

Selected Unofficial Translation of Summary of Consolidated Financial Results for the fiscal year ended March 31, 2017

(Note) This document is an unofficial English translation of the Japanese original. Additional English translation will be posted around May 30, 2017.

May 19, 2017

Sompo Holdings, Inc.

**Summary of Consolidated Financial Results for the fiscal year ended March 31, 2017
[Under Japanese GAAP]**

Company Name: Sompo Holdings, Inc.
Listed on: Tokyo Stock Exchange
Securities Code: 8630
URL: <http://www.sompo-hd.com/>
Representative: Kengo Sakurada, President & CEO
Scheduled date to hold general meeting of stockholders: June 26, 2017
Scheduled date to file Securities Report: June 29, 2017
Scheduled date to start payment of dividends: June 27, 2017
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, 2017 (April 1, 2016 to March 31, 2017)

(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, 2017	3,419,530	5.0	241,713	11.5	166,402	4.3
Fiscal year ended March 31, 2016	3,256,186	(0.8)	216,853	4.1	159,581	194.0

(Note) Comprehensive income: Fiscal year ended March 31, 2017 226,949 million yen — %
Fiscal year ended March 31, 2016 (116,689) 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, 2017	419.15	418.71	9.7	2.2	7.1
Fiscal year ended March 31, 2016	394.21	393.66	9.2	2.1	6.7

Reference) Investment gains and losses on the equity method: Fiscal year ended March 31, 2017 398 million yen
Fiscal year ended March 31, 2016 270 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, 2017	11,931,135	1,868,940	15.1	4,583.07
As of March 31, 2016	10,186,746	1,652,839	16.1	4,064.83

Reference) Equity capital: As of March 31, 2017 1,802,975 million yen
As of March 31, 2016 1,642,854 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, 2017	362,920	(526,668)	363,835	773,466
Fiscal year ended March 31, 2016	266,432	(169,243)	(56,838)	576,791

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, 2016	—	40.00	—	40.00	80.00	32,332	20.3	1.9
Fiscal year ended March 31, 2017	—	40.00	—	50.00	90.00	35,459	21.5	2.1
Fiscal year ending March 31, 2018 (Forecast)	—	55.00	—	55.00	110.00		23.6	

3. Forecasts of Consolidated Financial Results for the fiscal year ending March 31, 2018 (April 1, 2017 to March 31, 2018)

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	259,000	7.2	183,000	10.0	465.17

(Notes)

- (1) Changes in significant subsidiaries during the fiscal year ended March 31, 2017 (changes in specified subsidiaries resulting in changes in the scope of consolidation): Yes
 Increase: 5 (Company Name: Endurance Specialty Holdings Ltd., Endurance Specialty Insurance Ltd., Endurance U.S. Holdings Corporation, Endurance Worldwide Holdings Limited and Endurance Worldwide Insurance Limited)
- (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, 2017	415,352,294 shares
As of March 31, 2016	415,352,294 shares
 - ② Treasury stock:

As of March 31, 2017	21,953,718 shares
As of March 31, 2016	11,189,780 shares
 - ③ Average number of shares outstanding:

For the fiscal year ended March 31, 2017	396,995,036 shares
For the fiscal year ended March 31, 2016	404,804,925 shares

(Expression of implementation status of audit procedures)

This summary is not subject to audits.

(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, 2016	As of March 31, 2017
Assets:		
Cash and deposits	550,571	814,217
Receivables under resale agreements	77,998	54,999
Monetary receivables bought	11,383	11,718
Money trusts	114,770	104,423
Securities	7,408,124	8,303,829
Loans	609,808	638,768
Tangible fixed assets:	404,675	402,480
Land	174,173	172,575
Buildings	134,110	132,909
Leased assets	66,595	63,632
Construction in progress	1,826	2,774
Other tangible fixed assets	27,969	30,589
Intangible fixed assets:	146,589	469,825
Software	8,308	11,943
Goodwill	113,976	279,386
Other intangible fixed assets	24,304	178,495
Other assets	858,938	1,119,434
Net defined benefit asset	719	756
Deferred tax assets	8,639	17,194
Allowance for possible credit losses	(5,474)	(6,512)
Total assets	10,186,746	11,931,135
Liabilities:		
Underwriting funds:	7,644,560	8,335,158
Reserve for outstanding losses and claims	1,244,361	1,674,277
Underwriting reserves	6,400,198	6,660,881
Corporate bonds	133,675	424,991
Other liabilities	501,276	978,343
Net defined benefit liability	124,124	134,263
Reserve for retirement benefits to directors	114	36
Reserve for bonus payments	27,575	35,253
Reserve for bonus payments to directors	180	306
Reserve for stocks payments	—	445
Reserves under the special laws:	62,487	74,200
Reserve for price fluctuation	62,487	74,200
Deferred tax liabilities	39,911	79,195
Total liabilities	8,533,906	10,062,195

(Millions of yen)

As of March 31, 2016

As of March 31, 2017

Net assets:

Shareholders' equity:

Common stock	100,045	100,045
Capital surplus	411,086	408,382
Retained earnings	364,888	501,561
Treasury stock	(36,975)	(71,459)
Total shareholders' equity	839,045	938,529

Accumulated other comprehensive income:

Unrealized gains and losses on securities available for sale	825,912	863,455
Deferred gains and losses on hedges	10,510	8,003
Foreign currency translation adjustments	(7,965)	22,663
Remeasurements of defined benefit plans	(24,648)	(29,676)
Total accumulated other comprehensive income	803,808	864,445

Stock acquisition rights

1,486	926
-------	-----

Non-controlling interests

8,498	65,038
-------	--------

Total net assets

1,652,839	1,868,940
-----------	-----------

Total liabilities and net assets

10,186,746	11,931,135
------------	------------

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

Consolidated Statement of Income

	(Millions of yen)	
	Fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)	Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)
Ordinary income:	3,256,186	3,419,530
Underwriting income:	3,021,030	3,050,550
Net premiums written	2,552,193	2,550,336
Deposits of premiums by policyholders	120,312	131,617
Interest and dividend income on deposits of premiums, etc.	45,897	41,823
Life insurance premiums written	297,696	323,860
Reversal of reserve for outstanding losses and claims	1,599	—
Other underwriting income	3,330	2,911
Investment income:	203,257	232,846
Interest and dividend income	163,248	173,563
Investment gains on money trusts	5,838	2,534
Investment gains on trading securities	3,195	5,574
Gains on sales of securities	64,804	81,973
Gains on redemption of securities	373	256
Gains on derivatives	4,385	—
Investment gains on special account	—	1,851
Other investment income	7,309	8,918
Transfer of interest and dividend income on deposits of premiums, etc.	(45,897)	(41,823)
Other ordinary income:	31,898	136,133
Investment gains on the equity method	270	398
Other ordinary income	31,628	135,734
Ordinary expenses:	3,039,332	3,177,817
Underwriting expenses:	2,526,649	2,515,138
Net claims paid	1,461,666	1,427,712
Loss adjustment expenses	134,363	136,599
Net commissions and brokerage fees	489,674	484,365
Maturity refunds to policyholders	244,766	226,431
Dividends to policyholders	79	87
Life insurance claims paid and other payments	80,216	82,779
Provision for reserve for outstanding losses and claims	—	31,018
Provision for underwriting reserves	108,087	118,856
Other underwriting expenses	7,793	7,285
Investment expenses:	28,212	41,213
Investment losses on money trusts	123	198
Losses on sales of securities	961	14,560
Impairment losses on securities	19,799	3,257
Losses on redemption of securities	90	192
Losses on derivatives	—	18,298
Investment losses on special account	822	—
Other investment expenses	6,414	4,705
Operating, general and administrative expenses	465,091	506,537
Other ordinary expenses:	19,379	114,927
Interest paid	5,707	9,657
Provision for allowance for possible credit losses	224	119
Losses on bad debt	24	120
Other ordinary expenses	13,422	105,029
Ordinary profit	216,853	241,713

	(Millions of yen)	
	Fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)	Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)
Extraordinary gains:	14,551	9,381
Gains on disposal of fixed assets	14,490	9,312
Other extraordinary gains	60	69
Extraordinary losses:	20,075	19,105
Losses on disposal of fixed assets	4,530	6,983
Impairment losses	—	387
Provision for reserves under the special laws:	8,933	11,713
Provision for reserve for price fluctuation	8,933	11,713
Losses on reduction of real estate	—	20
Other extraordinary losses	6,611	—
Net income before income taxes	211,330	231,989
Income taxes	16,989	58,171
Deferred income taxes	34,081	7,101
Total income taxes	51,071	65,272
Net income	160,258	166,716
Net income attributable to non-controlling interests	677	313
Net income attributable to shareholders of the parent	159,581	166,402

Consolidated Statement of Comprehensive Income

	(Millions of yen)	
	Fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)	Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)
Net income	160,258	166,716
Other comprehensive income:		
Unrealized gains and losses on securities available for sale	(222,958)	37,559
Deferred gains and losses on hedges	2,425	(2,507)
Foreign currency translation adjustments	(34,835)	30,176
Remeasurements of defined benefit plans	(21,379)	(5,026)
Share of other comprehensive income of affiliates accounted for under the equity method	(200)	30
Total other comprehensive income	(276,948)	60,232
Comprehensive income	(116,689)	226,949
(Comprehensive income attributable to)		
Comprehensive income attributable to shareholders of the parent	(116,059)	227,039
Comprehensive income attributable to non-controlling interests	(630)	(90)

(3) Consolidated Statement of Changes in Net Assets
Fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	100,045	438,306	222,682	(19,067)	741,967
Cumulative effects of changes in accounting policies		(27,041)	15,624		(11,417)
Restated balance	100,045	411,265	238,306	(19,067)	730,550
Changes during the period:					
Dividends			(32,487)		(32,487)
Net income attributable to shareholders of the parent			159,581		159,581
Acquisition of treasury stock				(18,555)	(18,555)
Disposal of treasury stock		(162)		647	485
Changes in the scope of consolidation			(511)		(511)
Changes in interest of the parent related to transactions with non-controlling shareholders		(16)			(16)
Net changes in items other than shareholders' equity					
Total changes during the period	—	(179)	126,581	(17,907)	108,494
Balance at the end of the period	100,045	411,086	364,888	(36,975)	839,045

	Accumulated other comprehensive income					Stock acquisition rights	Non-controlling interests	Total net assets
	Unrealized gains and losses on securities available for sale	Deferred gains and losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the period	1,048,718	8,085	26,046	(3,235)	1,079,614	1,550	6,720	1,829,852
Cumulative effects of changes in accounting policies			(139)		(139)		1	(11,555)
Restated balance	1,048,718	8,085	25,906	(3,235)	1,079,474	1,550	6,721	1,818,297
Changes during the period:								
Dividends								(32,487)
Net income attributable to shareholders of the parent								159,581
Acquisition of treasury stock								(18,555)
Disposal of treasury stock								485
Changes in the scope of consolidation								(511)
Changes in interest of the parent related to transactions with non-controlling shareholders								(16)
Net changes in items other than shareholders' equity	(222,806)	2,425	(33,871)	(21,413)	(275,665)	(63)	1,777	(273,951)
Total changes during the period	(222,806)	2,425	(33,871)	(21,413)	(275,665)	(63)	1,777	(165,457)
Balance at the end of the period	825,912	10,510	(7,965)	(24,648)	803,808	1,486	8,498	1,652,839

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

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)	Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)
Cash flows from operating activities:		
Net income before income taxes and non-controlling interests	211,330	231,989
Depreciation	20,780	25,603
Impairment losses	—	387
Amortization of goodwill	4,462	8,907
Increase (decrease) in reserve for outstanding losses and claims	7,053	21,218
Increase (decrease) in underwriting reserves	103,966	114,436
Increase (decrease) in allowance for possible credit losses	69	88
Increase (decrease) in net defined benefit liability	(2,766)	2,985
Increase (decrease) in reserve for retirement benefits to directors	5	(78)
Increase (decrease) in reserve for bonus payments	1,963	146
Increase (decrease) in reserve for bonus payments to directors	(36)	125
Increase (decrease) in reserve for stocks payments	—	445
Increase (decrease) in reserve for price fluctuation	8,933	11,713
Interest and dividend income	(163,248)	(173,563)
Losses (gains) on investment in securities	(44,326)	(64,217)
Interest expenses	5,707	9,657
Foreign exchange losses (gains)	(9,747)	(8,623)
Losses (gains) related to tangible fixed assets	(9,960)	(7,429)
Losses (gains) related to loans	9	1
Investment losses (gains) on the equity method	(270)	(398)
Decrease (increase) in other assets (other than investing and financing activities)	(21,815)	(15,360)
Increase (decrease) in other liabilities (other than investing and financing activities)	5,182	20,947
Others	4,450	34,503
Subtotal	121,746	213,486
Interest and dividend received	167,291	175,913
Interest paid	(4,988)	(8,250)
Income taxes paid	(17,616)	(18,228)
Cash flows from operating activities	266,432	362,920

(Millions of yen)

	Fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)	Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)
Cash flows from investing activities:		
Net decrease (increase) in deposits	(7,626)	(35,467)
Proceeds from sales and redemption of monetary receivables bought	2,866	3,410
Increase in money trusts	(17,690)	(16,737)
Decrease in money trusts	3,804	33,185
Purchase of securities	(1,064,410)	(1,345,927)
Proceeds from sales and redemption of securities	1,006,174	1,410,254
Loans made	(172,186)	(212,039)
Collection of loans	147,718	173,918
Others	1,009	44,975
Total of investment transactions	(100,339)	55,573
Total of operating activities and investment transactions as above	166,092	418,494
Acquisition of tangible fixed assets	(15,483)	(15,786)
Proceeds from sales of tangible fixed assets	25,350	12,302
Acquisition of stocks of subsidiaries resulting in changes in the scope of consolidation	(61,808)	(549,226)
Others	(16,962)	(29,531)
Cash flows from investing activities	(169,243)	(526,668)
Cash flows from financing activities:		
Proceeds from issuance of corporate bonds	—	200,000
Redemption of corporate bonds	(2,293)	(115)
Change in payables under securities lending transactions	—	250,063
Proceeds from sales of treasury stock	64	25
Acquisition of treasury stock	(18,555)	(35,230)
Dividends paid	(32,456)	(31,885)
Dividends paid to non-controlling shareholders	—	(72)
Acquisition of stocks of subsidiaries that do not result in changes in the scope of consolidation	(48)	(4,678)
Others	(3,549)	(14,271)
Cash flows from financing activities	(56,838)	363,835
Effect of exchange rate changes on cash and cash equivalents	(9,222)	(5,679)
Increase (decrease) in cash and cash equivalents	31,128	194,408
Cash and cash equivalents at the beginning of the period	545,192	576,791
Increase in cash and cash equivalents resulting from newly consolidated subsidiaries	470	—
Increase in cash and cash equivalents resulting from merger	—	2,266
Cash and cash equivalents at the end of the period	576,791	773,466

(Securities)

1. Trading Securities

(Millions of yen)

	As of March 31, 2016		As of March 31, 2017	
	Carrying amount	Unrealized gains and losses recognized in statement of income	Carrying amount	Unrealized gains and losses recognized in statement of income
Trading securities	270,966	(3,078)	630,798	2,501

Note)

As of March 31, 2016	As of March 31, 2017
—	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, 2016			As of March 31, 2017		
		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	1,219,943	1,555,133	335,190	1,188,313	1,466,468	278,155
	Foreign securities	602	615	12	153	161	7
	Subtotal	1,220,545	1,555,749	335,203	1,188,467	1,466,629	278,162
Securities whose fair value does not exceed their carrying amount	Domestic bonds	—	—	—	15,371	14,569	(802)
	Foreign securities	2,933	2,876	(57)	1,916	1,883	(33)
	Subtotal	2,933	2,876	(57)	17,288	16,452	(836)
Total		1,223,479	1,558,625	335,145	1,205,755	1,483,082	277,326

3. Policy reserve matching bonds

(Millions of yen)

		As of March 31, 2016			As of March 31, 2017		
		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	143,026	168,786	25,760	147,193	165,622	18,428
Securities whose fair value does not exceed their carrying amount	Domestic bonds	—	—	—	52,465	50,011	(2,453)
Total		143,026	168,786	25,760	199,659	215,634	15,974

4. Securities available for sale

(Millions of yen)

		As of March 31, 2016			As of March 31, 2017		
		Carrying amount	Cost	Unrealized gains and losses	Carrying amount	Cost	Unrealized gains and losses
Securities whose carrying amount exceeds their cost	Domestic bonds	2,414,908	2,172,318	242,589	1,969,971	1,777,125	192,845
	Domestic stocks	1,280,884	526,518	754,365	1,488,337	598,400	889,937
	Foreign securities	1,422,451	1,260,710	161,741	1,291,177	1,170,790	120,387
	Others	42,495	37,836	4,658	42,600	37,297	5,302
	Subtotal	5,160,739	3,997,384	1,163,354	4,792,087	3,583,614	1,208,472
Securities whose carrying amount does not exceed their cost	Domestic bonds	14,959	15,065	(105)	233,604	241,826	(8,221)
	Domestic stocks	132,327	143,118	(10,791)	31,779	33,991	(2,211)
	Foreign securities	370,898	387,410	(16,511)	1,136,603	1,153,412	(16,808)
	Others	42,584	42,925	(341)	21,307	21,427	(120)
	Subtotal	560,769	588,518	(27,749)	1,423,295	1,450,658	(27,363)
Total		5,721,508	4,585,903	1,135,604	6,215,382	5,034,273	1,181,109

Notes)

As of March 31, 2016	As of March 31, 2017
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, etc. classified as monetary receivables bought in the consolidated balance sheet are included in "Others" above.

5. Securities available for sale sold

(Millions of yen)

	Fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)			Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)		
	Proceeds from sales	Gains on sales	Losses on sales	Proceeds from sales	Gains on sales	Losses on sales
Domestic bonds	126,711	2,440	180	312,815	9,123	4,591
Domestic stocks	76,978	45,694	222	109,096	66,525	218
Foreign securities	207,002	14,914	542	342,135	5,356	9,727
Others	0	1,227	0	4,033	965	22
Total	410,692	64,276	945	768,080	81,971	14,560

6. Securities for which impairment losses are recognized

Fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)	Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)
For the fiscal year ended March 31, 2016, 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), and impairment losses on securities available for sale which are considered extremely difficult to figure out their fair value amount to 255 million yen (domestic stocks only). Basically, 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, 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.

Other

(1) Summary of Results of Operations (Consolidated)

	Fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)	Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)	Increase (Decrease)	Rate of change
				(Millions of yen)
Ordinary income and expenses:				%
Underwriting income:	3,021,030	3,050,550	29,519	1.0
Net premiums written	2,552,193	2,550,336	(1,857)	(0.1)
Deposits of premiums by policyholders	120,312	131,617	11,304	9.4
Life insurance premiums written	297,696	323,860	26,164	8.8
Reversal of reserve for outstanding losses and claims	1,599	—	(1,599)	(100.0)
Underwriting expenses:	2,526,649	2,515,138	(11,510)	(0.5)
Net claims paid	1,461,666	1,427,712	(33,953)	(2.3)
Loss adjustment expenses	134,363	136,599	2,236	1.7
Net commissions and brokerage fees	489,674	484,365	(5,308)	(1.1)
Maturity refunds to policyholders	244,766	226,431	(18,335)	(7.5)
Life insurance claims paid and other payments	80,216	82,779	2,562	3.2
Provision for reserve for outstanding losses and claims	—	31,018	31,018	—
Provision for underwriting reserves	108,087	118,856	10,769	10.0
Investment income:	203,257	232,846	29,589	14.6
Interest and dividend income	163,248	173,563	10,315	6.3
Gains on sales of securities	64,804	81,973	17,168	26.5
Investment expenses:	28,212	41,213	13,001	46.1
Losses on sales of securities	961	14,560	13,599	1,414.2
Impairment losses on securities	19,799	3,257	(16,541)	(83.5)
Operating, general and administrative expenses	465,091	506,537	41,446	8.9
Other ordinary income and expenses:	12,518	21,206	8,687	69.4
Investment gains on the equity method	270	398	128	47.4
Ordinary profit	216,853	241,713	24,859	11.5
Extraordinary gains and losses:				
Extraordinary gains	14,551	9,381	(5,170)	(35.5)
Extraordinary losses	20,075	19,105	(969)	(4.8)
Extraordinary gains and losses	(5,523)	(9,724)	(4,200)	—
Net income before income taxes	211,330	231,989	20,659	9.8
Income taxes	16,989	58,171	41,181	242.4
Deferred income taxes	34,081	7,101	(26,980)	(79.2)
Total income taxes	51,071	65,272	14,201	27.8
Net income	160,258	166,716	6,457	4.0
Net income attributable to non-controlling interests	677	313	(364)	(53.7)
Net income attributable to shareholders of the parent	159,581	166,402	6,821	4.3

(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, 2016 (April 1, 2015 to March 31, 2016)			Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	495,770	17.6	2.2	478,351	16.7	(3.5)
Marine insurance	89,383	3.2	0.4	88,710	3.1	(0.8)
Personal accident insurance	285,927	10.2	(5.5)	298,883	10.4	4.5
Voluntary automobile insurance	1,199,227	42.7	1.8	1,251,748	43.6	4.4
Compulsory automobile liability insurance	316,107	11.3	(2.5)	318,407	11.1	0.7
Others	423,147	15.1	2.3	436,772	15.2	3.2
Total	2,809,564	100.0	0.6	2,872,874	100.0	2.3
Deposits of premiums by policyholders	120,312	4.3	(16.6)	131,617	4.6	9.4

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, 2016 (April 1, 2015 to March 31, 2016)			Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	407,817	16.0	2.9	373,558	14.6	(8.4)
Marine insurance	85,905	3.4	3.4	79,335	3.1	(7.6)
Personal accident insurance	194,287	7.6	(0.5)	194,152	7.6	(0.1)
Voluntary automobile insurance	1,197,795	46.9	1.7	1,245,666	48.8	4.0
Compulsory automobile liability insurance	307,233	12.0	0.4	295,884	11.6	(3.7)
Others	359,154	14.1	2.8	361,739	14.2	0.7
Total	2,552,193	100.0	1.8	2,550,336	100.0	(0.1)

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, 2016 (April 1, 2015 to March 31, 2016)			Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	251,172	17.2	(7.6)	229,211	16.1	(8.7)
Marine insurance	48,401	3.3	3.3	41,321	2.9	(14.6)
Personal accident insurance	105,649	7.2	(9.5)	99,533	7.0	(5.8)
Voluntary automobile insurance	639,232	43.7	(4.8)	644,783	45.2	0.9
Compulsory automobile liability insurance	226,799	15.5	0.2	224,462	15.7	(1.0)
Others	190,410	13.0	(3.8)	188,400	13.2	(1.1)
Total	1,461,666	100.0	(4.5)	1,427,712	100.0	(2.3)

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