



**SOMPO**  
**HOLDINGS**

Innovation for Wellbeing

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# Presentation Material for FY2014 Results

May 20, 2015

Sompo Japan Nipponkoa Holdings, Inc.

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## Summary of FY2014 Results

- Ordinary profit almost doubled to ¥208.3 billion (+¥95.9 billion) due to improvement of domestic P&C profitability, etc. Net income improved by ¥10.1 billion to ¥54.2 billion, covering the one-time merger cost (-¥79.5 billion), etc.
- Ordinary profit is forecast to be ¥230.0 billion (+¥21.6 billion), and net income is forecast to be ¥160.0 billion (+¥105.7 billion) in FY2015.

- Profitability of domestic P&C continued to improve, and core underwriting profit improved by ¥43.8 billion year on year.
- Combined ratio of automobile insurance improved to 94.8% in FY2014, and that in FY2015 is expected to improve further to 92.3%.
- The merger was completed, and one-time merger cost recorded as extraordinary losses in FY2014 was ¥79.5 billion, which is in line with the fiscal year plan of about ¥80.0 billion.
- In domestic life, medical insurance sold steadily. Both ordinary profit and net income improved.
- Overseas insurance steadily progressed. The bottom-line has already achieved the numerical target of management plan (¥14-20 billion).
- We steadily reduced exposure of strategic-holding stocks by ¥86.0 billion, and also plan to reduce it constantly in FY2015.
- We decided to increase shareholder return (cash dividend and share buyback).

## Overview of FY2014 Results – Consolidated basis

- ◆ Top-line steadily increased. Ordinary profit significantly improved to ¥208.3 billion (+¥95.9 billion).
- ◆ Net income was ¥54.2 billion, covering one-time merger cost (-¥79.5 billion) and impact of corporate income tax reduction (-¥18.1 billion).

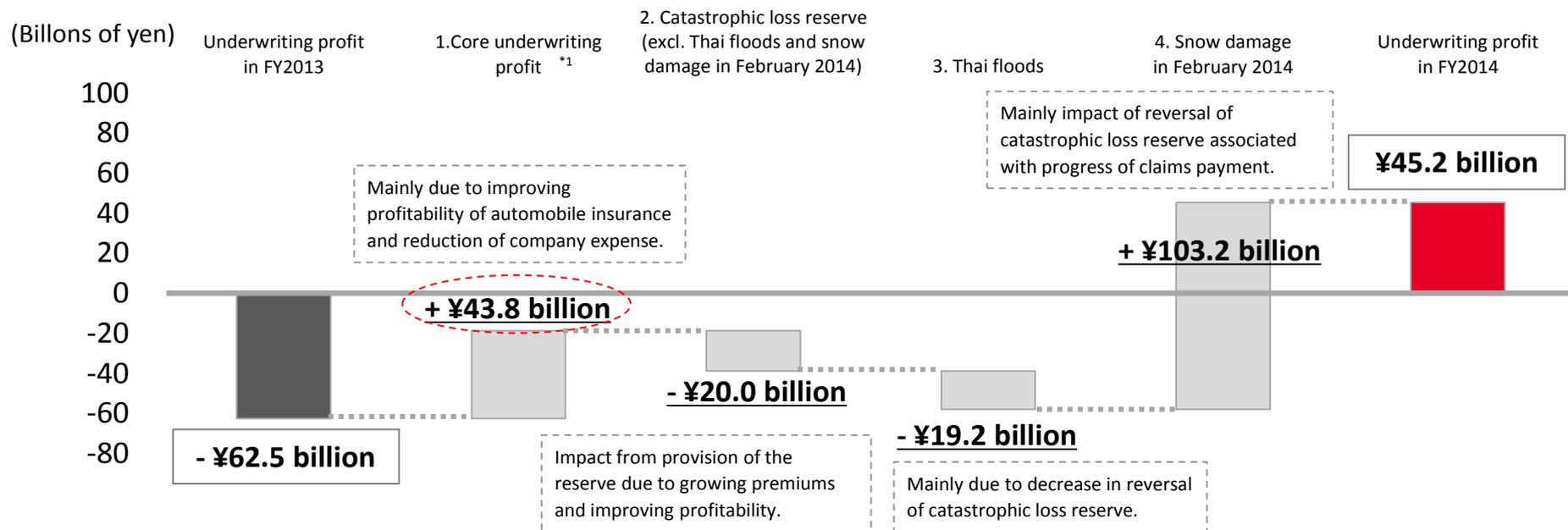
(Billions of yen)	FY2013	FY2014	Change	FY2015 (Forecasts)
Ordinary income (consolidated basis)	3,008.3	3,282.3	+274.0 (+9.1%)	-
Net premiums written (P&C)	2,268.9	2,508.0	+239.0 (+10.5%)	2,607.0
Life insurance premiums	277.2	277.2	-0.0 (-0.0%)	277.0
Ordinary profit (consolidated basis)	112.3	208.3	+95.9	230.0
Sompo Japan Nipponkoa	117.7	195.1	+77.3	186.0
Himawari Life	13.7	18.3	+4.5	15.9
Overseas insurance subsidiaries	10.9	21.9	+11.0	25.5
Consolidated adjustment*1/Others	-30.1	-27.1	+2.9	2.5
Net income (consolidated basis)	44.1	54.2	+10.1	160.0
Sompo Japan Nipponkoa	49.5	45.0	-4.4	128.0
Himawari Life	8.0	9.7	+1.6	10.2
Overseas insurance subsidiaries	11.5	19.4	+7.8	19.5
Consolidated adjustment*1/Others	-25.0	-19.9	+5.0	2.1
(Reference ) Adjusted profit (by business)	101.5	138.3	+36.7	228.0
Domestic P&C insurance	6.5	69.9	+63.4	116.7
Domestic life insurance	85.7	47.4	-38.3	90.0
Overseas insurance	7.8	18.6	+10.8	19.2
Financial & other services	1.5	2.3	+0.8	2.4

\*1 "Purchase method" accounting was adopted upon the establishment of Sompo Japan Nipponkoa Holdings (the former NKSJ Holdings). In the consolidated accounts of the holdings, assets and liabilities of the former Nipponkoa and some group companies were acquired and carried on the balance sheet at fair value at the time of business integration. (This gave rise to a difference between the carrying amount in the non-consolidated accounts of Sompo Japan Nipponkoa and some group companies', and the carrying amount in consolidated accounts of the holdings.) Therefore, realized gains/losses, etc. of Sompo Japan Nipponkoa must be adjusted, and this adjustment is included in the above "consolidated adjustment."

# Main points of Consolidated Results for FY2014 – (1) Underwriting profit

- ◆ Underwriting profit improved by ¥107.8 billion to ¥45.2 billion mainly due to improving profitability of automobile insurance and the reversal of catastrophic loss reserve associated with progress of claims payment for snow damage in February 2014.

## Changing factors of underwriting profit (Sompo Japan Nipponkoa)



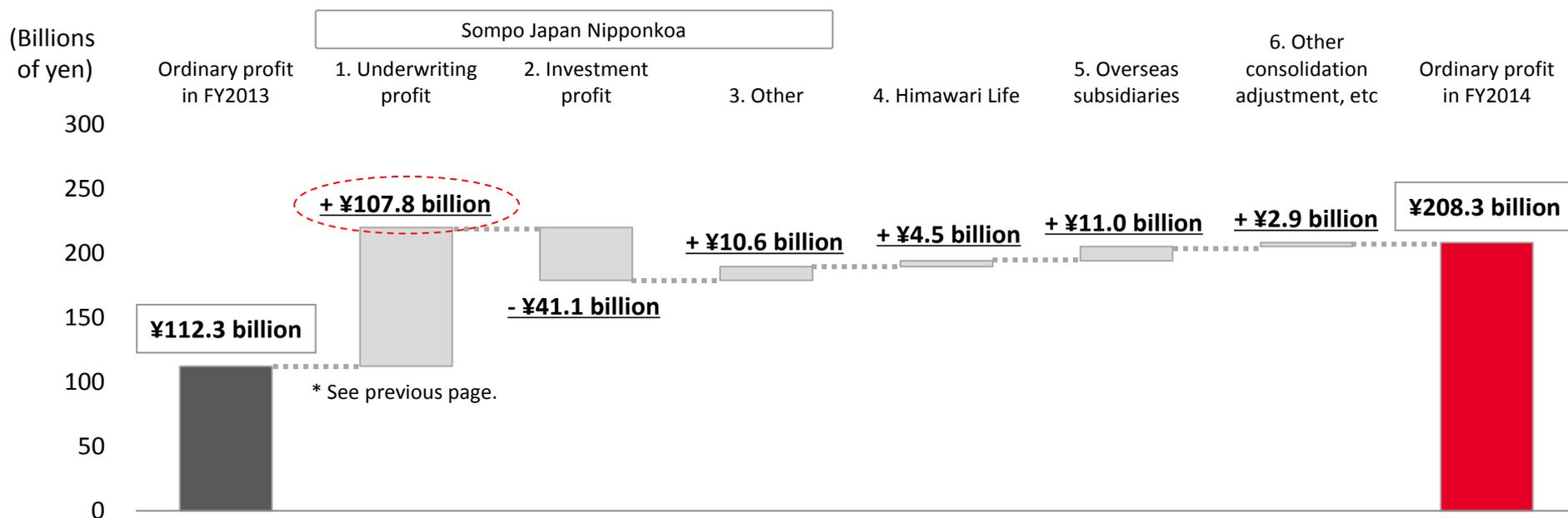
	1. Core underwriting profit	2. Catastrophic loss reserve	3. Thai floods	4. Snow damage in February 2014
FY2013 Actual	¥14.4 billion	- ¥33.6 billion	¥21.3 billion	- ¥64.6 billion
<b>FY2014 Actual</b>	<b>¥58.2 billion</b>	<b>- ¥53.6 billion</b>	<b>¥2.1 billion</b>	<b>¥38.5 billion</b>

\*1 Core underwriting profit is underwriting profit less the impact related to catastrophic loss reserve, the Thai floods and snow damage in February 2014.

## Main points of Consolidated Results for FY2014 – (2) Ordinary profit

- ◆ Consolidated ordinary profit doubled to ¥208.3 billion (+¥95.9 billion) mainly due to improvement of underwriting profit.

### Changing factors of consolidated ordinary profit

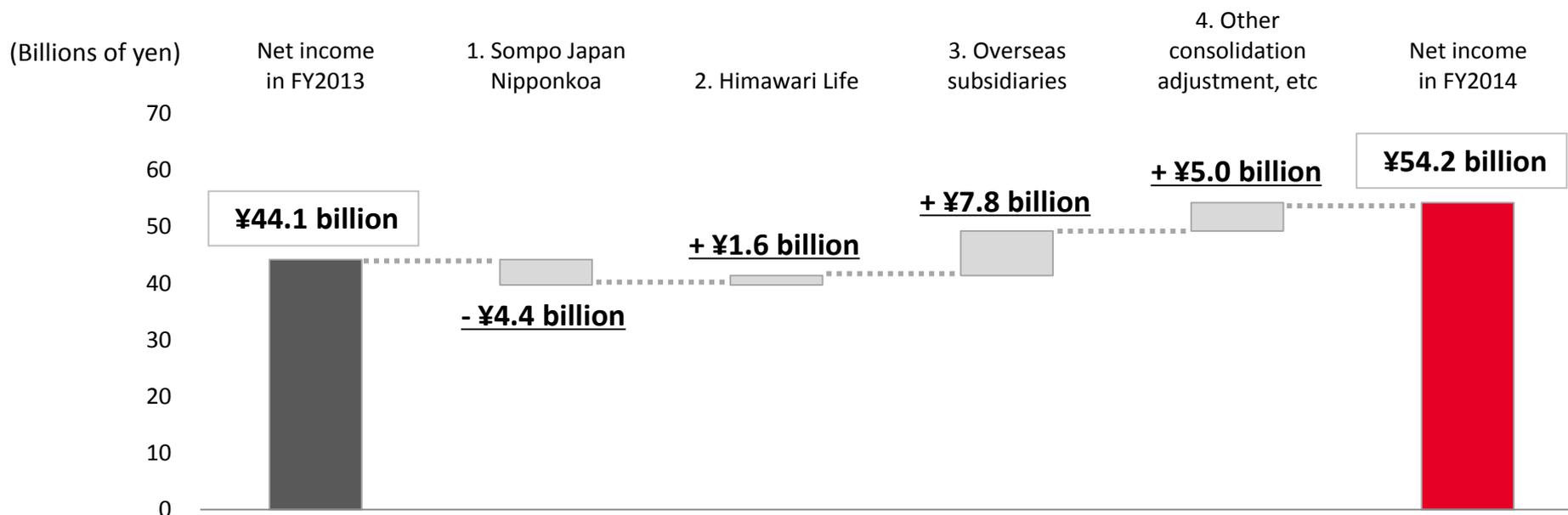


	1. Underwriting profit	2. Investment profit	3. Other	4. Himawari Life	5. Overseas subsidiaries	6. Other consolidation adjustment, etc
FY2013 Actual	- ¥62.5 billion	¥192.7 billion	- ¥12.3 billion	¥13.7 billion	¥10.9 billion	- ¥30.1 billion
FY2014 Actual	¥45.2 billion	¥151.5 billion	- ¥1.6 billion	¥18.3 billion	¥21.9 billion	- ¥27.1 billion

## Main points of Consolidated Results for FY2014 – (3) Net income

- ◆ Consolidated net income improved by ¥10.1 billion to ¥54.2 billion, covering one-time merger cost and impact of corporate income tax reduction.

### Changing factors of consolidated net income



	1. Sompo Japan Nipponkoa	2. Himawari Life	3. Overseas subsidiaries	4. Other consolidation adjustment, etc
FY2013 Actual	¥49.5 billion	¥8.0 billion	¥11.5 billion	- ¥25.0 billion
<b>FY2014 Actual</b>	<b>¥45.0 billion</b>	<b>¥9.7 billion</b>	<b>¥19.4 billion</b>	<b>- ¥19.9 billion</b>

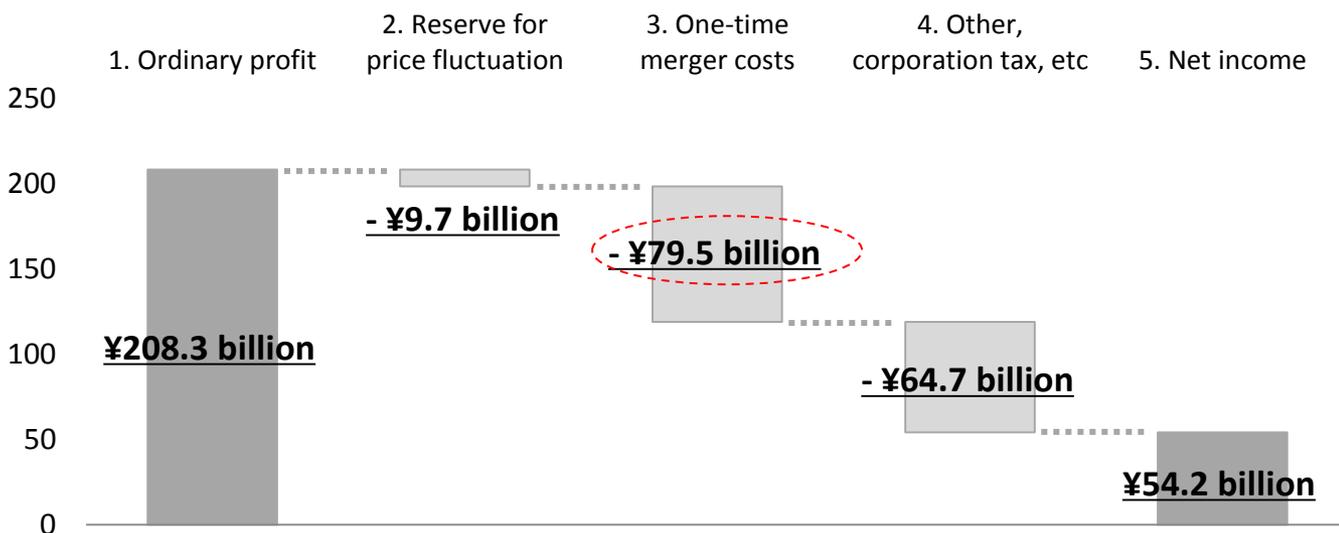
## Breakdown of Extraordinary Gains/Losses, etc.

- ◆ One-time merger cost (-¥79.5 billion) and impact of corporate income tax reduction (-¥18.1 billion) were temporary negative factors\*<sup>1</sup>.

\*1 One-time merger cost and impact of corporate income tax reduction are excluded to calculate adjusted profit.

### The deference between ordinary profit and net income

(Billions of yen)



	1. Ordinary profit	2. Reserve for price fluctuation	3. One-time Merger costs	4. Other, corporate tax, etc	5. Net income
FY2013 Actual	¥112.3 billion	- ¥8.2 billion	- ¥20.9 billion	- ¥39.0 billion	¥44.1 billion
FY2014 Actual	¥208.3 billion	- ¥9.7 billion	- ¥79.5 billion	- ¥64.7 billion	¥54.2 billion

## Impact of Corporate Income Tax Reduction

- ◆ Corporate income tax reduction has positive impact in medium to long term.
- ◆ Temporarily, the reduction in deferred tax assets has impact on the bottom-line.

### Effective tax rate (Sompo Japan Nipponkoa)

Before	After
30.7%	28.8%

### Impact on FY2014 results

(Billions of yen)	Net income
Sompo Japan Nipponkoa	-19.6
Himawari Life	-1.7
Purchase adjustment, etc.	+3.2* <sup>1</sup>
<b>Total</b>	<b>-18.1</b>

\*1 "Purchase method" accounting was adopted upon the establishment of Sompo Japan Nipponkoa Holdings (the former NKSJ Holdings), and deferred tax liabilities were recorded when unrealized gains on stocks, etc. were included. The reduction in these deferred liabilities due to the corporate income tax reduction has positive impact on net income.

# Summary of Business Forecasts for FY2015 – Consolidate basis

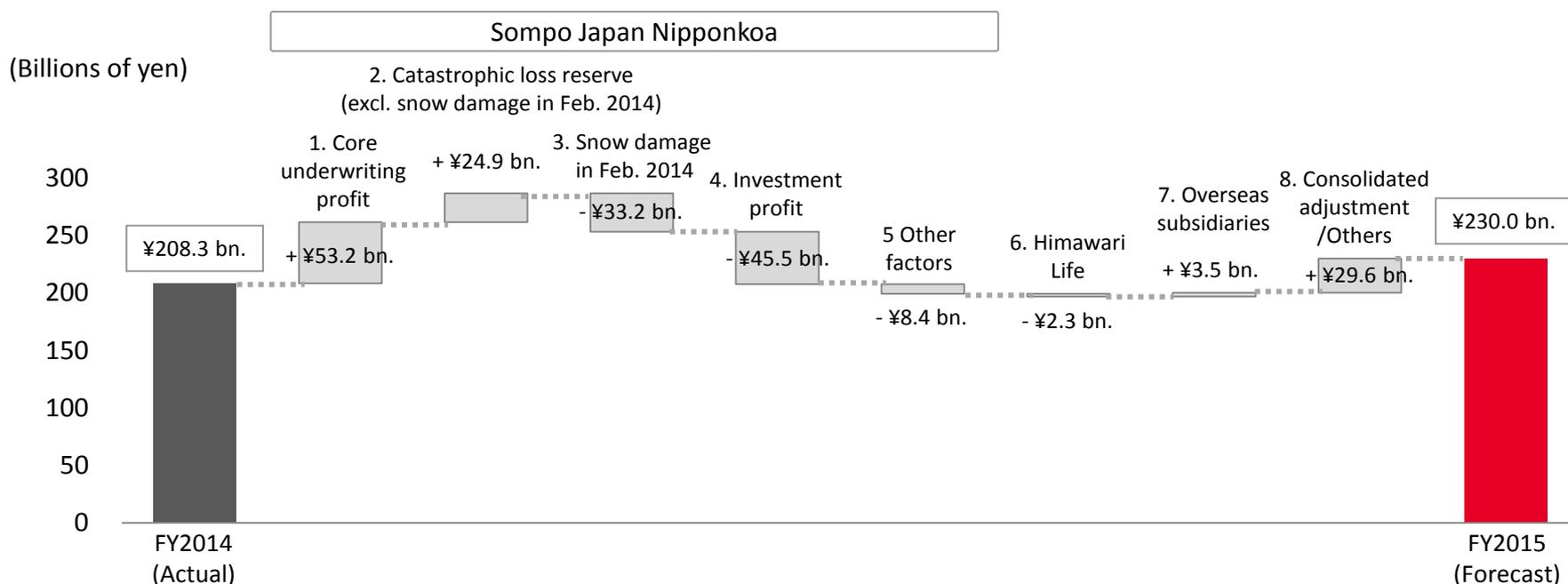
(Billions of yen)	FY2014 (Actual)	FY2015 (Forecasts)	Change	
Net premiums written (P&C)	2,508.0	2,607.0	+98.9	(+3.9%)
Life insurance premiums	277.2	277.0	-0.2	(-0.1%)
Ordinary profit (consolidated basis)	208.3	230.0	+21.6	(+10.4%)
Sompo Japan Nipponkoa	195.1	186.0	-9.1	(-4.7%)
Himawari Life	18.3	15.9	-2.3	(-12.8%)
Overseas subsidiaries	21.9	25.5	+3.5	(+16.0%)
Consolidated adjustment* <sup>1</sup> /others	-27.1	2.5	+29.6	(-)
Net income (consolidated basis)	54.2	160.0	+105.7	(+194.8%)
Sompo Japan Nipponkoa	45.0	128.0	+82.9	(+184.1%)
Himawari Life	9.7	10.2	+0.5	(+5.7%)
Overseas subsidiaries	19.4	19.5	+0.1	(+0.5%)
Consolidated adjustment* <sup>1</sup> /others	-19.9	2.1	+22.1	(-)
(Reference) Adjusted profit (by business)	138.3	228.0	+89.6	(+64.8%)
Domestic P&C Insurance	69.9	116.7	+46.8	(+66.9%)
Domestic Life Insurance	47.4	90.0	+42.6	(+89.9%)
Overseas Insurance	18.6	19.2	+0.5	(+3.0%)
Financial & Other Services	2.3	2.4	+0.0	(+4.3%)

\*1 “Purchase method” accounting was adopted upon the establishment of Sompo Japan Nipponkoa Holdings (the former NKSJ Holdings). In the consolidated accounts of the holdings, assets and liabilities of the former Nipponkoa and some group companies were acquired and carried on the balance sheet at fair value at the time of business integration. (This gave rise to a difference between the carrying amount in the non-consolidated accounts of Sompo Japan Nipponkoa and some group companies’, and the carrying amount in consolidated accounts of the holdings.) Therefore, realized gains/losses, etc. of Sompo Japan Nipponkoa must be adjusted, and this adjustment is included in the above “consolidated adjustment.”

# Main points of Business Forecasts for FY2015 – Consolidated Ordinary Profit

- ◆ Consolidated ordinary profit is forecast to improve to ¥230.0 billion (+¥21.6 billion) mainly due to increase in underwriting profit.

## Main components of consolidated ordinary profit



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## Overview of FY2014 Results (Sompo Japan Nipponkoa)

- ◆ The top-line steadily expanded, and ordinary profit significantly increased due to drastic improvement of underwriting profit, etc.
- ◆ Net income was ¥45.0 billion, covering one-time merger cost (¥79.5 billion) recorded as an extraordinary loss, and impact of corporate income tax reduction.

(Billions of yen)	FY2013	FY2014	Change
Net premiums written	2,082.1	2,181.3	+99.1 (+4.8%)
(excl. CALI, household earthquake)	1,783.0	1,875.2	+92.2 (+5.2%)
Loss Ratio	65.7%	65.6%	-0.1pt
(excl. CALI, household earthquake)	62.7%	63.2%	+0.5pt
Expense Ratio	32.2%	31.8%	-0.4pt
(excl. CALI, household earthquake)	34.2%	33.6%	-0.6pt
Combined Ratio	97.9%	97.4%	-0.5pt
(excl. CALI, household earthquake)	96.9%	96.8%	-0.1pt
Underwriting profit	-62.5	45.2	+107.8
Investment profit	192.7	151.5	-41.1
Ordinary profit	117.7	195.1	+77.3
Net income	49.5	45.0	-4.4
+Provisions for catastrophic loss reserve (after tax)	8.0	-7.7	-15.7
+Provisions for reserve for price fluctuation (after tax)	5.2	6.3	+1.1
-Gains/losses on sales of securities and impairment losses on securities (after tax)	73.9	45.6	-28.2
-Special factors (after tax)* <sup>1</sup>	-26.7	-80.0	-53.2
Adjusted profit	15.6	77.9	+62.3

(Reference)  
Adjusted  
profit

\*1 Special factors are one-time merger costs, etc.

## Net Premiums Written

- ◆ Net premiums written increased in all lines, including the mainstay voluntary automobile and fire and allied lines.

### Net premiums written by product line

(Billions of yen)

	FY2013	FY2014	Change	FY2015 (Forecasts)	Change
Fire and Allied Lines	283.6	323.2	+39.5 (+14.0%)	312.5	-10.6 (-3.3%)
Marine	45.6	52.5	+6.9 (+15.1%)	55.5	+3.0 (+5.8%)
Personal Accident	184.9	185.2	+0.2 (+0.1%)	186.4	+1.1 (+0.6%)
Voluntary Automobile	1,014.1	1,043.7	+29.5 (+2.9%)	1,086.2	+42.4 (+4.1%)
CALI	298.2	305.2	+6.9 (+2.3%)	304.8	-0.3 (-0.1%)
Other	255.4	271.2	+15.8 (+6.2%)	274.9	+3.6 (+1.4%)
of which, Liability	150.3	156.9	+6.6 (+4.4%)	153.0	-3.9 (-2.5%)
<b>Total</b>	<b>2,082.1</b>	<b>2,181.3</b>	<b>+99.1 (+4.8%)</b>	<b>2,220.6</b>	<b>+39.3 (+1.8%)</b>
Total (excl. CALI, household earthquake)	1,783.0	1,875.2	+92.2 (+5.2%)	1,914.7	+39.5 (+2.1%)

(Reference) Year-on-Year comparison of voluntary automobile insurance (end of March 2015)

	Sompo Japan Nipponkoa		
	# of vehicles	Premium /vehicle	Total Premium
Non-Fleet	-0.7%	3.2%	2.4%
Fleet	2.1%	3.0%	5.2%
<b>Total</b>	<b>-0.2%</b>	<b>3.1%</b>	<b>2.9%</b>

\*Performance evaluation basis

(Main factors for growth of net premiums written)

Fire and Allied Lines: Both household and corporate steadily progressed, and assumed reinsurance increased.

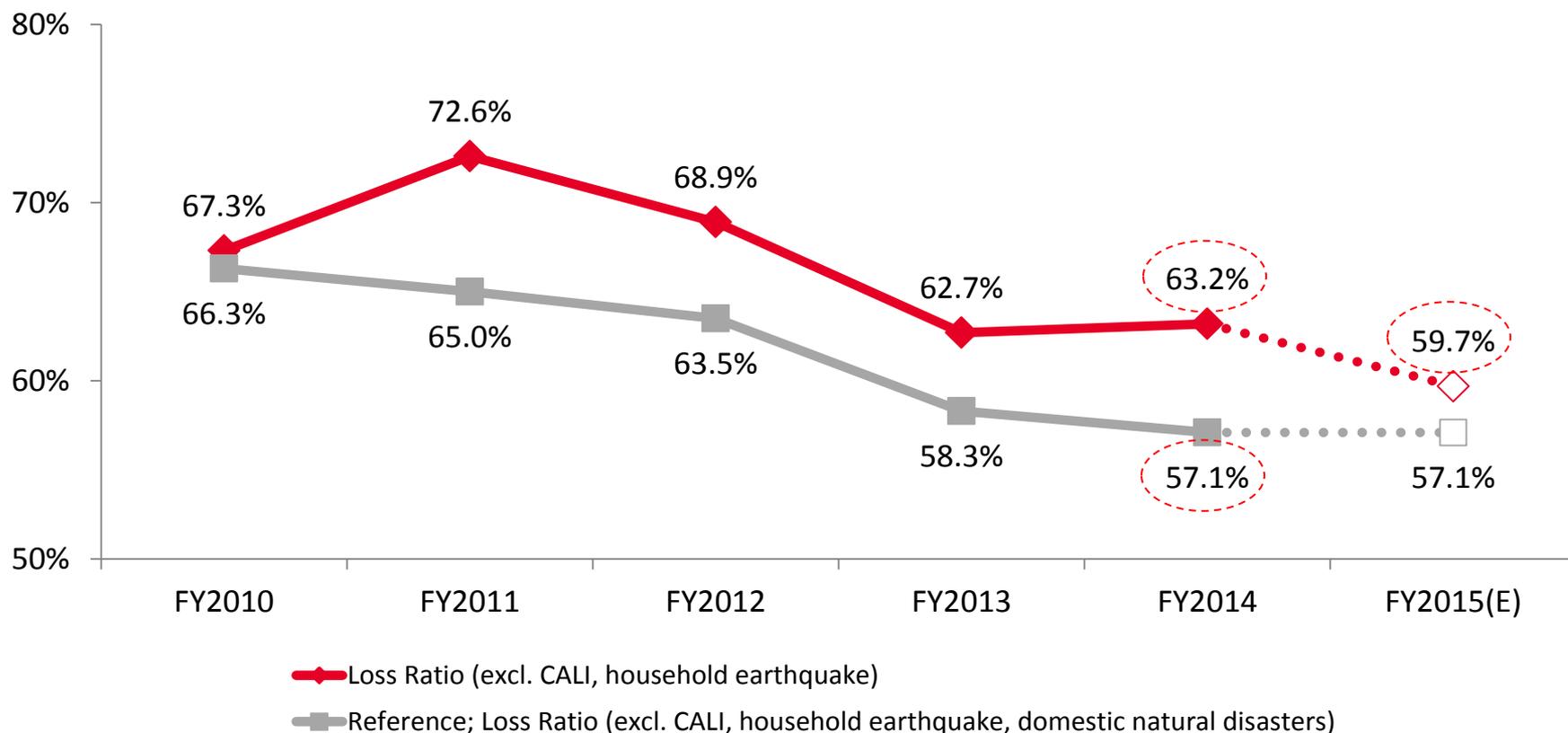
Voluntary Automobile: Mainly impact of revisions of products and premiums.

Other: Good underwriting results in Liability, etc.

## Loss Ratio (W/P)

- ◆ In FY2014, loss ratio rose by 0.5 points due to progress of claims payment for snow damage in February 2014, etc.
- ◆ Loss ratio in FY2015 is expect to improve by 3.5 points to 59.7%.

### Trends of loss ratio (excl. CALI, household earthquake)

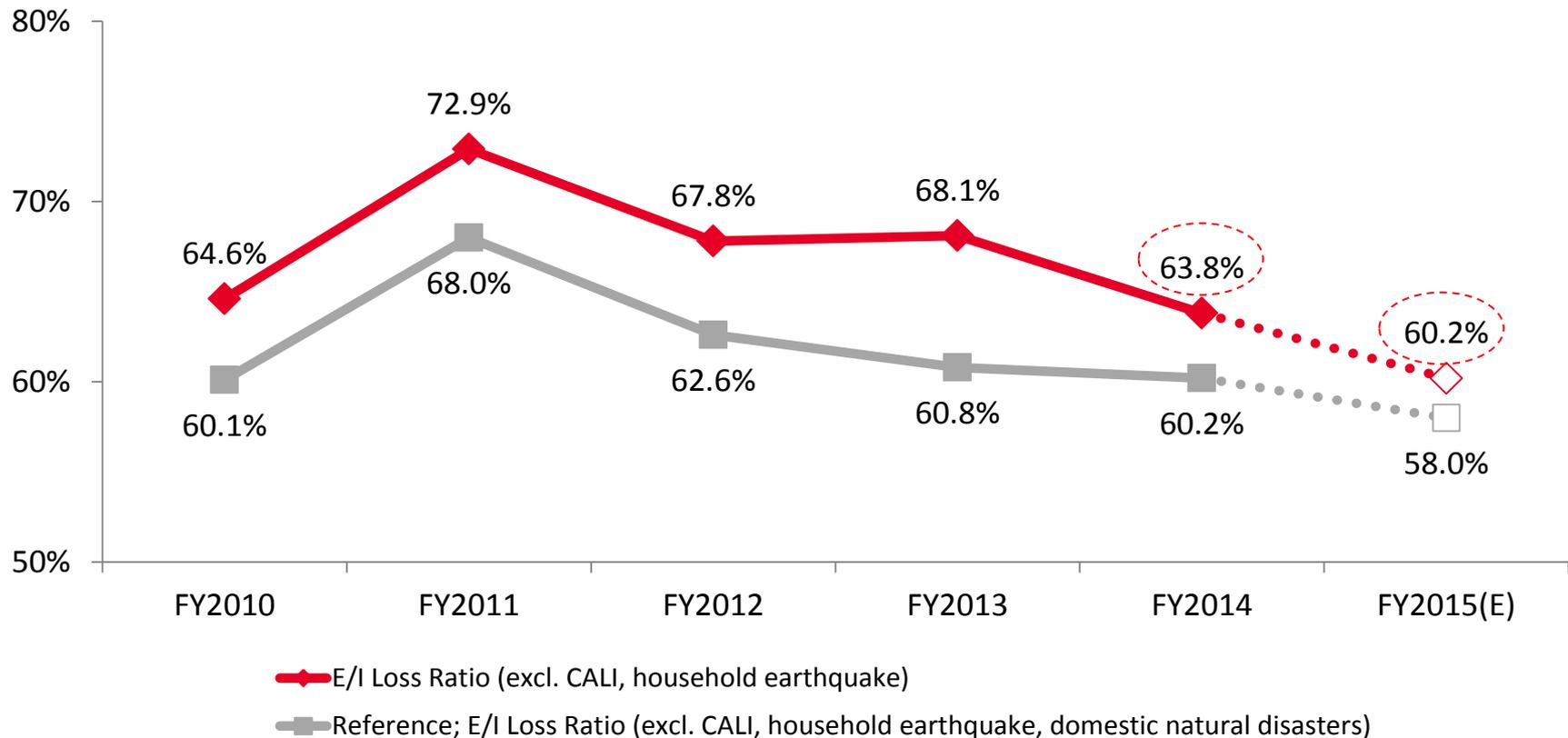


\* Loss ratio is on a written paid basis (including loss adjustment expense).

## Loss Ratio (E/I)

- ◆ E/I loss ratio drastically improved in FY2014 due to improvement of profitability of automobile insurance, etc.
- ◆ E/I loss ratio is expected to improve further in FY2015.

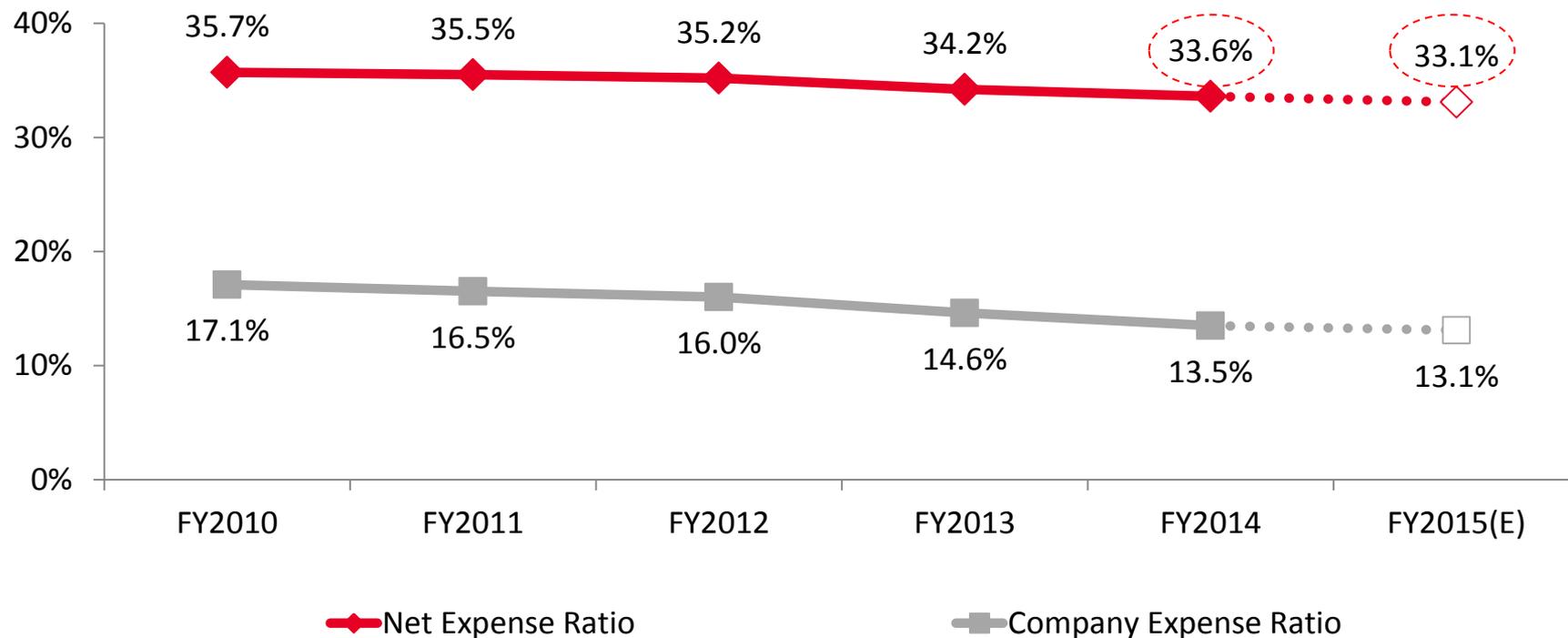
### Trends of E/I loss ratio (excl. CALI, household earthquake)



## Net Expense Ratio

◆ Net expense ratio and company expense ratio both steadily declined.

### Trends of net expense ratio (excl. CALI, household earthquake)

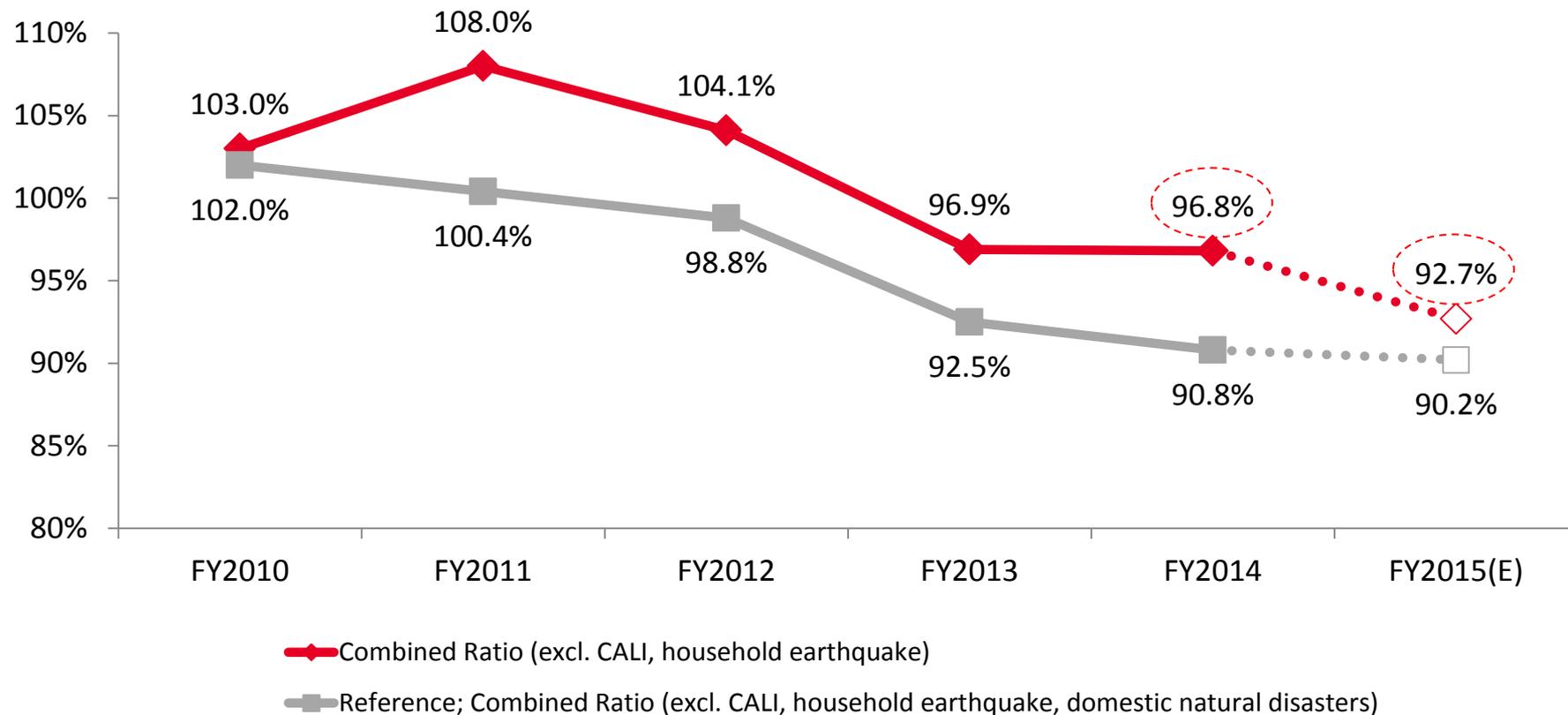


\* Company expense ratio is the ratio of operating, general administrative expenses for underwriting against the net premiums written.

## Combined Ratio

- ◆ Combined ratio remained level at 96.8% in FY2014 due to progress of claims payment for snow damage in February 2014, etc.
- ◆ Combined ratio is expected to improve by 4.1 points to 92.7% in FY2015.

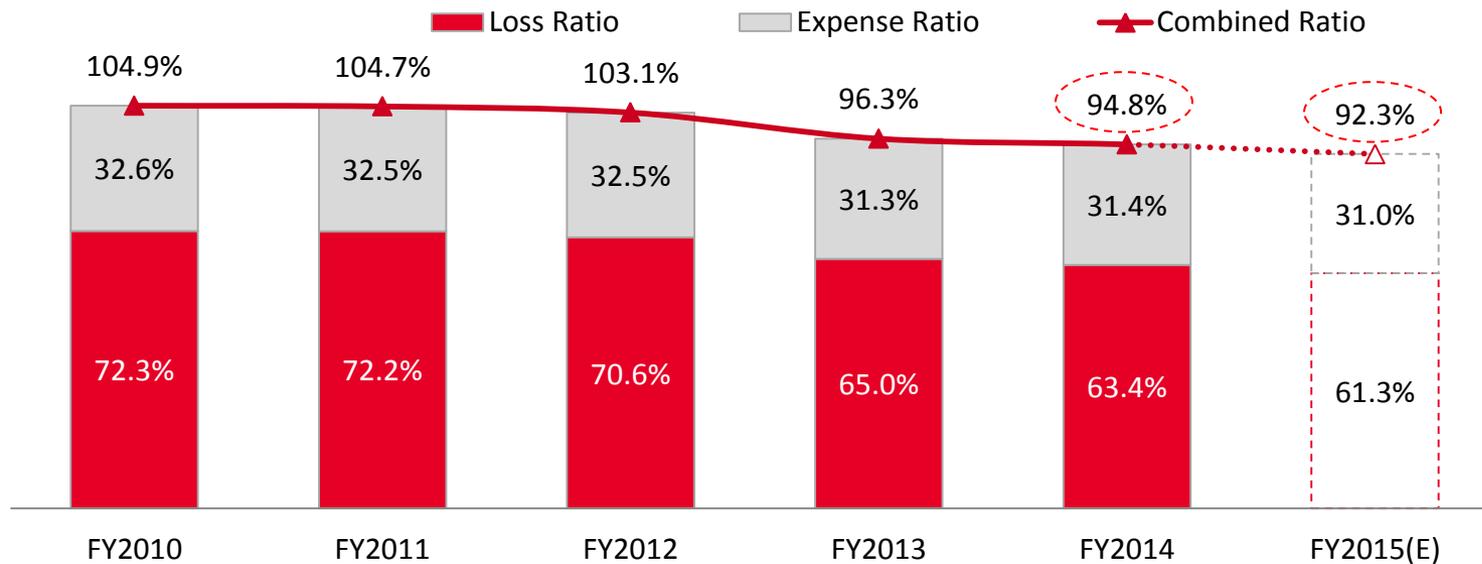
### Trends of combined ratio (excl. CALI, household earthquake)



## Voluntary Automobile Insurance - Profitability

- ◆ Combined ratio keeps on improving trend due to impact of product and rate revisions and decrease in the number of reported claims, etc.
- ◆ Combined ratio is expected to improve further to 92.3% in FY2015.

### Trends of combined ratio of voluntary automobile insurance

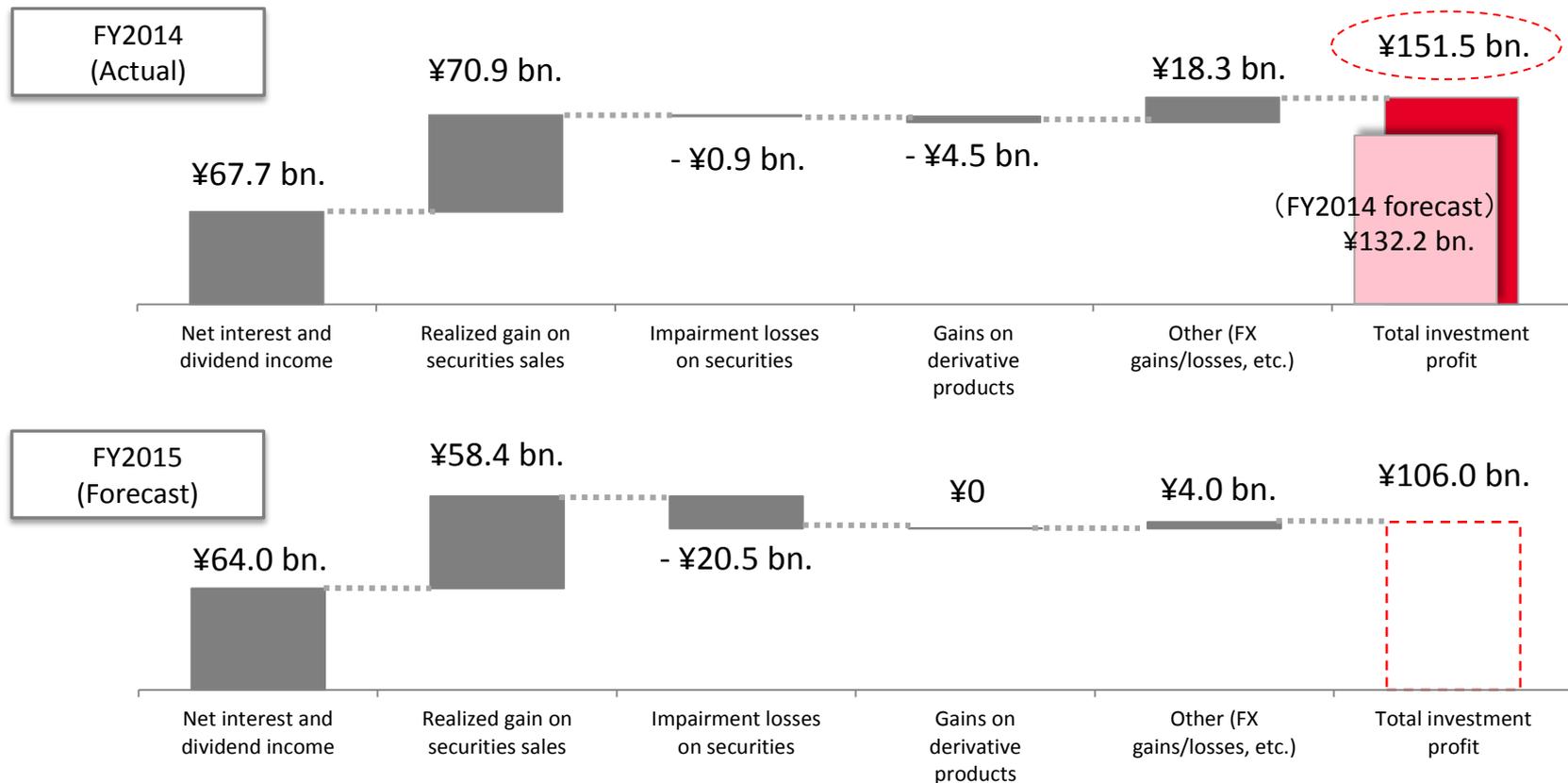


\* Loss ratio is on a written paid basis (including loss adjustment expense).

## Investment Profit

◆ In FY2014, investment profit exceeded the forecast thanks to the favorable investment environment.

### Breakdown of investment profit (Sompo Japan Nipponkoa)



# Business Forecasts for FY2015 – Sompo Japan Nipponkoa

(Billions of yen)	FY2014 Actual	FY2015 Forecast	Change
Net premiums written	2,181.3	2,220.6	+39.3 (+1.8%)
(excl. CALI, household earthquake)	1,875.2	1,914.7	+39.5 (+2.1%)
Loss Ratio	65.6%	62.5%	-3.1pt
(excl. CALI, household earthquake)	63.2%	59.7%	-3.5pt
E/I Loss Ratio (excl. CALI, household earthquake)	63.8%	60.2%	-3.5pt
Expense Ratio	31.8%	31.4%	-0.4pt
(excl. CALI, household earthquake)	33.6%	33.1%	-0.6pt
Combined Ratio	97.4%	93.8%	-3.6pt
(excl. CALI, household earthquake)	96.8%	92.7%	-4.1pt
Underwriting profit	45.2	88.0	+42.7 (+94.6%)
Investment profit	151.5	106.0	-45.5 (-30.1%)
Ordinary profit	195.1	186.0	-9.1 (-4.7%)
Net income	45.0	128.0	+82.9 (+184.1%)
+Provisions for catastrophic loss reserve (after tax)	-7.7	16.6	+24.4
+Provisions for reserve for price fluctuation (after tax)	6.3	5.8	-0.4
-Gains/losses on sales of securities and impairment losses on securities (after tax)	45.6	26.9	-18.6
-Special factors (after tax)* <sup>1</sup>	-80.0	0.0	+80.0
Adjusted profit	77.9	123.5	+45.5 (+58.4%)

(Reference)  
Adjusted  
profit

\*1 Special factors are one-time merger costs, etc.

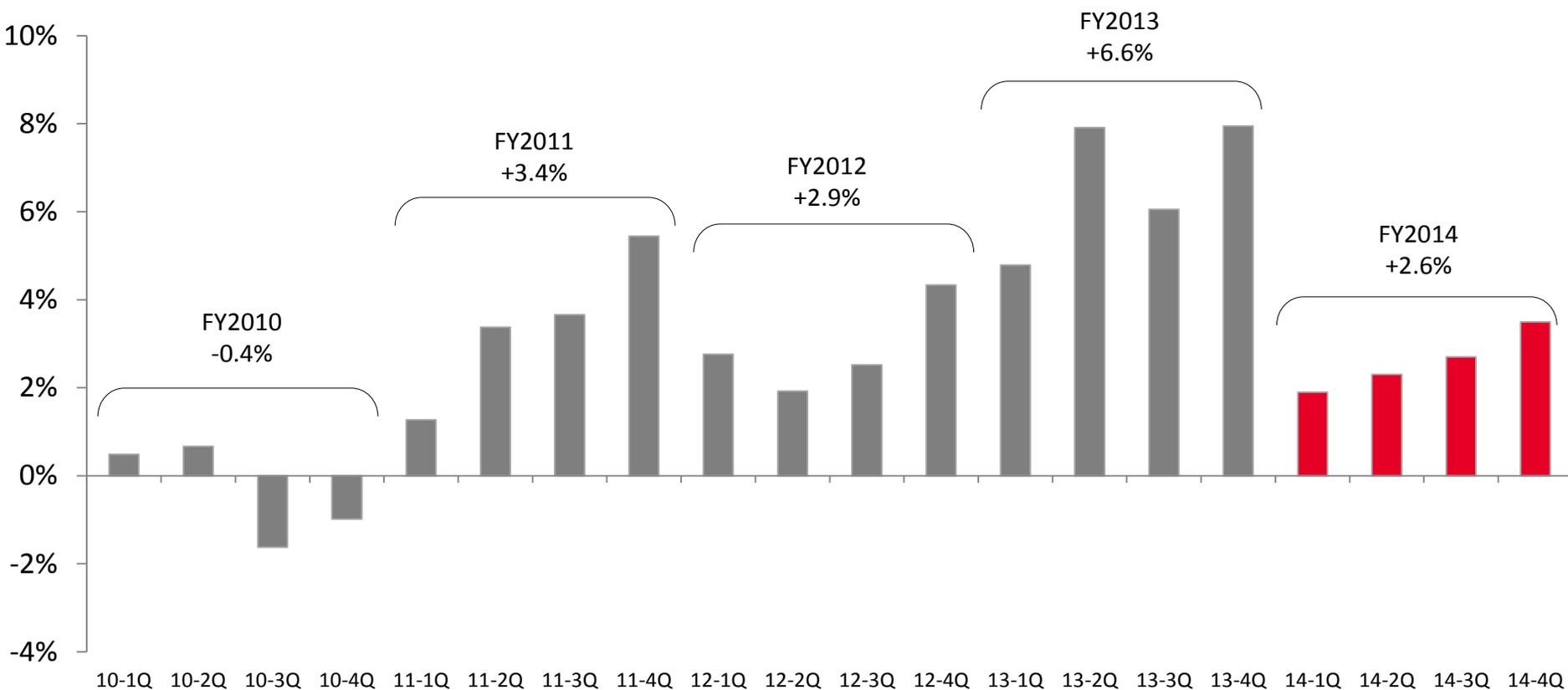
## Assumption of Business Forecasts for FY2015

<b>Losses from domestic natural disasters</b> (occurring in the fiscal year)	¥43.0 billion
<b>Snow Damage in February 2014</b>	Net claims paid : ¥5.3 billion
<b>Catastrophic loss reserve</b>	Net provision : ¥23.4 billion
<b>Provision rate of Catastrophic loss reserve</b>	Provision rate of fire group : 10% Provision rate of automobile group : 3.2%
<b>Market indicators</b>	(Stock) Nikkei 225 : ¥19,206 (Interest yield) 10y JGB : 0.41% (Foreign exchange) 1US\$ : ¥120.17 1Euro : ¥130.32
<b>Interest and dividend income</b>	Gross : ¥106.6 billion    Net : ¥64.0 billion
<b>Realized gains on securities</b>	Realized gains on security sales : ¥58.4 billion Impairment losses on securities : ¥20.5 billion
<b>Reserve for price fluctuation</b>	Net provision : ¥8.2 billion

## (Reference) Premiums (Performance Evaluation Basis)

◆ The top line has continued to grow since FY2011.

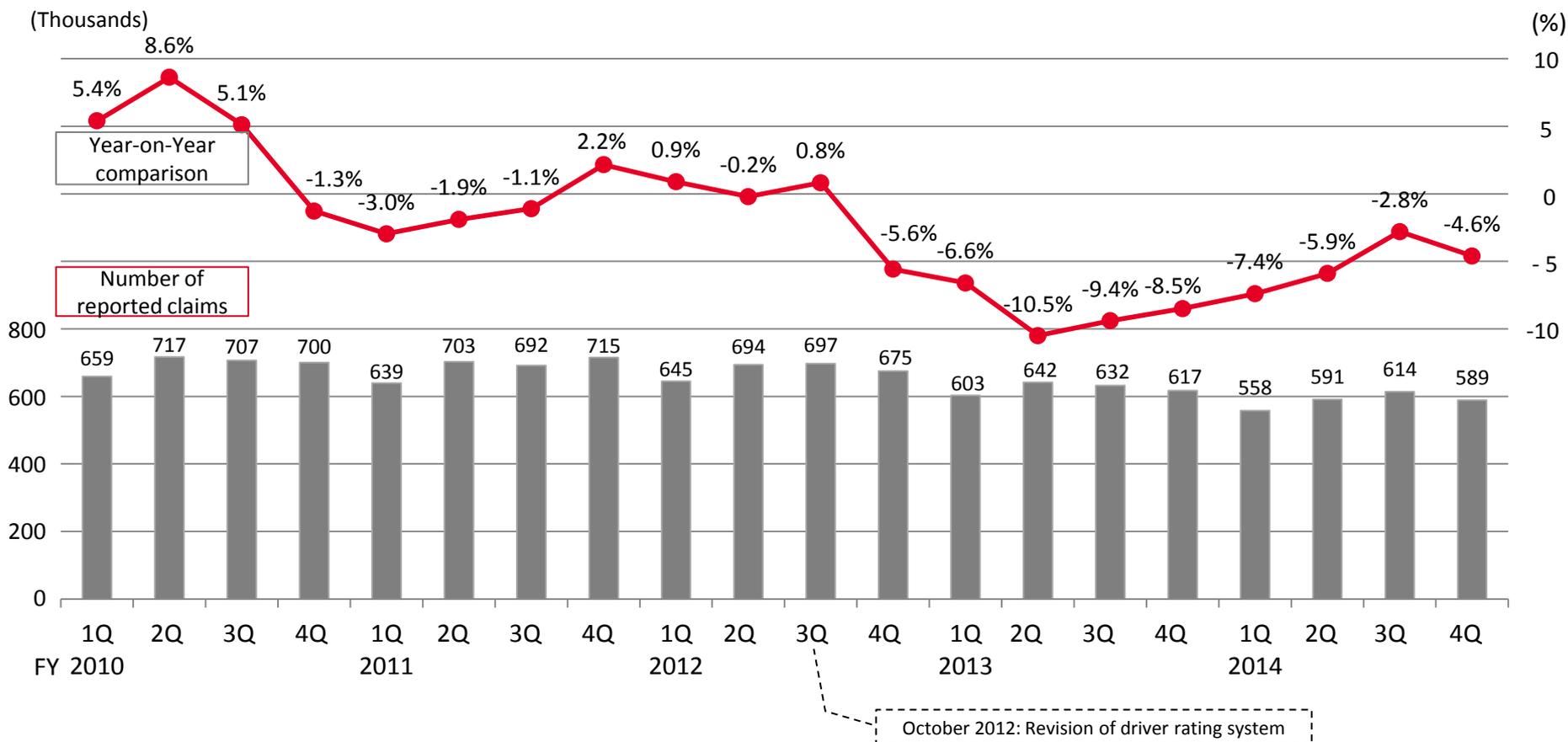
### Quarterly trends of premium increase (General lines total, Year-on-Year comparison)



\* Premium is performance evaluation basis.

## (Reference) Number of Reported Claims of Automobile Insurance

### Trends of number of reported claims



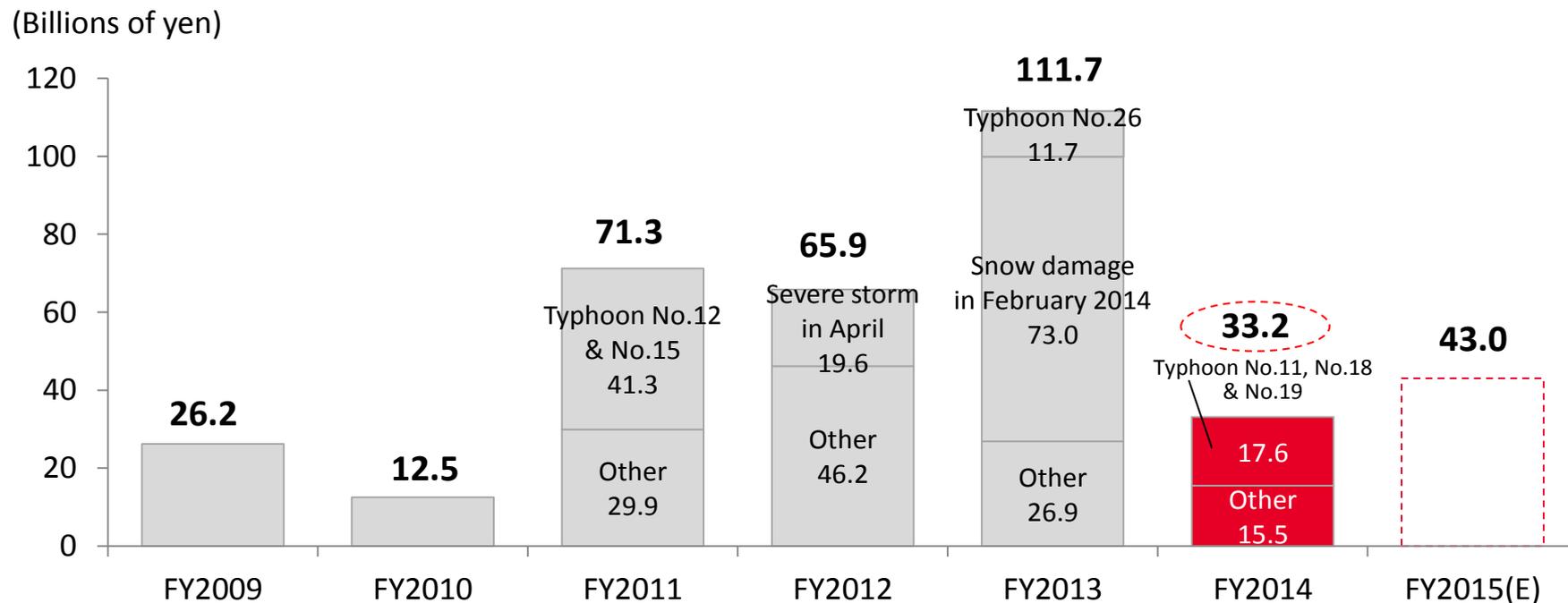
\* Year on Year comparison is adjusted based on calendar.

\* Special factors in each fiscal year (The Great East Japan Earthquake, typhoon No.12 and 15 in FY2011, the severe storm in April 2012, and snow damage in February 2014) are excluded.

## (Reference) Domestic Natural Disasters

◆ Incurred losses for domestic natural disasters in FY2014 was ¥33.2 billion.

### Trends of net loss occurred for domestic natural disasters (only events that occurred in the fiscal year)



\* Excluding Great East Japan Earthquake

## (Reference) Snow Damage in February 2014

◆ Clams payment has almost finished. In FY2014, the impact on underwriting profit was ¥38.5 billion mainly due to the reversal of catastrophic loss reserve.

### The impact of snow damage in February 2014

	(Billions of yen)				
	FY2013	FY2014		By the end of FY2014 (cumulative)	
	Total	Total	Fire and allied lines	Voluntary automobile	Total
Net claims paid	20.8	73.1	66.0	4.8	94.0
Provision of outstanding loss reserve	52.1	-46.8	-41.3	-3.6	5.3
Net Loss Occurred	73.0	26.3	24.6	1.2	99.4
Reversal of catastrophic loss reserve	8.4	64.9	60.0	4.8	73.3
Impact on underwriting profit	-64.6	38.5	35.4	3.6	-26.0

\* Impact of snow damage incurred from February 8, 2014 to February 19, 2014

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## Annualized New Premium and Annualized Premium in Force

- ◆ Annualized premium in force keeps increasing due to growth of policies in force, especially in protection-type products.

	FY2013	FY2014	Change		FY2015 (Forecast)	Change	
							(Billions of yen)
Amount of new business	2,635.0	2,388.6	-246.3	(-9.3%)	2,461.9	+78.4	(+3.3%)
Annualized new premium	30.4	35.6	+5.1	(+16.8%)	39.5	+3.9	(+11.0%)
Premium and other income	372.8	380.7	+7.8	(+2.1%)	390.8	+10.0	(+2.6%)
(excl. lump-sum payment)	369.0	377.5	+8.4	(+2.3%)	387.9	+10.3	(+2.7%)
Ordinary profit	17.2	22.5	+5.3	(+30.9%)	20.2	-2.3	(-10.4%)
Net income	8.0	9.7	+1.6	(+20.6%)	10.2	+0.5	(+5.7%)

	End of FY2013	End of FY2014	Change		
					(Billions of yen)
Amount of business in force	20,245.5	21,043.1	+797.5	(+3.9%)	
Annualized premium in force	308.5	317.4	+8.9	(+2.9%)	

	Change
Protection-type	+7.3
Saving-type	+1.5
Total	+8.9

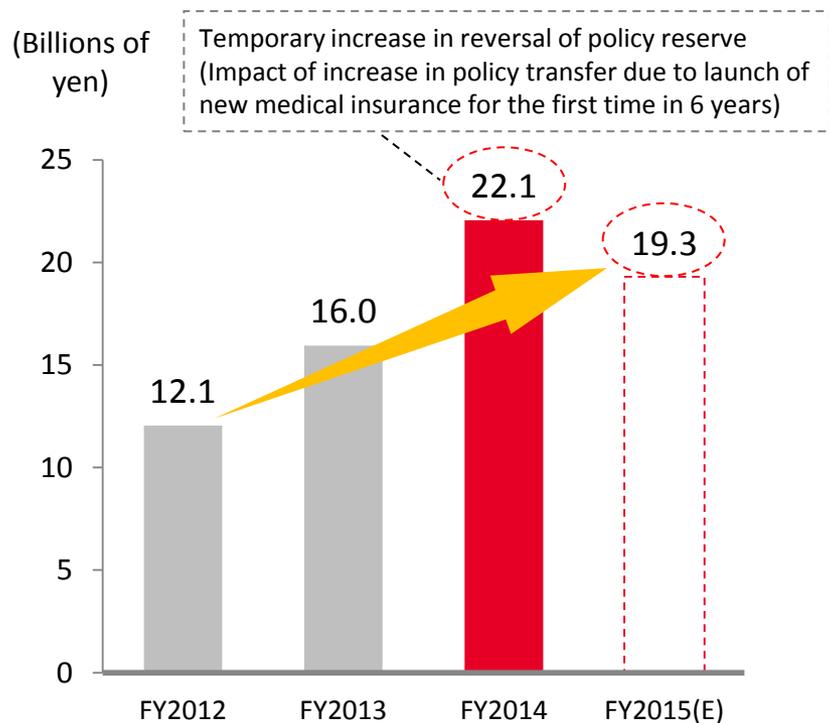
Breakdown

\* Amount of business and annualized premium are the sum of individual insurance and individual annuities.

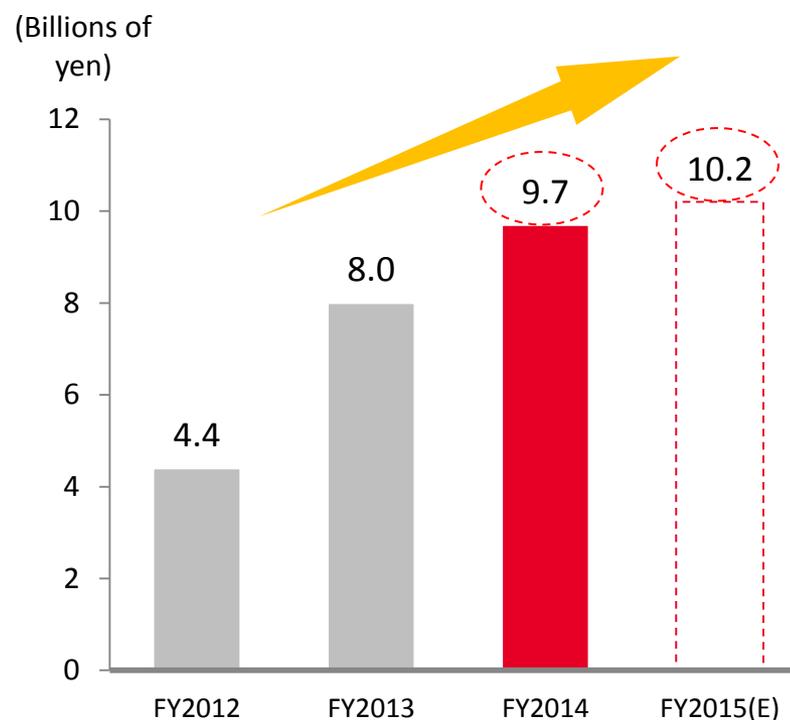
## Basic Profit and Net Income (J-GAAP)

◆ Basic profit was around ¥20 billion. J-GAAP net income is expected to be ¥10.2 billion in FY2015.

### Basic profit\*1



### Net income



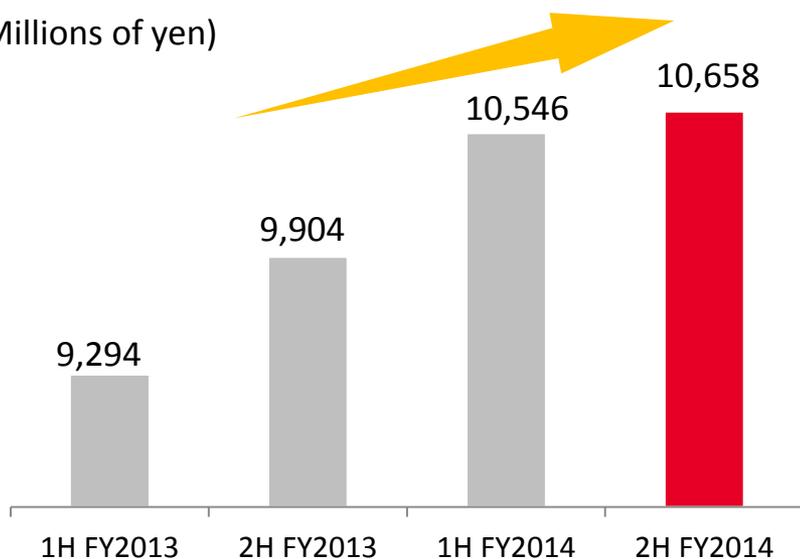
\*1 Akin to a general business corporation's operating profit or a bank's business profit, basic profit is after deduction of capital gain or loss, such as gain or loss on the sale of securities from recurring profit, and one-time gains or losses such as provision for contingency reserve.

## Trend of P&C Insurance Channel and Weight of Protection-type Products

◆ Sales has steadily increased in P&C channels, and weight of protection-type products stays high.

### Trends of sales in P&C insurance channels

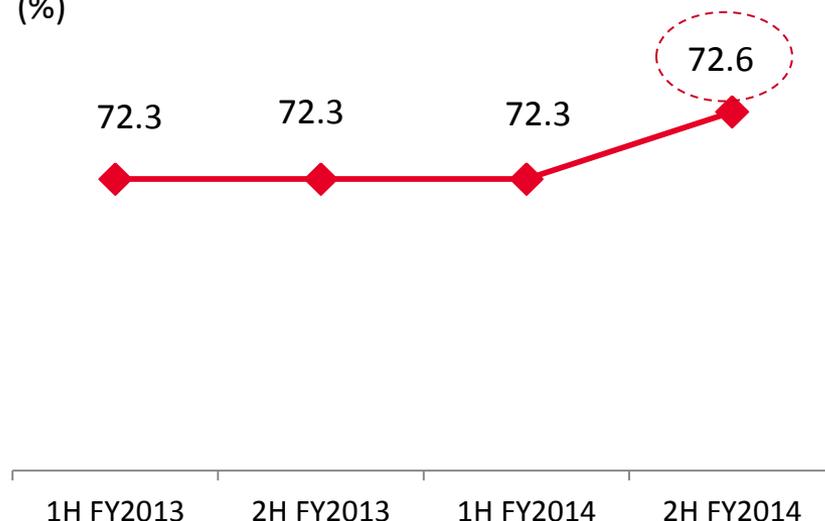
(Millions of yen)



\* Annualized new premium

### Weight of protection-type products

(%)



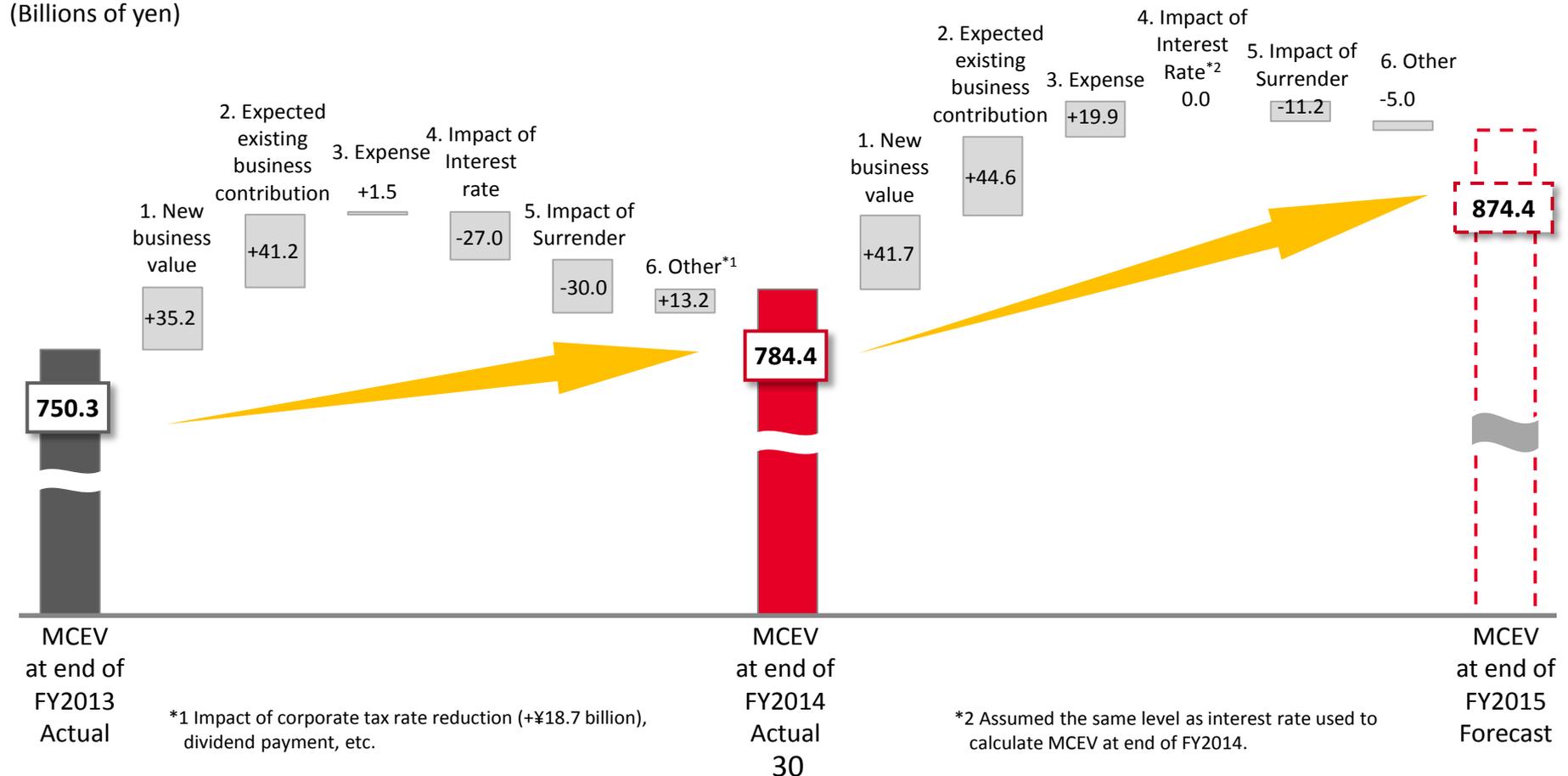
\* Number of policies in force

## Trends of MCEV

- ◆ While medical insurance sold well in FY2014, low interest rate and surrender rate hike associated with launch of new product had negative impact.
- ◆ MCEV is expected to increase by +¥90 billion in FY2015.  
(The difference from initial target of +¥100-110 billion is impact of interest rate, etc.)

### Changing factors of MCEV

(Billions of yen)



1. Trend of business results P.1

2. Domestic P&C insurance P.11

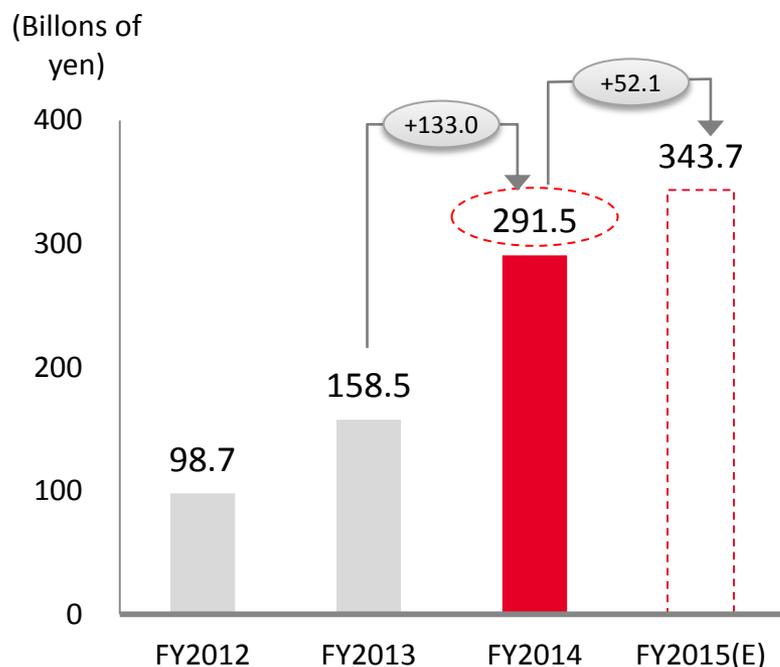
3. Domestic life insurance P.26

4. Overseas insurance P.31

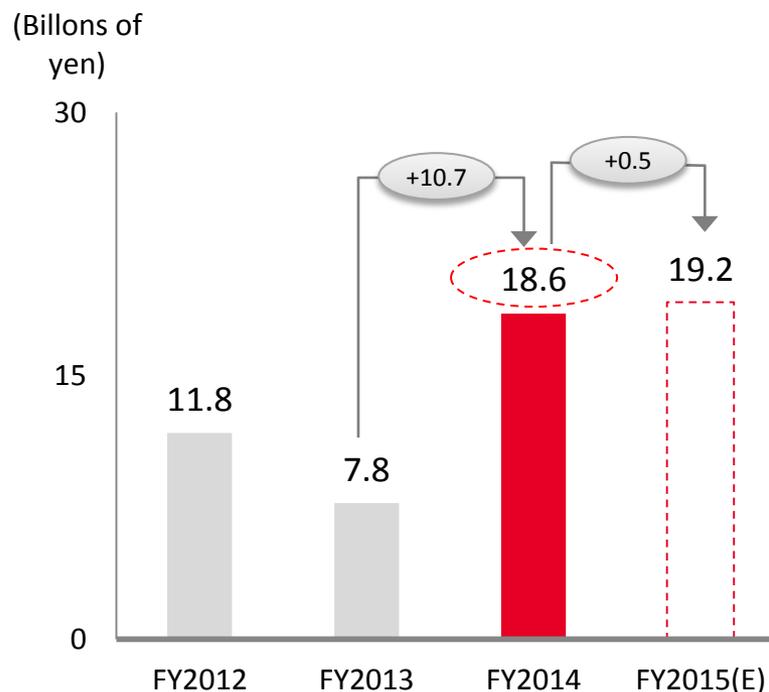
## Overview of Business (Net Premiums Written & Net Income)

- ◆ The top-line keeps on increasing trend. The bottom-line has already achieved the target of management plan (¥14-20 billion) in FY2014.

### Net premiums written



### Net income

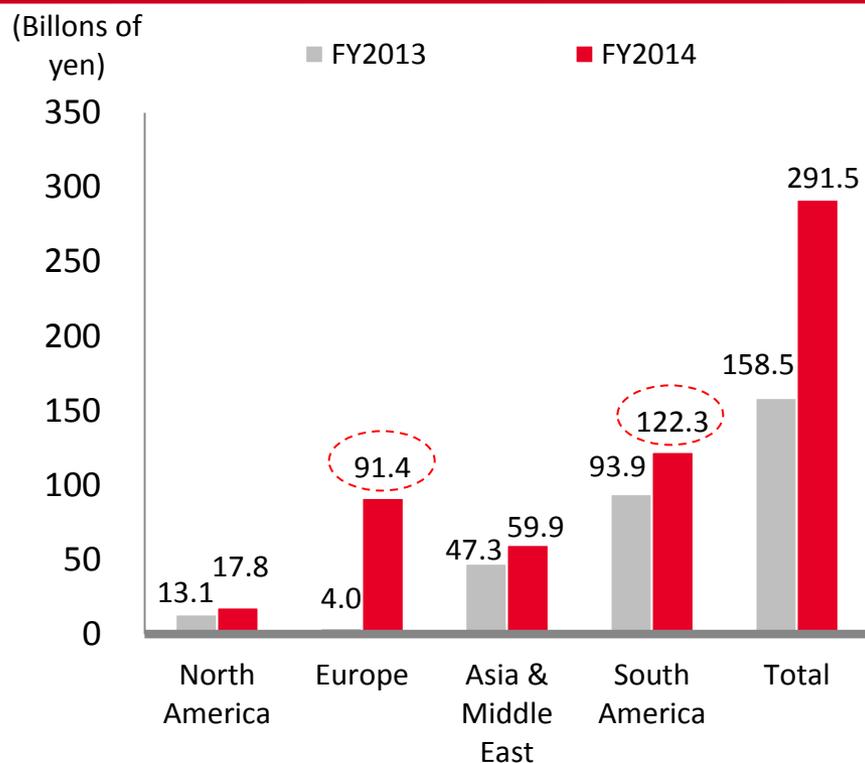


- \* Net premiums written of subsidiaries and affiliates reflect holding shares of each company. This treatment does not coincide with financial statements.  
 \* The net income figure has been adjusted to reflect shareholdings and other factors, and is stated on a different basis from that of the consolidated financial statements.

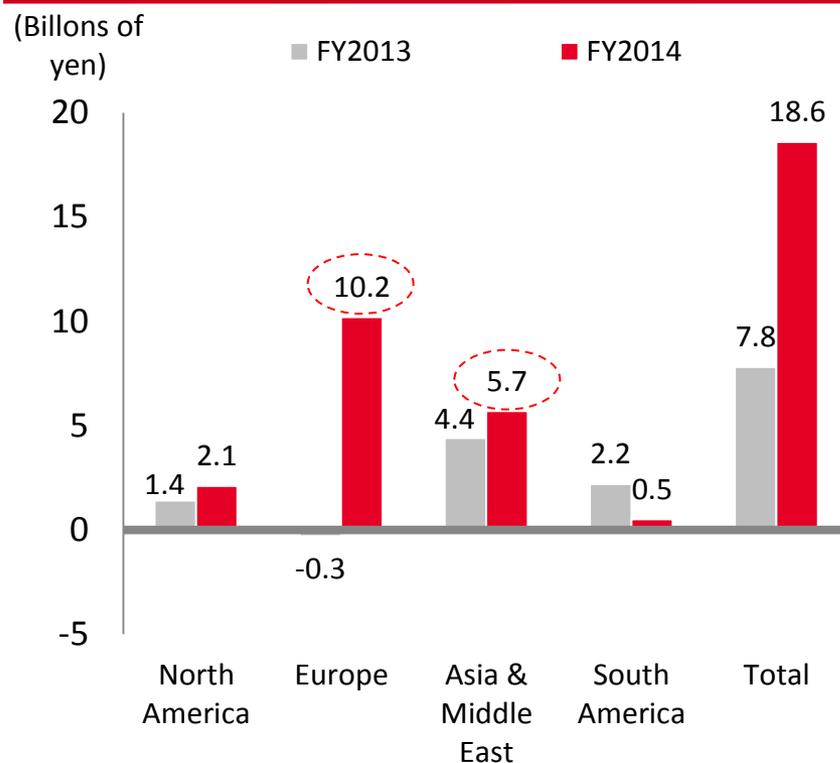
## Overview of Business Results by Region

- ◆ Net premiums written increased mainly in Europe and South America, and Europe and Asia & Middle East contributed to net income.

### Net premiums written (by region)



### Net income (by region)



- \* Net premiums written of subsidiaries and affiliates reflect holding shares of each company. This treatment does not coincide with financial statements.
- \* The net income figure has been adjusted to reflect shareholdings and other factors, and is stated on a different basis from that of the consolidated financial statements.

## Business Results by Company

### Performance of overseas subsidiaries

(Billions of yen)

		Net premiums written			Net income			Key points in FY2014
		FY2014	Change	FY2015 (Forecast)	FY2014	Change	FY2015 (Forecast)	
North America	SJ America	17.8	+4.7	23.9	2.1	+0.7	2.7	In line with the plan.
Europe	SJNK Europe + NK Europe	4.7	+0.6	5.3	0.3	+0.6	0.4	Loss ratio steadily progressed.
	Canopius (UK)	86.6	+86.6	150.5	9.8	+9.8	9.0	Steadily contributed to profit.
Asia & Middle East	SJ Sigorta (Turkey)	22.8	+4.3	22.5	2.2	+0.2	1.8	Main product, automobile insurance, had good performance.
	Tenet Sompo (Singapore)	9.5	+3.5	8.3	0.9	-2.5	0.8	Expense ratio improved. There was an impact of loss reserve for Thai floods (+¥3.6 bn.) in the previous year.
	Berjaya (Malaysia)	11.8	+2.1	12.5	1.8	+0.3	1.3	Both underwriting profit and investment profit steadily progressed.
	SJNK China + NK China	9.1	+1.4	7.6	0.4	+3.4	0.0	Positive impact from expense reduction.
	SJNK H.K. + NK Asia	4.0	+0.3	4.3	0.2	-0.3	0.6	Impact of loss ratio hike.
	Universal Sompo (India)	2.5	+0.6	3.2	0.1	+0.0	0.1	In line with the plan.
South America	Yasuda Maritima (Brazil)	122.3	+28.3	105.2	0.5	-1.7	2.1	Taking measures to deal with decreasing profit due to rising loss ratio.
Total		291.5	+133.0	343.7	18.6	+10.7	19.2	—

\* Net premiums written of subsidiaries and affiliates reflect holding shares of each company. This treatment does not coincide with financial statements.

\* The net income figure has been adjusted to reflect shareholdings and other factors, and is stated on a different basis from that of the consolidated financial statements. (We adjusted Canopius' consolidated profits that had been realized before the completion of the acquisition in May 2014.)

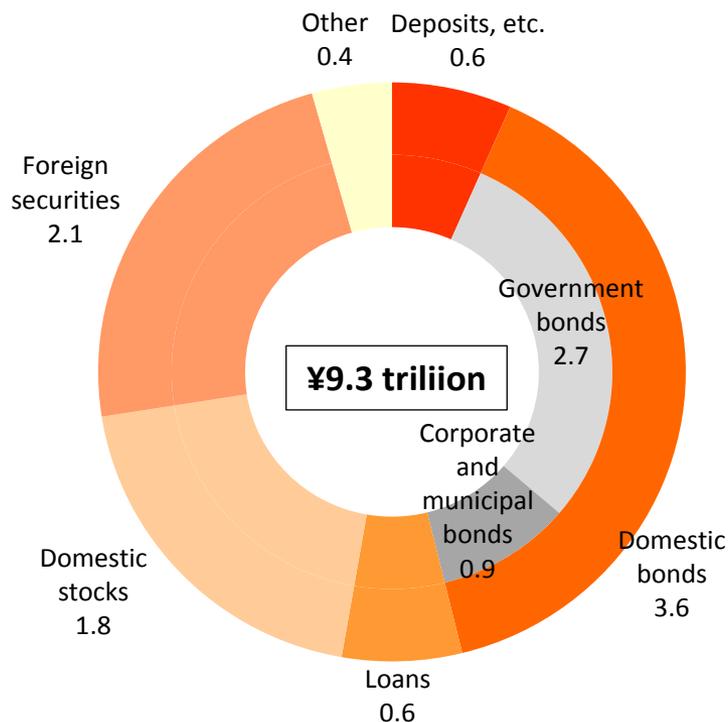
# Appendix

## Asset Portfolio (Group-wide)

- ◆ Aim at stable investment profit through the ALM, considering the character of liability and liquidity.
- ◆ Continue to sell the domestic stocks according to the plan for reduction of strategic-holding stocks.

### Amount of investment assets (Group consolidated base, as of end of March 2015)

#### By asset class



#### By company

	Amount of investment assets (billion of yen)	Composition
Sompo Japan Nipponkoa (consolidated)	6,347.3	68.1%
Himawari Life (consolidated)	2,227.5	23.9%
Overseas group subsidiaries	670.2	7.2%
Saison automobile & fire	38.1	0.4%
Sonpo 24	20.6	0.2%
Other domestic subsidiaries	10.5	0.1%
<b>Total</b>	<b>9,314.5</b>	<b>100%</b>

\* Other includes lands, buildings and stocks of non-consolidated subsidiaries, etc.

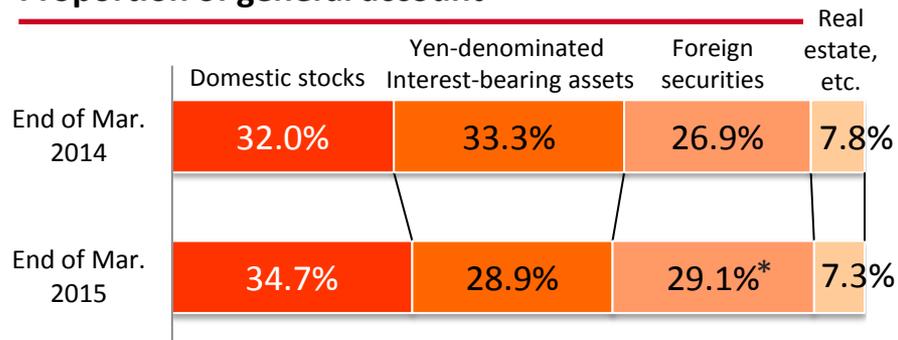
## Asset Portfolio (Sompo Japan Nipponkoa, non-consolidated)

- ◆ The general account is managed with diversified investments while the saving-type account utilizes portfolio management based on ALM.

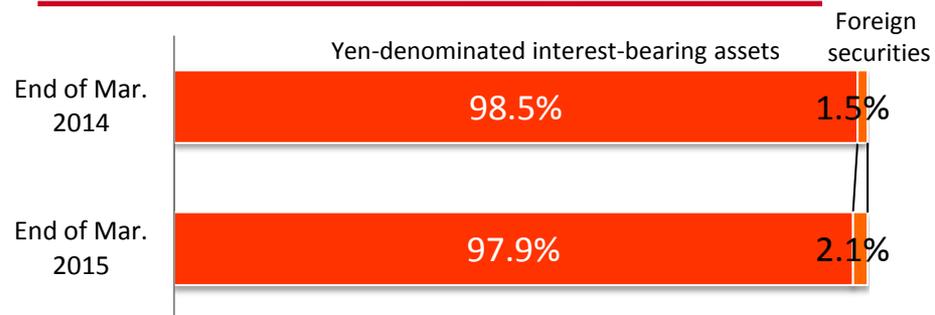
### Amount of investment assets (Sompo Japan Nipponkoa, non-consolidated)



### Proportion of general account



### Proportion of saving-type account



\* Breakdown of foreign securities (foreign currencies) (End of Mar. 2015)

	USD	EUR	Others	Total
Bonds	27%	14%	10%	51%
Funds, etc.	23%	0%	4%	27%
Subsidiaries, affiliates	4%	3%	16%	23%
Total	53%	17%	30%	100%

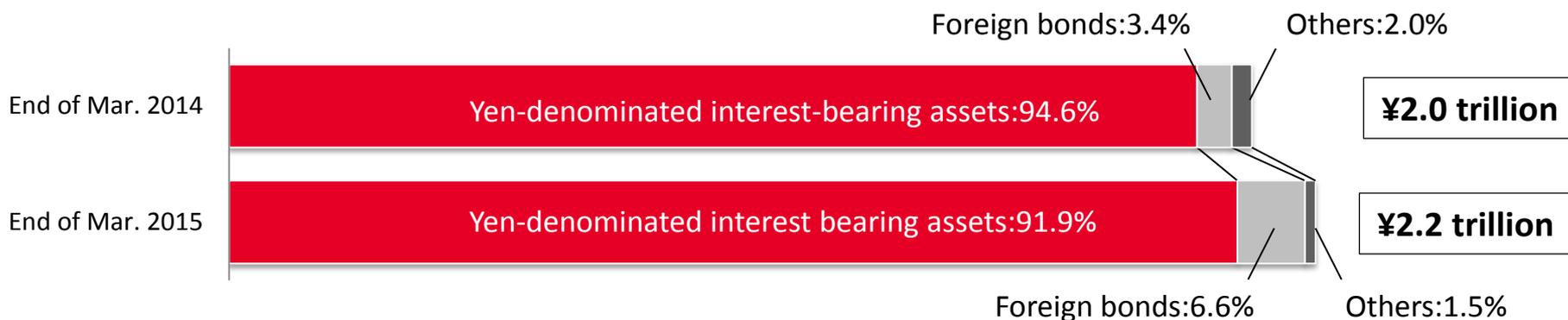
### Asset/Liability Duration (Saving-type)

	End of Mar. 2014	End of Mar. 2015
Asset	4.8y	4.5y
Liability	6.1y	6.2y

## Asset Portfolio (Himawari Life, non-consolidated)

- ◆ Maintained a conservative asset portfolio, which mainly consists of yen-dominated interest-bearing assets.

### Amount of investment assets (Himawari Life, non-consolidated)



### Asset/Liability Duration

	End of Mar. 2014	End of Mar. 2015
Asset	12.9y	13.2y
Liability	16.4y	19.0y

(Note) Duration is adjusted based on the difference of amount balance of asset and liability to control duration gap appropriately.

# Numerical Management Targets

(Billions of yen)		FY2012	FY2013	FY2014	FY2015	
		(Actual)	(Actual)	(Actual)	(Forecast)	(Plan)
Domestic P&C insurance* <sup>1</sup>	Adjusted profit	-8.9	6.5	69.9	116.7	70.0 -80.0
Sompo Japan Nipponkoa* <sup>2</sup>	Net premiums written	1,966.2	2,082.1	2,181.3	2,220.6	2,040.0
	(Exc. CALI)	1,691.7	1,783.9	1,876.0	1,915.8	1,740.0
	Loss ratio	72.0%	65.7%	65.6%	62.5%	65.6%
	(Exc. CALI/Fin. Guarantee)	68.8%	62.7%	63.2%	59.6%	62.8%
	Expense ratio	33.4%	32.2%	31.8%	31.4%	30.6%
	(Exc. CALI)	35.2%	34.2%	33.6%	33.1%	32.6%
	Combined ratio	105.4%	97.9%	97.4%	93.8%	96.2%
	(Exc. CALI/Fin. Guarantee)	104.1%	96.9%	96.8%	92.7%	95.3%
Domestic life insurance	Growth in embedded value (EV)	107.8	85.7	47.4	90.0	100.0 - 110.0
Overseas insurance	Net income	11.8	7.8	18.6	19.2	14.0 - 20.0
Financial & other services	Net income	0.7	1.5	2.3	2.4	2.0 - 3.0
Group total	Adjusted consolidated profit	111.6	101.5	138.3	228.0	180.0 - 210.0
Adjusted consolidated ROE* <sup>3</sup>		5.4%	4.3%	5.2%	7.6%	Over 7%

## Definition of adjusted profit

Domestic P&C insurance\*<sup>1</sup>

Net income  
 + Provisions for catastrophic loss reserve (after tax)  
 + Provisions for reserve for price fluctuation (after tax)  
 - Gains/losses on sales of securities and impairment losses on securities (after tax)  
 - Special factors

Domestic life insurance

Growth in embedded value (EV)  
 - Capital transactions such as equity issuance  
 - Changes in EV attributable to fluctuation of interest rates, etc.

Overseas insurance

Net income

Financial and other services

Net income

\*1 Total of Sompo Japan Nipponkoa, Sonpo 24, and Saison Automobile & Fire (non-consolidated).

\*2 The figures prior to September 1, 2014 are the sum of Sompo Japan and Nipponkoa.

\*3 Adjusted consolidated ROE = Adjusted consolidated profit / [Consolidated net assets (excluding life insurance subsidiary's net assets) + Catastrophic loss reserve (after tax) + Reserve for price fluctuation (after tax) + Life insurance subsidiary's EV]

\*The denominator is the average balance at the end/start of each fiscal year.

## Note Regarding Forward-looking Statements

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

## Contacts



**SOMPO** HOLDINGS

Sompo Japan Nipponkoa Holdings, Inc.

Investor Relations Team, Corporate Planning Department

Telephone : +81-3-3349-3913

Fax : +81-3-3349-6545

E-Mail : [ir@sompo-hd.com](mailto:ir@sompo-hd.com)

URL : <http://www.sompo-hd.com/en/>