June 30, 2016

Note) This document is an unofficial English translation of the Japanese original. Additional translation will be posted around August 17, 2016.

August 10, 2016

Sompo Japan Nipponkoa Holdings, Inc.

Summary of Consolidated Financial Results for the three months ended June 30, 2016
[Under Japanese GAAP]

Company Name: Sompo Japan Nipponkoa Holdings, Inc.
Listed on: Tokyo Stock Exchange
Securities Code: 8630
URL: <http://www.sompo-hd.com/>
Representative: Kengo Sakurada, President & CEO
Scheduled date to file Quarterly Securities Report: August 12, 2016
Scheduled date to start payment of dividends: _____
Supplementary information for quarterly financial statements: Yes
Schedule for quarterly investor meeting: None

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

1. Consolidated Financial Results for the three months ended June 30, 2016 (April 1 to June 30, 2016)

(1) Consolidated Results of Operations (accumulated)

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

	Ordinary income		Ordinary profit		Net income attributable to shareholders of the parent	
	millions of yen	%	millions of yen	%	millions of yen	%
Three months ended June 30, 2016	850,446	2.1	31,343	(16.4)	19,984	(24.6)
Three months ended June 30, 2015	832,945	3.8	37,485	(30.3)	26,517	—

Note) Comprehensive income: Three months ended June 30, 2016 (83,919) million yen — %
Three months ended June 30, 2015 50,418 million yen (2.5) %

	Net income per share	Diluted net income per share
	yen	yen
Three months ended June 30, 2016	49.42	49.37
Three months ended June 30, 2015	65.19	65.10

(2) Consolidated Financial Conditions

	Total assets	Net assets	Equity ratio
	millions of yen	millions of yen	%
As of June 30, 2016	10,096,635	1,553,891	15.3
As of March 31, 2016	10,186,746	1,652,839	16.1

Reference) Equity capital: As of June 30, 2016 1,545,111 million yen
As of March 31, 2016 1,642,854 million yen

2. Dividends

	Dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Annual
	yen	yen	yen	yen	yen
Fiscal year ended March 31, 2016	—	40.00	—	40.00	80.00
Fiscal year ending March 31, 2017	—				
Fiscal year ending March 31, 2017 (Forecast)		40.00	—	40.00	80.00

Note) Revisions to the latest announced dividends forecasts: None

3. Forecasts of Consolidated Financial Results for the fiscal year ending March 31, 2017 (April 1, 2016 to March 31, 2017)

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	206,000	(5.0)	140,000	(12.3)	346.39

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

(Notes)

- (1) Changes in significant subsidiaries during the three months ended June 30, 2016 (changes in specified subsidiaries resulting in changes in the scope of consolidation): None
- (2) Application of accounting methods used specifically for the preparation of the quarterly consolidated financial statements: Yes
- (3) 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
- (4) Number of shares outstanding (Common stock) :
 - ① Total shares outstanding including treasury stock:

As of June 30, 2016	415,352,294 shares
As of March 31, 2016	415,352,294 shares
 - ② Treasury stock:

As of June 30, 2016	11,032,698 shares
As of March 31, 2016	11,189,780 shares
 - ③ Average number of shares outstanding:

For the three months ended June 30, 2016	404,320,024 shares
For the three months ended June 30, 2015	406,752,865 shares

(Expression of implementation status of quarterly review procedures)

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

(Notes for using forecasts of financial results, etc.)

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

Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheet

	(Millions of yen)	
	As of March 31, 2016	As of June 30, 2016
Assets:		
Cash and deposits	550,571	505,384
Receivables under resale agreements	77,998	109,998
Monetary receivables bought	11,383	10,552
Money trusts	114,770	109,614
Securities	7,408,124	7,188,627
Loans	609,808	612,410
Tangible fixed assets	404,675	401,713
Intangible fixed assets	146,589	146,376
Other assets	858,938	1,009,018
Net defined benefit asset	719	753
Deferred tax assets	8,639	7,839
Allowance for possible credit losses	(5,474)	(5,654)
Total assets	10,186,746	10,096,635
Liabilities:		
Underwriting funds:	7,644,560	7,703,743
Reserve for outstanding losses and claims	1,244,361	1,242,082
Underwriting reserves	6,400,198	6,461,661
Corporate bonds	133,675	133,675
Other liabilities	501,276	495,533
Net defined benefit liability	124,124	125,138
Reserve for retirement benefits to directors	114	69
Reserve for bonus payments	27,575	12,303
Reserve for bonus payments to directors	180	—
Reserves under the special laws:	62,487	64,685
Reserve for price fluctuation	62,487	64,685
Deferred tax liabilities	39,911	7,593
Total liabilities	8,533,906	8,542,744
Net assets:		
Shareholders' equity:		
Common stock	100,045	100,045
Capital surplus	411,086	410,898
Retained earnings	364,888	370,901
Treasury stock	(36,975)	(36,455)
Total shareholders' equity	839,045	845,390
Accumulated other comprehensive income:		
Unrealized gains and losses on securities available for sale	825,912	742,094
Deferred gains and losses on hedges	10,510	9,981
Foreign currency translation adjustments	(7,965)	(28,154)
Remeasurements of defined benefit plans	(24,648)	(24,200)
Total accumulated other comprehensive income	803,808	699,721
Stock acquisition rights	1,486	1,061
Non-controlling interests	8,498	7,718
Total net assets	1,652,839	1,553,891
Total liabilities and net assets	10,186,746	10,096,635

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income
 Quarterly Consolidated Statement of Income
 Three months ended June 30, 2016

	(Millions of yen)	
	Three months ended June 30, 2015 (April 1 to June 30, 2015)	Three months ended June 30, 2016 (April 1 to June 30, 2016)
Ordinary income:	832,945	850,446
Underwriting income:	765,648	770,299
Net premiums written	652,601	654,747
Deposits of premiums by policyholders	31,357	30,911
Interest and dividend income on deposits of premiums, etc.	11,175	11,266
Life insurance premiums written	67,532	72,900
Investment income:	61,927	47,764
Interest and dividend income	48,186	43,572
Investment gains on money trusts	2,847	91
Investment gains on trading securities	3,666	1,783
Gains on sales of securities	10,856	8,278
Transfer of interest and dividend income on deposits of premiums, etc.	(11,175)	(11,266)
Other ordinary income	5,370	32,382
Ordinary expenses:	795,460	819,103
Underwriting expenses:	668,813	651,096
Net claims paid	343,454	342,015
Loss adjustment expenses	34,125	34,494
Net commissions and brokerage fees	125,986	122,685
Maturity refunds to policyholders	50,084	45,515
Life insurance claims paid and other payments	18,523	19,462
Provision for reserve for outstanding losses and claims	18,153	12,025
Provision for underwriting reserves	77,392	68,482
Investment expenses:	7,140	13,634
Investment losses on money trusts	54	511
Losses on sales of securities	374	451
Impairment losses on securities	2,648	5,783
Operating, general and administrative expenses	116,326	127,541
Other ordinary expenses:	3,180	26,831
Interest paid	1,219	2,026
Ordinary profit	37,485	31,343
Extraordinary gains:	689	255
Gains on disposal of fixed assets	628	186
Other extraordinary gains	60	69
Extraordinary losses:	2,349	2,330
Losses on disposal of fixed assets	109	132
Provision for reserves under the special laws:	2,240	2,198
Provision for reserve for price fluctuation	2,240	2,198
Net income before income taxes	35,824	29,268
Income taxes and deferred income taxes	9,225	9,205
Net income	26,598	20,062
Net income attributable to non-controlling interests	81	77
Net income attributable to shareholders of the parent	26,517	19,984

Quarterly Consolidated Statement of Comprehensive Income
Three months ended June 30, 2016

	(Millions of yen)	
	Three months ended June 30, 2015 (April 1 to June 30, 2015)	Three months ended June 30, 2016 (April 1 to June 30, 2016)
Net income	26,598	20,062
Other comprehensive income:		
Unrealized gains and losses on securities available for sale	45,639	(83,811)
Deferred gains and losses on hedges	(695)	(529)
Foreign currency translation adjustments	(21,174)	(19,964)
Remeasurements of defined benefit plans	64	447
Share of other comprehensive income of affiliates accounted for under the equity method	(14)	(125)
Total other comprehensive income	23,820	(103,982)
Comprehensive income	50,418	(83,919)
(Comprehensive income attributable to)		
Comprehensive income attributable to shareholders of the parent	50,679	(84,102)
Comprehensive income attributable to non-controlling interests	(261)	182

Supplementary Information

(1) Summary of Results of Operations (Consolidated)

	(Millions of yen)			
	Three months ended June 30, 2015 (April 1 to June 30, 2015)	Three months ended June 30, 2016 (April 1 to June 30, 2016)	Increase (Decrease)	Rate of change
Ordinary income and expenses:				%
Underwriting income:	765,648	770,299	4,651	0.6
Net premiums written	652,601	654,747	2,146	0.3
Deposits of premiums by policyholders	31,357	30,911	(445)	(1.4)
Life insurance premiums written	67,532	72,900	5,368	7.9
Underwriting expenses:	668,813	651,096	(17,717)	(2.6)
Net claims paid	343,454	342,015	(1,439)	(0.4)
Loss adjustment expenses	34,125	34,494	369	1.1
Net commissions and brokerage fees	125,986	122,685	(3,300)	(2.6)
Maturity refunds to policyholders	50,084	45,515	(4,568)	(9.1)
Life insurance claims paid and other payments	18,523	19,462	938	5.1
Provision for reserve for outstanding losses and claims	18,153	12,025	(6,128)	(33.8)
Provision for underwriting reserves	77,392	68,482	(8,910)	(11.5)
Investment income:	61,927	47,764	(14,162)	(22.9)
Interest and dividend income	48,186	43,572	(4,614)	(9.6)
Gains on sales of securities	10,856	8,278	(2,577)	(23.7)
Investment expenses:	7,140	13,634	6,493	90.9
Losses on sales of securities	374	451	76	20.3
Impairment losses on securities	2,648	5,783	3,135	118.4
Operating, general and administrative expenses	116,326	127,541	11,215	9.6
Other ordinary income and expenses	2,189	5,551	3,361	153.5
Ordinary profit	37,485	31,343	(6,142)	(16.4)
Extraordinary gains and losses:				
Extraordinary gains	689	255	(433)	(62.9)
Extraordinary losses	2,349	2,330	(19)	(0.8)
Extraordinary gains and losses	(1,660)	(2,075)	(414)	—
Net income before income taxes	35,824	29,268	(6,556)	(18.3)
Income taxes and deferred income taxes	9,225	9,205	(20)	(0.2)
Net income	26,598	20,062	(6,535)	(24.6)
Net income attributable to non-controlling interests	81	77	(3)	(4.4)
Net income attributable to shareholders of the parent	26,517	19,984	(6,532)	(24.6)

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

Direct premiums written (including deposits of premiums by policyholders)

(Millions of yen)

Business line	Three months ended June 30, 2015 (April 1 to June 30, 2015)			Three months ended June 30, 2016 (April 1 to June 30, 2016)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	114,421	15.8	1.7	108,016	14.7	(5.6)
Marine insurance	23,764	3.3	23.1	24,253	3.3	2.1
Personal accident insurance	81,235	11.2	5.4	81,350	11.1	0.1
Voluntary automobile insurance	303,801	41.8	4.1	317,196	43.2	4.4
Compulsory automobile liability insurance	82,718	11.4	1.9	78,330	10.7	(5.3)
Others	120,123	16.5	3.8	124,941	17.0	4.0
Total	726,066	100.0	4.1	734,087	100.0	1.1
Deposits of premiums by policyholders	31,357	4.3	0.6	30,911	4.2	(1.4)

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

Net premiums written

(Millions of yen)

Business line	Three months ended June 30, 2015 (April 1 to June 30, 2015)			Three months ended June 30, 2016 (April 1 to June 30, 2016)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	88,031	13.5	5.0	83,080	12.7	(5.6)
Marine insurance	25,172	3.9	56.7	24,481	3.7	(2.7)
Personal accident insurance	57,296	8.8	4.7	56,451	8.6	(1.5)
Voluntary automobile insurance	304,678	46.7	4.2	317,162	48.4	4.1
Compulsory automobile liability insurance	72,755	11.1	2.8	67,801	10.4	(6.8)
Others	104,666	16.0	7.7	105,770	16.2	1.1
Total	652,601	100.0	6.1	654,747	100.0	0.3

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

Net claims paid

(Millions of yen)

Business line	Three months ended June 30, 2015 (April 1 to June 30, 2015)			Three months ended June 30, 2016 (April 1 to June 30, 2016)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	51,582	15.0	(34.0)	55,198	16.1	7.0
Marine insurance	10,190	3.0	46.7	10,063	2.9	(1.2)
Personal accident insurance	25,806	7.5	1.7	24,791	7.2	(3.9)
Voluntary automobile insurance	156,497	45.6	(2.2)	149,637	43.8	(4.4)
Compulsory automobile liability insurance	55,041	16.0	(1.4)	56,571	16.5	2.8
Others	44,336	12.9	6.8	45,751	13.4	3.2
Total	343,454	100.0	(6.6)	342,015	100.0	(0.4)

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

(3) Securities (Consolidated)

1. Bonds held to maturity

(Millions of yen)

	As of March 31, 2016			As of June 30, 2016		
	Carrying amount	Fair value	Unrealized gains and losses	Carrying amount	Fair value	Unrealized gains and losses
Domestic bonds	1,219,943	1,555,133	335,190	1,207,439	1,627,057	419,618
Foreign securities	3,536	3,492	(44)	2,763	2,737	(26)
Total	1,223,479	1,558,625	335,145	1,210,202	1,629,794	419,592

2. Policy reserve matching bonds

(Millions of yen)

	As of March 31, 2016			As of June 30, 2016		
	Carrying amount	Fair value	Unrealized gains and losses	Carrying amount	Fair value	Unrealized gains and losses
Domestic bonds	143,026	168,786	25,760	147,368	186,802	39,433
Total	143,026	168,786	25,760	147,368	186,802	39,433

3. Securities available for sale

(Millions of yen)

	As of March 31, 2016			As of June 30, 2016		
	Cost	Carrying amount	Unrealized gains and losses	Cost	Carrying amount	Unrealized gains and losses
Domestic bonds	2,187,383	2,429,867	242,483	2,184,564	2,473,450	288,885
Domestic stocks	669,637	1,413,211	743,573	663,601	1,294,825	631,224
Foreign securities	1,648,120	1,793,349	145,229	1,601,826	1,706,515	104,689
Others	80,762	85,079	4,317	54,133	58,337	4,203
Total	4,585,903	5,721,508	1,135,604	4,504,126	5,533,129	1,029,002

Notes)

As of March 31, 2016	As of June 30, 2016
1. Securities available for sale which are considered extremely difficult to figure out their fair value are not included in the above table.	1. Same as on the left
2. Certificate of deposit classified as cash and deposits and beneficial interests in the loan trusts classified as monetary receivables bought in the consolidated balance sheet are included in "Others" above.	2. Certificate of deposit classified as cash and deposits and beneficial interests in the loan trusts classified as monetary receivables bought in the quarterly consolidated balance sheet are included in "Others" above.
3. 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 19,532 million yen (domestic stocks: 15,326 million yen, foreign securities: 1,250 million yen, others: 2,954 million yen). Basically, the Company 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.	3. 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 5,782 million yen (domestic stocks: 5,704 million yen, foreign securities: 77 million yen). Basically, the Company and its domestic consolidated subsidiaries recognize impairment losses on securities if fair value at the end of the first quarter declines by 30% or more from their cost.