

Selected Unofficial Translation of Summary of Consolidated Financial Results for the fiscal year ended March 31, 2016

(Note) This document is an unofficial English translation of the Japanese original. Additional English translation will be posted around May 30, 2016.

May 20, 2016

Sompo Japan Nipponkoa Holdings, Inc.

**Summary of Consolidated Financial Results for the fiscal year ended March 31, 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 hold general meeting of stockholders: June 27, 2016
Scheduled date to file Securities Report: June 29, 2016
Scheduled date to start payment of dividends: June 28, 2016
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, 2016 (April 1, 2015 to March 31, 2016)

(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, 2016	3,256,186	(0.8)	216,853	4.1	159,581	194.0
Fiscal year ended March 31, 2015	3,282,343	9.1	208,309	85.3	54,276	22.9

Note) Comprehensive income: Fiscal year ended March 31, 2016 (116,689) million yen — %
Fiscal year ended March 31, 2015 469,485 million yen 213.1 %

	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, 2016	394.21	393.66	9.2	2.1	6.7
Fiscal year ended March 31, 2015	132.85	132.61	3.4	2.1	6.3

Reference) Investment gains and losses on the equity method: Fiscal year ended March 31, 2016 270 million yen
Fiscal year ended March 31, 2015 175 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, 2016	10,186,746	1,652,839	16.1	4,064.83
As of March 31, 2015	10,253,431	1,829,852	17.8	4,464.24

Reference) Equity capital: As of March 31, 2016 1,642,854 million yen
As of March 31, 2015 1,821,582 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, 2016	266,432	(169,243)	(56,838)	576,791
Fiscal year ended March 31, 2015	152,771	(74,377)	(172,221)	545,192

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, 2015	—	30.00	—	40.00	70.00	28,561	52.7	1.8
Fiscal year ended March 31, 2016	—	40.00	—	40.00	80.00	32,332	20.3	1.9
Fiscal year ending March 31, 2017 (Forecast)	—	40.00	—	40.00	80.00		23.1	

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

(Notes)

(1) Changes in significant subsidiaries during the fiscal year ended March 31, 2016 (changes in specified subsidiaries resulting in changes in the scope of consolidation): None

(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, 2016 415,352,294 shares
 - As of March 31, 2015 415,352,294 shares
- ② Treasury stock:
 - As of March 31, 2016 11,189,780 shares
 - As of March 31, 2015 7,314,446 shares
- ③ Average number of shares outstanding:
 - For the fiscal year ended March 31, 2016 404,804,925 shares
 - For the fiscal year ended March 31, 2015 408,545,891 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, 2015	As of March 31, 2016
Assets:		
Cash and deposits	523,465	550,571
Receivables under resale agreements	71,985	77,998
Monetary receivables bought	14,234	11,383
Money trusts	111,293	114,770
Securities	7,682,930	7,408,124
Loans	604,058	609,808
Tangible fixed assets:	343,322	404,675
Land	180,226	174,173
Buildings	126,407	134,110
Leased assets	5,225	66,595
Construction in progress	3,825	1,826
Other tangible fixed assets	27,637	27,969
Intangible fixed assets:	100,230	146,589
Software	7,973	8,308
Goodwill	83,636	113,976
Other intangible fixed assets	8,620	24,304
Other assets	795,963	858,938
Net defined benefit asset	315	719
Deferred tax assets	11,560	8,639
Allowance for possible credit losses	(5,928)	(5,474)
Total assets	10,253,431	10,186,746
Liabilities:		
Underwriting funds:	7,579,309	7,644,560
Reserve for outstanding losses and claims	1,264,221	1,244,361
Underwriting reserves	6,315,087	6,400,198
Corporate bonds	135,958	133,675
Other liabilities	416,340	501,276
Net defined benefit liability	96,854	124,124
Reserve for retirement benefits to directors	64	114
Reserve for bonus payments	24,567	27,575
Reserve for bonus payments to directors	216	180
Reserves under the special laws:	53,553	62,487
Reserve for price fluctuation	53,553	62,487
Deferred tax liabilities	116,713	39,911
Total liabilities	8,423,578	8,533,906

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016
Net assets:		
Shareholders' equity:		
Common stock	100,045	100,045
Capital surplus	438,306	411,086
Retained earnings	222,682	364,888
Treasury stock	(19,067)	(36,975)
Total shareholders' equity	741,967	839,045
Accumulated other comprehensive income:		
Unrealized gains and losses on securities available for sale	1,048,718	825,912
Deferred gains and losses on hedges	8,085	10,510
Foreign currency translation adjustments	26,046	(7,965)
Remeasurements of defined benefit plans	(3,235)	(24,648)
Total accumulated other comprehensive income	1,079,614	803,808
Stock acquisition rights	1,550	1,486
Non-controlling interests	6,720	8,498
Total net assets	1,829,852	1,652,839
Total liabilities and net assets	10,253,431	10,186,746

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

Consolidated Statement of Income

	(Millions of yen)	
	Fiscal year ended March 31, 2015 (April 1, 2014 to March 31, 2015)	Fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)
Ordinary income:	3,282,343	3,256,186
Underwriting income:	3,043,075	3,021,030
Net premiums written	2,508,031	2,552,193
Deposits of premiums by policyholders	144,213	120,312
Interest and dividend income on deposits of premiums, etc.	46,126	45,897
Life insurance premiums written	277,208	297,696
Reversal of reserve for outstanding losses and claims	55,789	1,599
Other underwriting income	11,705	3,330
Investment income:	213,680	203,257
Interest and dividend income	161,246	163,248
Investment gains on money trusts	6,304	5,838
Investment gains on trading securities	6,649	3,195
Gains on sales of securities	66,865	64,804
Gains on redemption of securities	1,072	373
Gains on derivatives	—	4,385
Investment gains on special account	3,261	—
Other investment income	14,407	7,309
Transfer of interest and dividend income on deposits of premiums, etc.	(46,126)	(45,897)
Other ordinary income:	25,588	31,898
Investment gains on the equity method	175	270
Other ordinary income	25,412	31,628
Ordinary expenses:	3,074,034	3,039,332
Underwriting expenses:	2,581,292	2,526,649
Net claims paid	1,531,221	1,461,666
Loss adjustment expenses	135,161	134,363
Net commissions and brokerage fees	476,876	489,674
Maturity refunds to policyholders	293,114	244,766
Dividends to policyholders	105	79
Life insurance claims paid and other payments	78,594	80,216
Provision for underwriting reserves	61,626	108,087
Other underwriting expenses	4,591	7,793
Investment expenses:	17,288	28,212
Investment losses on money trusts	163	123
Losses on sales of securities	1,468	961
Impairment losses on securities	1,434	19,799
Losses on redemption of securities	82	90
Losses on derivatives	11,512	—
Investment losses on special account	—	822
Other investment expenses	2,627	6,414
Operating, general and administrative expenses	465,019	465,091
Other ordinary expenses:	10,434	19,379
Interest paid	6,067	5,707
Provision for allowance for possible credit losses	167	224
Losses on bad debt	9	24
Other ordinary expenses	4,190	13,422
Ordinary profit	208,309	216,853

	(Millions of yen)	
	Fiscal year ended March 31, 2015 (April 1, 2014 to March 31, 2015)	Fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)
Extraordinary gains:	1,476	14,551
Gains on disposal of fixed assets	1,334	14,490
Gains on negative goodwill	0	—
Other extraordinary gains	140	60
Extraordinary losses:	105,258	20,075
Losses on disposal of fixed assets	1,645	4,530
Impairment losses	5,517	—
Provision for reserves under the special laws:	9,782	8,933
Provision for reserve for price fluctuation	9,782	8,933
Other extraordinary losses	88,314	6,611
Net income before income taxes	104,527	211,330
Income taxes	14,569	16,989
Deferred income taxes	34,892	34,081
Total income taxes	49,461	51,071
Net income	55,066	160,258
Net income attributable to non-controlling interests	790	677
Net income attributable to shareholders of the parent	54,276	159,581

Consolidated Statement of Comprehensive Income

	(Millions of yen)	
	Fiscal year ended March 31, 2015 (April 1, 2014 to March 31, 2015)	Fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)
Net income	55,066	160,258
Other comprehensive income:		
Unrealized gains and losses on securities available for sale	388,657	(222,958)
Deferred gains and losses on hedges	880	2,425
Foreign currency translation adjustments	31,084	(34,835)
Remeasurements of defined benefit plans	(6,353)	(21,379)
Share of other comprehensive income of affiliates accounted for under the equity method	149	(200)
Total other comprehensive income	414,419	(276,948)
Comprehensive income	469,485	(116,689)
(Comprehensive income attributable to)		
Comprehensive income attributable to shareholders of the parent	468,399	(116,059)
Comprehensive income attributable to non-controlling interests	1,086	(630)

(3) Consolidated Statement of Changes in Net Assets
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 attributable to shareholders of the parent			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 attributable to shareholders of the parent								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

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 interests		(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 interests								(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

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2015 (April 1, 2014 to March 31, 2015)	Fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)
Cash flows from operating activities:		
Net income before income taxes and non-controlling interests	104,527	211,330
Depreciation	21,628	20,780
Impairment losses	5,517	—
Amortization of goodwill	5,697	4,462
Gains on negative goodwill	(0)	—
Increase (decrease) in reserve for outstanding losses and claims	(3,668)	7,053
Increase (decrease) in underwriting reserves	61,820	103,966
Increase (decrease) in allowance for possible credit losses	561	69
Increase (decrease) in net defined benefit liability	(1,190)	(2,766)
Increase (decrease) in reserve for retirement benefits to directors	5	5
Increase (decrease) in reserve for bonus payments	2,148	1,963
Increase (decrease) in reserve for bonus payments to directors	30	(36)
Increase (decrease) in reserve for price fluctuation	9,782	8,933
Interest and dividend income	(161,246)	(163,248)
Losses (gains) on investment in securities	(64,939)	(44,326)
Interest expenses	6,067	5,707
Foreign exchange losses (gains)	(6,791)	(9,747)
Losses (gains) related to tangible fixed assets	310	(9,960)
Losses (gains) related to loans	0	9
Investment losses (gains) on the equity method	(175)	(270)
Decrease (increase) in other assets (other than investing and financing activities)	3,366	(21,815)
Increase (decrease) in other liabilities (other than investing and financing activities)	14,350	5,182
Others	11,591	4,450
Subtotal	9,392	121,746
Interest and dividend received	163,383	167,291
Interest paid	(8,059)	(4,988)
Income taxes paid	(11,945)	(17,616)
Cash flows from operating activities	152,771	266,432

(Millions of yen)

	Fiscal year ended March 31, 2015 (April 1, 2014 to March 31, 2015)	Fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)
Cash flows from investing activities:		
Net decrease (increase) in deposits	15,024	(7,626)
Proceeds from sales and redemption of monetary receivables bought	2,715	2,866
Increase in money trusts	(71,203)	(17,690)
Decrease in money trusts	51,993	3,804
Purchase of securities	(1,019,888)	(1,064,410)
Proceeds from sales and redemption of securities	1,127,299	1,006,174
Loans made	(151,740)	(172,186)
Collection of loans	140,259	147,718
Others	(54,921)	1,009
Total of investment transactions	39,538	(100,339)
Total of operating activities and investment transactions as above	192,309	166,092
Acquisition of tangible fixed assets	(19,403)	(15,483)
Proceeds from sales of tangible fixed assets	3,566	25,350
Acquisition of stocks of subsidiaries resulting in changes in the scope of consolidation	(97,412)	(61,808)
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	(2,410)	(16,962)
Cash flows from investing activities	(74,377)	(169,243)
Cash flows from financing activities:		
Redemption of corporate bonds	(134,396)	(2,293)
Proceeds from sales of treasury stock	2	64
Acquisition of treasury stock	(10,050)	(18,555)
Dividends paid	(24,598)	(32,456)
Dividends paid to non-controlling shareholders	(2)	—
Acquisition of stocks of subsidiaries that do not result in changes in the scope of consolidation	—	(48)
Others	(3,175)	(3,549)
Cash flows from financing activities	(172,221)	(56,838)
Effect of exchange rate changes on cash and cash equivalents	8,679	(9,222)
Increase (decrease) in cash and cash equivalents	(85,148)	31,128
Cash and cash equivalents at the beginning of the period	632,160	545,192
Increase in cash and cash equivalents resulting from newly consolidated subsidiaries	—	470
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	545,192	576,791

(Securities)

1. Trading Securities

(Millions of yen)

	As of March 31, 2015		As of March 31, 2016	
	Carrying amount	Unrealized gains and losses recognized in statement of income	Carrying amount	Unrealized gains and losses recognized in statement of income
Trading securities	284,672	3,909	270,966	(3,078)

2. Bonds held to maturity

(Millions of yen)

		As of March 31, 2015			As of March 31, 2016		
		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	1,236,030	1,424,142	188,112	1,219,943	1,555,133	335,190
	Foreign securities	7,155	7,214	59	602	615	12
	Subtotal	1,243,185	1,431,357	188,172	1,220,545	1,555,749	335,203
Securities whose fair value does not exceed their carrying amount	Domestic bonds	—	—	—	—	—	—
	Foreign securities	3,452	3,411	(41)	2,933	2,876	(57)
	Subtotal	3,452	3,411	(41)	2,933	2,876	(57)
Total		1,246,637	1,434,768	188,131	1,223,479	1,558,625	335,145

3. Policy reserve matching bonds

(Millions of yen)

		As of March 31, 2015			As of March 31, 2016		
		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	143,026	168,786	25,760
Securities whose fair value does not exceed their carrying amount	Domestic bonds	5,139	5,114	(24)	—	—	—
Total		75,497	78,479	2,981	143,026	168,786	25,760

4. Securities available for sale

(Millions of yen)

		As of March 31, 2015			As of March 31, 2016		
		Carrying amount	Cost	Unrealized gains and losses	Carrying amount	Cost	Unrealized gains and losses
Securities whose carrying amount exceeds their cost	Domestic bonds	2,329,103	2,178,105	150,997	2,414,908	2,172,318	242,589
	Domestic stocks	1,741,289	686,530	1,054,758	1,280,884	526,518	754,365
	Foreign securities	1,634,361	1,398,116	236,244	1,422,451	1,260,710	161,741
	Others	35,506	29,656	5,850	42,495	37,836	4,658
	Subtotal	5,740,261	4,292,408	1,447,852	5,160,739	3,997,384	1,163,354
Securities whose carrying amount does not exceed their cost	Domestic bonds	47,169	47,360	(191)	14,959	15,065	(105)
	Domestic stocks	27,709	29,508	(1,798)	132,327	143,118	(10,791)
	Foreign securities	177,929	183,151	(5,222)	370,898	387,410	(16,511)
	Others	32,012	32,509	(497)	42,584	42,925	(341)
	Subtotal	284,820	292,530	(7,709)	560,769	588,518	(27,749)
Total		6,025,081	4,584,939	1,440,142	5,721,508	4,585,903	1,135,604

Notes)

As of March 31, 2015	As of March 31, 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. Same as on the left

5. Securities available for sale sold

(Millions of yen)

	Fiscal year ended March 31, 2015 (April 1, 2014 to March 31, 2015)			Fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)		
	Proceeds from sales	Gains on sales	Losses on sales	Proceeds from sales	Gains on sales	Losses on sales
Domestic bonds	212,303	3,036	85	126,711	2,440	180
Domestic stocks	90,889	44,633	159	76,978	45,694	222
Foreign securities	185,872	16,224	903	207,002	14,914	542
Others	0	923	225	0	1,227	0
Total	489,065	64,817	1,374	410,692	64,276	945

6. Securities for which impairment losses are recognized

Fiscal year ended March 31, 2015 (April 1, 2014 to March 31, 2015)	Fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)
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.	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 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)

	Fiscal year ended March 31, 2015 (April 1, 2014 to March 31, 2015)	Fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)	Increase (Decrease)	Rate of change
				(Millions of yen)
Ordinary income and expenses:				%
Underwriting income:	3,043,075	3,021,030	(22,044)	(0.7)
Net premiums written	2,508,031	2,552,193	44,162	1.8
Deposits of premiums by policyholders	144,213	120,312	(23,900)	(16.6)
Life insurance premiums written	277,208	297,696	20,487	7.4
Reversal of reserve for outstanding losses and claims	55,789	1,599	(54,189)	(97.1)
Underwriting expenses:	2,581,292	2,526,649	(54,643)	(2.1)
Net claims paid	1,531,221	1,461,666	(69,554)	(4.5)
Loss adjustment expenses	135,161	134,363	(798)	(0.6)
Net commissions and brokerage fees	476,876	489,674	12,798	2.7
Maturity refunds to policyholders	293,114	244,766	(48,347)	(16.5)
Life insurance claims paid and other payments	78,594	80,216	1,621	2.1
Provision for underwriting reserves	61,626	108,087	46,460	75.4
Investment income:	213,680	203,257	(10,423)	(4.9)
Interest and dividend income	161,246	163,248	2,001	1.2
Gains on sales of securities	66,865	64,804	(2,060)	(3.1)
Investment expenses:	17,288	28,212	10,923	63.2
Losses on sales of securities	1,468	961	(506)	(34.5)
Impairment losses on securities	1,434	19,799	18,365	1,280.3
Operating, general and administrative expenses	465,019	465,091	72	0.0
Other ordinary income and expenses:	15,154	12,518	(2,635)	(17.4)
Investment gains on the equity method	175	270	94	54.1
Ordinary profit	208,309	216,853	8,543	4.1
Extraordinary gains and losses:				
Extraordinary gains	1,476	14,551	13,075	885.4
Extraordinary losses	105,258	20,075	(85,183)	(80.9)
Extraordinary gains and losses	(103,781)	(5,523)	98,258	—
Net income before income taxes and non-controlling interests	104,527	211,330	106,802	102.2
Income taxes	14,569	16,989	2,420	16.6
Deferred income taxes	34,892	34,081	(810)	(2.3)
Total income taxes	49,461	51,071	1,609	3.3
Net income	55,066	160,258	105,192	191.0
Net income attributable to non-controlling interests	790	677	(112)	(14.2)
Net income attributable to shareholders of the parent	54,276	159,581	105,305	194.0

(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, 2015 (April 1, 2014 to March 31, 2015)			Fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	485,286	17.4	11.7	495,770	17.6	2.2
Marine insurance	89,043	3.2	22.9	89,383	3.2	0.4
Personal accident insurance	302,679	10.8	5.2	285,927	10.2	(5.5)
Voluntary automobile insurance	1,177,575	42.2	6.2	1,199,227	42.7	1.8
Compulsory automobile liability insurance	324,060	11.6	(0.6)	316,107	11.3	(2.5)
Others	413,496	14.8	15.8	423,147	15.1	2.3
Total	2,792,142	100.0	8.0	2,809,564	100.0	0.6
Deposits of premiums by policyholders	144,213	5.2	2.3	120,312	4.3	(16.6)

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, 2015 (April 1, 2014 to March 31, 2015)			Fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	396,516	15.8	27.3	407,817	16.0	2.9
Marine insurance	83,102	3.3	41.9	85,905	3.4	3.4
Personal accident insurance	195,249	7.8	2.4	194,287	7.6	(0.5)
Voluntary automobile insurance	1,178,030	47.0	6.3	1,197,795	46.9	1.7
Compulsory automobile liability insurance	305,869	12.2	2.3	307,233	12.0	0.4
Others	349,263	13.9	15.9	359,154	14.1	2.8
Total	2,508,031	100.0	10.5	2,552,193	100.0	1.8

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, 2015 (April 1, 2014 to March 31, 2015)			Fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	271,685	17.7	47.1	251,172	17.2	(7.6)
Marine insurance	46,853	3.1	49.2	48,401	3.3	3.3
Personal accident insurance	116,753	7.6	11.4	105,649	7.2	(9.5)
Voluntary automobile insurance	671,759	43.9	7.2	639,232	43.7	(4.8)
Compulsory automobile liability insurance	226,331	14.8	(1.1)	226,799	15.5	0.2
Others	197,837	12.9	21.5	190,410	13.0	(3.8)
Total	1,531,221	100.0	14.3	1,461,666	100.0	(4.5)

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

(3) Risk-monitored Loans (Consolidated)

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016	Change
Loans to borrowers in bankruptcy	70	50	(20)
Overdue loans	572	404	(167)
Loans overdue for three months or more	15	10	(5)
Restructured loans	60	—	(60)
Total	719	465	(254)
Percent of total loans	0.1%	0.1%	(0.0)%

(Reference)

Total loans	604,058	609,808	5,750
-------------	---------	---------	-------

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.