

Highlights of 3Q FY2016 Results

February 14, 2017

Sompo Holdings, Inc.



Table of Contents

Highlights of 3Q FY2016 results	2	2-2. Domestic life insurance	
1. Trend of business results		Overview of 3Q FY2016 results – Himawari Life	24
Overview of 3Q FY2016 results – consolidated basis	4	Profit – J-GAAP	25
Main points of consolidated results – (1) underwriting profit	5	Adjusted profit and adjusted net assets – Himawari Life	26
Main points of consolidated results – (2) ordinary profit	6	2-3. Nursing care & healthcare, etc.	
Main points of consolidated results – (3) net income	7	Overview of 3Q FY2016 results – nursing care & healthcare, etc.	27
(Reference) Business forecasts for FY2016 – consolidated basis	8	Main indicators of SOMPO Care	28
(Reference) Breakdown of business forecasts for FY2016	9	2-4. Overseas insurance	
(Reference) Numerical management targets, etc.	10	Overview of 3Q FY2016 results – overseas insurance	29
2. Results of each business		Business results by region	30
2-1. Domestic P&C insurance		(Reference) Business results by company	31
Overview of 3Q FY2016 results – Sompo Japan Nipponkoa	12	3. ERM & asset management	
Net premiums written	13	Financial soundness	33
Loss ratio (W/P)	14	(Reference) Breakdown of adjusted capital and risk	34
Net expense ratio	15	(Reference) Market sensitivity	35
Combined ratio	16	Asset portfolio – group-wide	36
Investment profit	17	Asset portfolio – Sompo Japan Nipponkoa	37
(Reference) Breakdown of investment profit	18	Asset portfolio – Himawari Life	38
(Reference) Business forecasts for FY2016 – Sompo Japan Nipponkoa	19		
(Reference) Assumption of business forecasts for FY2016	20		
(Reference) Related indicators of automobile insurance	21		
(Reference) Domestic natural disasters	22		
(Reference) Fund and reserve	23		

Highlights of 3Q FY2016 Results

- Both consolidated net income and adjusted consolidated profit increased mainly due to improvement of underwriting profit in domestic P&C insurance business (progress rate: approximately 80%).

- Domestic P&C insurance

Earnings improved because of drastic improvement of underwriting profit, mainly due to improvement of E/I loss ratio, and progress on the sale of strategic-holding stocks timed with upturn in stock market.

- Domestic life insurance

Policies in force of protection-type products centered on medical insurance kept expanding, and bottom-line steadily progressed against the full-year business forecast.

- Overseas insurance

Progress outperformed the plan mainly due to appropriate underwriting and limited occurrence of natural disasters.

- Unchanged the business forecast for FY2016 (progress rate of consolidated net income was 78%).

1. Trend of business results

2. Results of each business

2-1. Domestic P&C insurance

2-2. Domestic life insurance

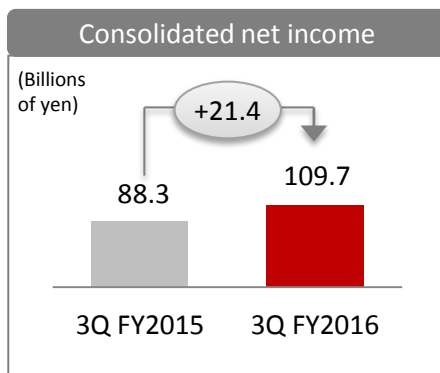
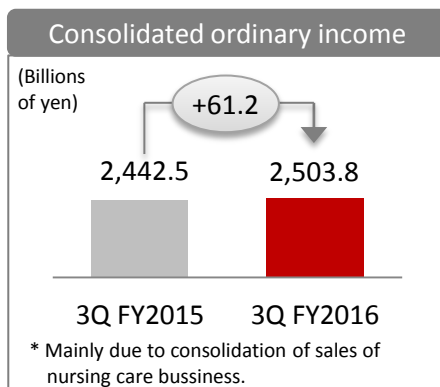
2-3. Nursing care & healthcare, etc.

2-4. Overseas insurance

3. ERM & asset management

Overview of 3Q FY2016 Results – Consolidated Basis

- ◆ Due to earnings growth in domestic P&C insurance business, consolidated ordinary profit increased by ¥43.9 billion to ¥165.5 billion, and consolidated net income increased by ¥21.4 billion to ¥109.7 billion, progressing steadily against the full-year forecast for FY2016.



(Billions of yen)	3Q FY2015	3Q FY2016	Change
Consolidated ordinary income	2,442.5	2,503.8	+61.2 (+2.5%)
Net premiums written (P&C)	1,939.4	1,886.3	-53.1 (-2.7%)
Life insurance premiums	216.0	231.0	+14.9 (+6.9%)
Consolidated ordinary profit	121.5	165.5	+43.9
Sompo Japan Nipponkoa	88.6	150.8	+62.1
Himawari Life	15.2	12.4	-2.7
Overseas insurance subsidiaries	16.0	15.2	-0.7
Consolidated adjustment* ¹ /Others	1.6	-13.0	-14.7
Consolidated net income* ²	88.3	109.7	+21.4
Sompo Japan Nipponkoa	61.1	102.6	+41.5
Himawari Life	10.1	8.1	-2.0
Overseas insurance subsidiaries	12.8	12.9	+0.0
Consolidated adjustment* ¹ /Others	4.1	-13.9	-18.1
(Reference) Adjusted profit (by business)	109.1	132.9	+23.8
Domestic P&C insurance	71.3	97.8	+26.4
Domestic life insurance	23.5	22.2	-1.2
Nursing care & healthcare, etc.	1.3	-0.9	-2.3
Overseas insurance	12.8	13.8	+0.9

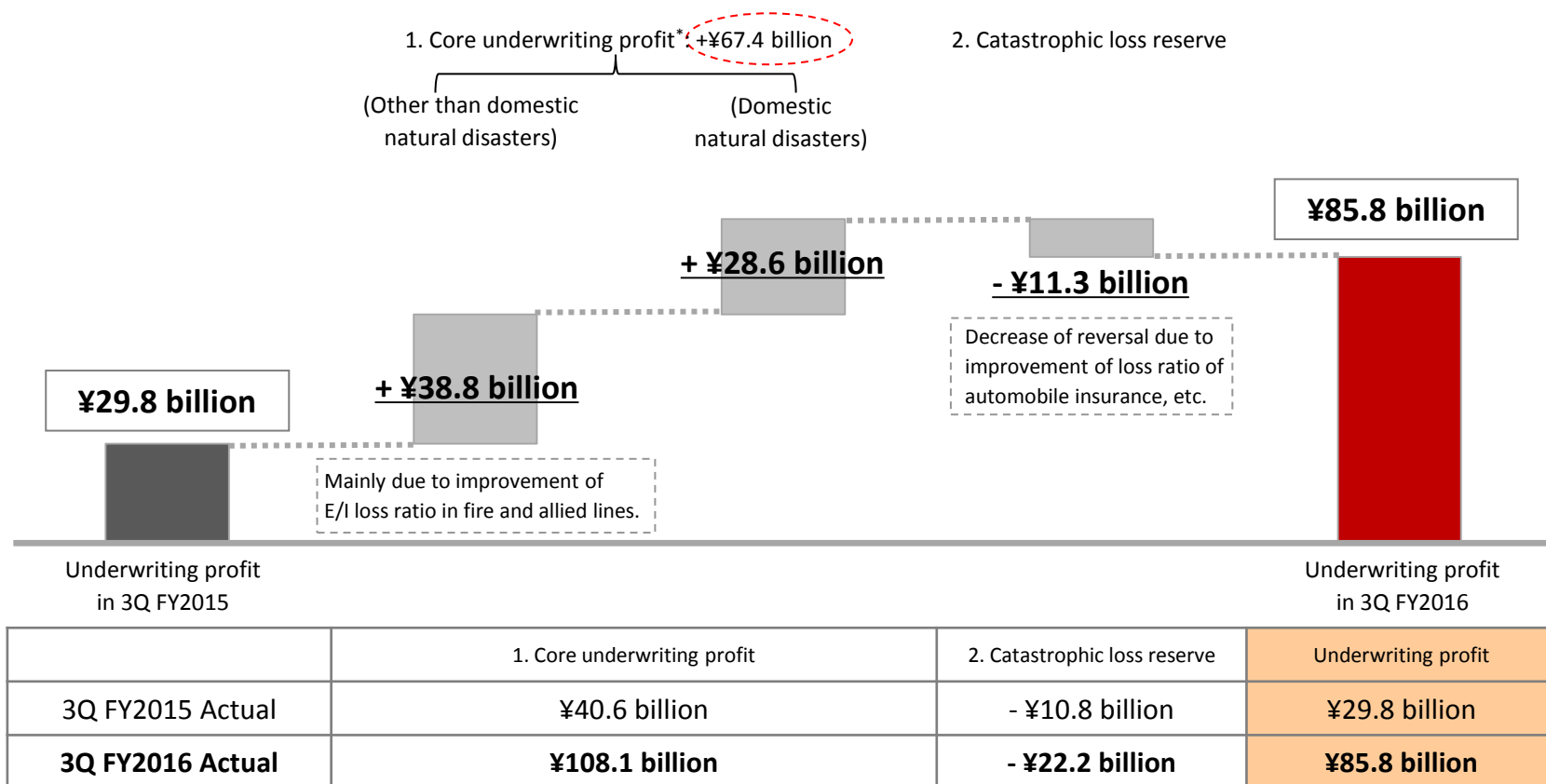
*1 "Purchase method" accounting was adopted upon the establishment of Sompo Holdings. In the consolidated accounts of the holdings, assets and liabilities of the former Nipponkoa and some group companies were acquired and carried on the balance sheet at fair value at the time of business integration. (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."

*2 Consolidated net income denotes net income (loss) attributable to shareholders of the parent. (The same shall apply hereafter.)

Main Points of Consolidated Results – (1) Underwriting Profit

- ◆ Underwriting profit increased by ¥56.0 billion to ¥85.8 billion mainly due to improvement of core underwriting profit.

Changing factors of underwriting profit (Sompo Japan Nipponkoa)

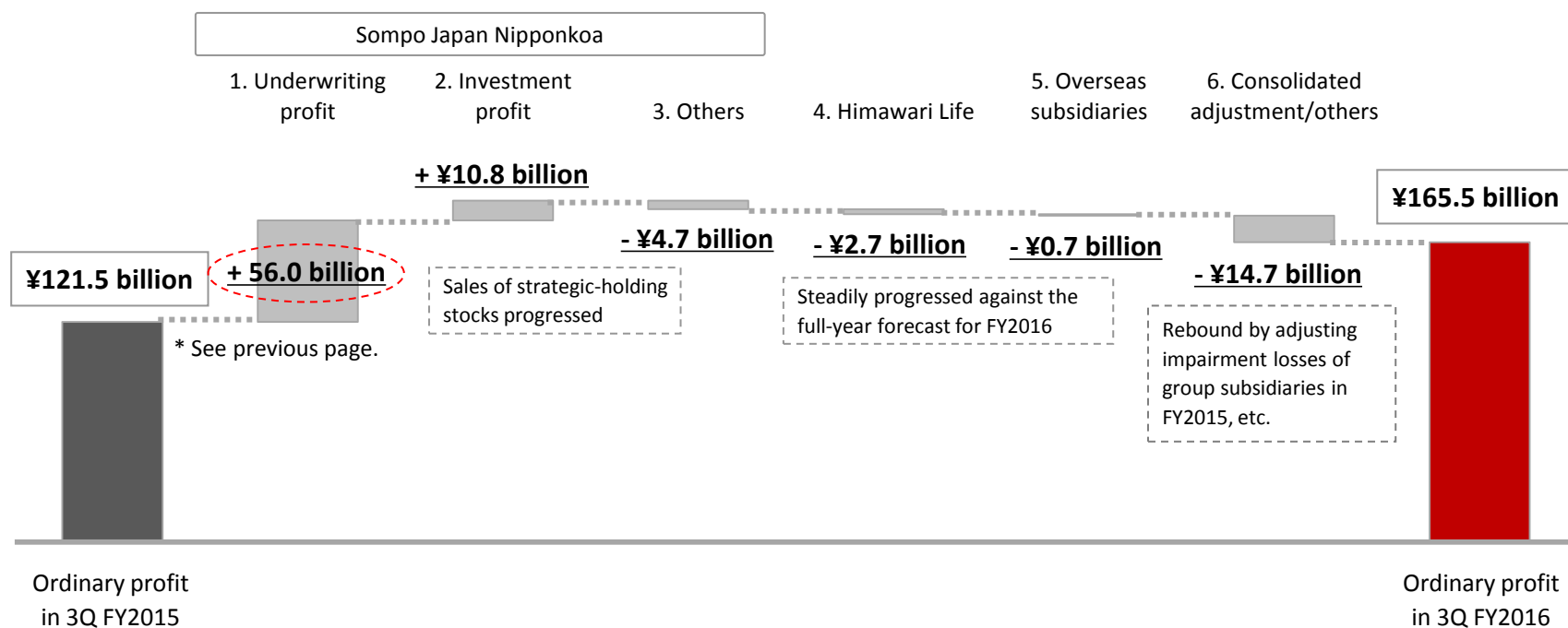


* Core underwriting profit is underwriting profit less the impact related to catastrophic loss reserve.

Main Points of Consolidated Results – (2) Ordinary Profit

- ◆ Consolidated ordinary profit increased by ¥43.9 billion to ¥165.5 billion mainly due to growth of underwriting profit.

Changing factors of consolidated ordinary profit

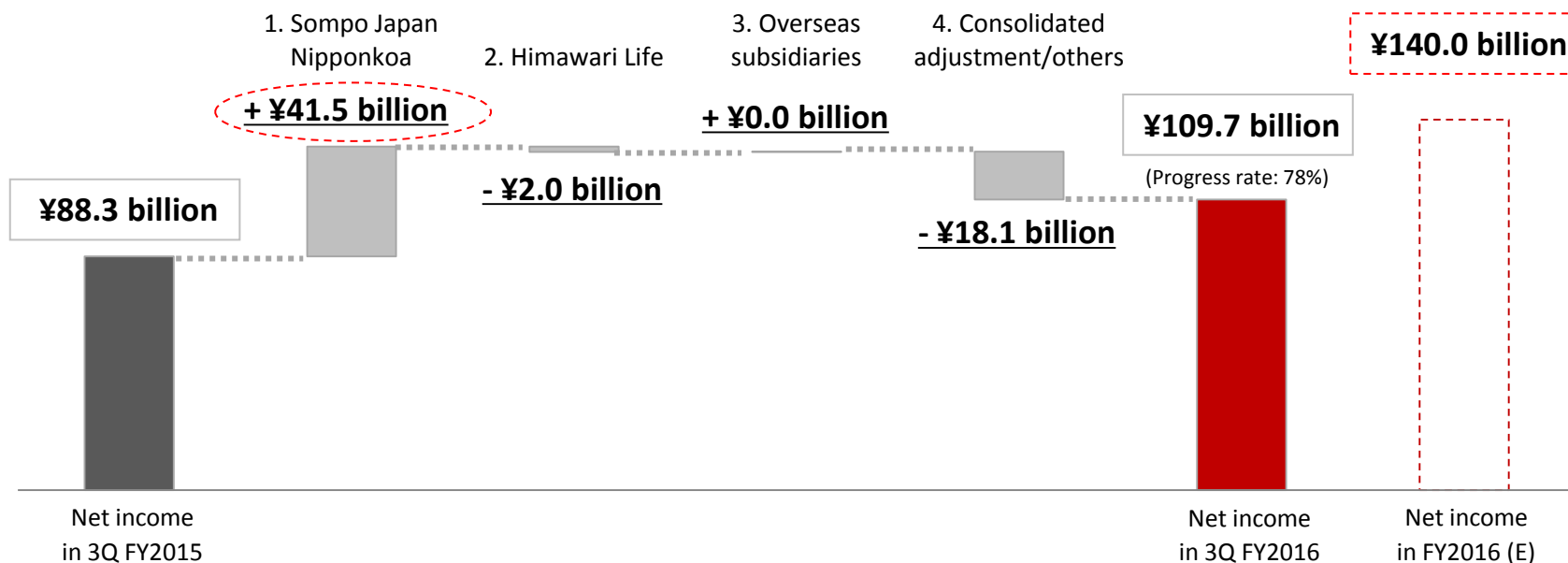


	1. Underwriting profit	2. Investment profit	3. Others	4. Himawari Life	5. Overseas subsidiaries	6. Consolidated adjustment/others	Ordinary profit
3Q FY2015 Actual	¥29.8 billion	¥68.4 billion	- ¥9.5 billion	¥15.2 billion	¥16.0 billion	¥1.6 billion	¥121.5 billion
3Q FY2016 Actual	¥85.8 billion	¥79.2 billion	- ¥14.3 billion	¥12.4 billion	¥15.2 billion	- ¥13.0 billion	¥165.5 billion

Main Points of Consolidated Results – (3) Net Income

- ◆ Consolidated net income increased by ¥21.4 billion to ¥109.7 billion, and steadily progressed against the full-year forecast for FY2016.

Changing factors of consolidated net income



	1. Sampo Japan Nipponkoa	2. Himawari Life	3. Overseas subsidiaries	4. Consolidated adjustment/others	Net income
3Q FY2015 Actual	¥61.1 billion	¥10.1 billion	¥12.8 billion	¥4.1 billion	¥88.3 billion
3Q FY2016 Actual	¥102.6 billion	¥8.1 billion	¥12.9 billion	- ¥13.9 billion	¥109.7 billion

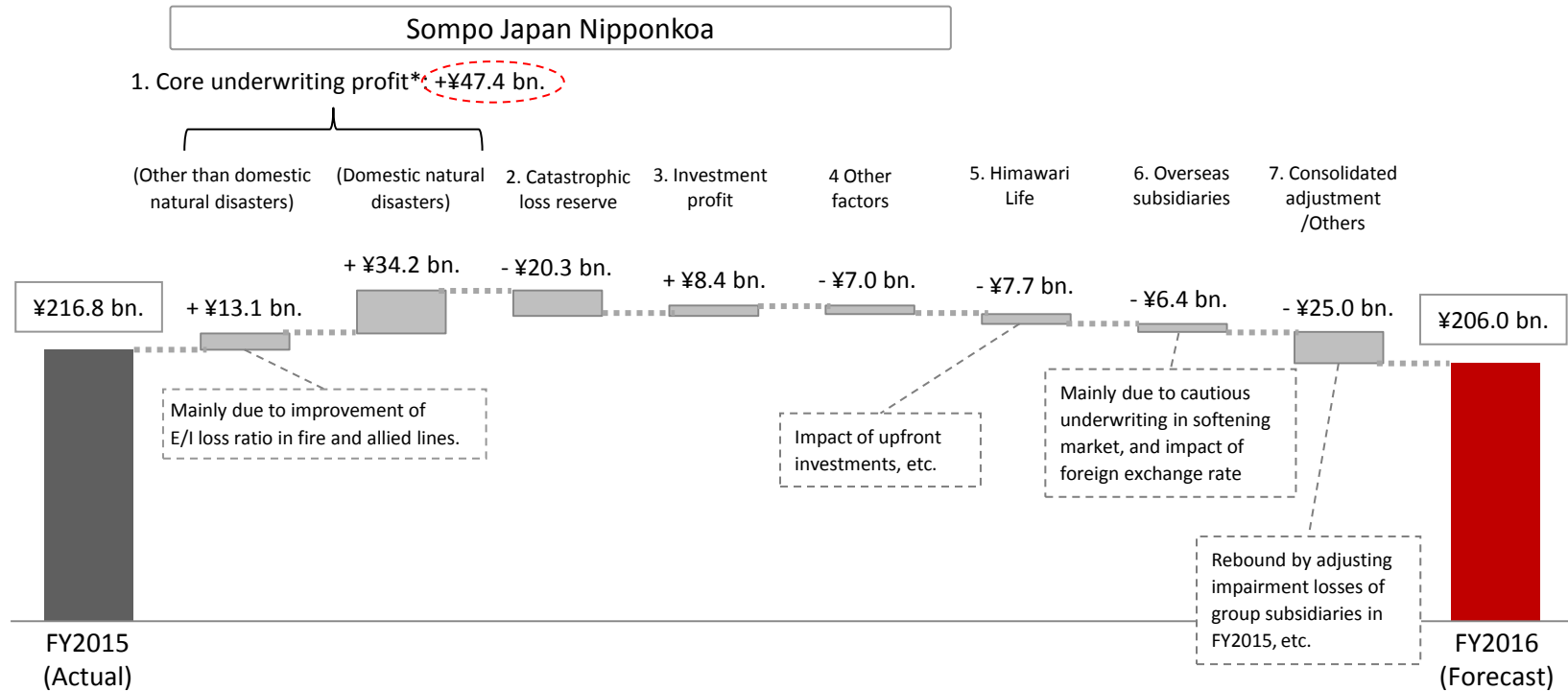
(Reference) Business Forecasts for FY2016 – Consolidated Basis

(Billions of yen)	FY2015 (Actual)	FY2016 (Forecast)	Change
Net premiums written (P&C)	2,552.1	2,505.5	-46.6
Life insurance premiums	297.6	309.5	+11.8
Consolidated ordinary profit	216.8	206.0	-10.8
Sompo Japan Nipponkoa	178.0	206.5	+28.4
Himawari Life	18.2	10.5	-7.7
Overseas subsidiaries	23.7	17.2	-6.4
Consolidated adjustment*/others	-3.2	-28.3	-25.0
Consolidated net income	159.5	140.0	-19.5
Sompo Japan Nipponkoa	126.2	147.0	+20.7
Himawari Life	11.6	6.5	-5.1
Overseas subsidiaries	20.5	13.5	-6.9
Consolidated adjustment*/others	1.1	-27.0	-28.1

* “Purchase method” accounting was adopted upon the establishment of Sompo 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.”

(Reference) Breakdown of Business Forecasts for FY2016

Main components of consolidated ordinary profit



	1. Core underwriting profit	2. Catastrophic loss reserve	3. Investment profit	4. Other factors	5. Himawari Life	6. Overseas subsidiaries	7. Consolidated adjustment /Others	Ordinary profit
FY2015 Actual	¥75.7 bn.	¥2.5 bn.	¥108.5 bn.	- ¥8.7 bn.	¥18.2 bn.	¥23.7 bn.	- ¥3.2 bn.	¥216.8 bn.
FY2016 Forecast	¥123.1 bn.	- ¥17.8 bn.	¥116.9 bn.	- ¥15.7 bn.	¥10.5 bn.	¥17.2 bn.	- ¥28.3 bn.	¥206.0 bn.

* Core underwriting profit is underwriting profit less the impact related to catastrophic loss reserve.

(Reference) Numerical Management Targets, etc.

Numerical management targets (adjusted profit)

(Billions of yen)	FY2015	FY2016		FY2018
	(Actual)	(3Q actual)	(FY forecast)	(Plan)
Domestic P&C insurance* ¹	111.9	97.8	Over 114.0	Over 120.0
Domestic life insurance	30.4	22.2	Over 23.0	Over 32.0
Nursing care & healthcare, etc.	1.5	-0.9	Over -2.0	Over 8.0
Overseas insurance	20.4	13.8	Over 15.0	Over 60.0
Total (Adjusted consolidated profit)	164.3	132.9	150.0 – 160.0	220.0 – 230.0
Adjusted consolidated ROE*²	6.9%	-	6.6%	Over 8%
(Reference) ROE (J-GAAP)	9.2%	-	8.7%	Around 10% level

Definition of adjusted profit

Domestic P&C insurance

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 (e.g. dividend from subsidiaries)

Domestic life insurance

Net income
 + Provision of contingency reserve (after tax)
 + Provision of reserve for price fluctuation (after tax)
 + Adjustment of underwriting reserve (after tax)
 + Deferral of acquisition cost (after tax)
 – Depreciation of acquisition cost (after tax)

Nursing care & healthcare, etc.

Net income

Overseas insurance

Net income
 (including major non-consolidated subsidiaries)

*1 Total of Sompo Japan Nipponkoa, Saison Automobile & Fire, Sonpo 24, Sompo Japan Nipponkoa Insurance Services, and DC Securities

*2 Adjusted consolidated ROE = Adjusted consolidated profit / Adjusted consolidated net assets (The denominator is the average balance at the end/start of each fiscal year.)
 Adjusted consolidated net assets = Consolidated net assets (excluding life insurance subsidiary's net assets) + Catastrophic loss reserve in domestic P&C insurance (after tax)
 + Reserve for price fluctuation in domestic P&C insurance (after tax) + Domestic life insurance adjusted net assets
 Domestic life insurance adjusted net assets = Net assets (J-GAAP, after tax) + Contingency reserve (after tax) + Reserve for price fluctuation (after tax)
 + Adjustment of underwriting reserve (after tax) + Non-depreciated acquisition cost (after tax)

1. Trend of business results

2. Results of each business

2-1. Domestic P&C insurance

2-2. Domestic life insurance

2-3. Nursing care & healthcare, etc.

2-4. Overseas insurance

3. ERM & asset management

Overview of 3Q FY2016 Results – Sompo Japan Nipponkoa

- ◆ Underwriting profit drastically increased due to improvement of E/I loss ratio, etc.
Net income was ¥102.6 billion (+¥41.5 billion).

(Billions of yen)	3Q FY2015	3Q FY2016	Change	
Net premiums written	1,685.9	1,618.8	-67.1 (-4.0%)	Mainly due to rebound of front-loaded demand in fire and allied lines according to product revision in FY2015
(excl. CALI, household earthquake)	1,451.6	1,398.8	-52.8 (-3.6%)	
Loss ratio	62.9%	63.2%	+0.2pt	Improved mainly in fire and allied lines
(excl. CALI, household earthquake)	60.2%	59.3%	-0.9pt	
E/I loss ratio (excl. CALI, household earthquake)	62.8%	59.1%	-3.7pt	
Net expense ratio	31.6%	31.9%	+0.3pt	
(excl. CALI, household earthquake)	33.4%	33.7%	+0.3pt	
Combined ratio	94.5%	95.1%	+0.6pt	
(excl. CALI, household earthquake)	93.5%	92.9%	-0.6pt	
Underwriting profit	29.8	85.8	+56.0	Sales of strategic-holdings stocks progressed
Investment profit	68.4	79.2	+10.8	
Ordinary profit	88.6	150.8	+62.1	
Net income	61.1	102.6	+41.5	
+ Provisions for catastrophic loss reserve (after tax)	7.7	15.9	+8.2	
+ Provisions for reserve for price fluctuation (after tax)	4.4	4.3	-0.0	
- Gains/losses on sales of securities and impairment losses on securities (after tax)	4.7	28.6	+23.8	
- Special factors (after tax)*	-4.5	-5.7	-1.2	
Adjusted profit	73.1	100.1	+27.0	

(Reference)
Adjusted
profit

* Special factors are gains /losses related to stock future, etc.

Net Premiums Written

- ◆ While there was the impact of product revision of fire insurance in the previous year, net premiums written of voluntary automobile and other lines increased.

Net premiums written by product line

(Billions of yen)	3Q FY2015	3Q FY2016	Change		FY2016 (Forecast)
Fire and Allied Lines	257.9	204.5	-53.4	(-20.7%)	281.5
Marine	39.2	32.7	-6.5	(-16.7%)	45.5
Personal Accident	141.9	139.5	-2.4	(-1.7%)	182.3
Voluntary Automobile	799.1	805.7	+6.5	(+0.8%)	1,072.5
CALI	233.5	219.2	-14.2	(-6.1%)	301.2
Other	214.0	217.0	+2.9	(+1.4%)	281.3
of which, Liability	122.7	120.6	-2.0	(-1.7%)	154.8
Total	1,685.9	1,618.8	-67.1	(-4.0%)	2,164.5
Total (excl. CALI, household earthquake)	1,451.6	1,398.8	-52.8	(-3.6%)	1,862.3

(Reference) Year-on-Year comparison of voluntary automobile insurance (April 2016 - December 2016)

	Sompo Japan Nipponkoa		
	# of vehicles	Unit premium	Total Premium
Non-Fleet	-0.4%	+0.7%	+0.3%
Fleet	+0.3%	+0.4%	+0.7%
Total	-0.3%	+0.7%	+0.4%

*Performance evaluation basis

(Main changing factors)

Fire and Allied Lines: Impact of rebound of front-loaded demand ahead of product revision in October 2015, etc.
(Abolition of long-term policies of over 10 years, and revision of premium rate)

Marine: Mainly due to strong yen over the term and decrease in trade volume, etc.

Voluntary Automobile: Increased due to the impact of product and rate revisions and initiatives to raise unit premium.

Other: Strong sales of packaged products to small and medium-sized enterprises.

Loss Ratio (W/P)

- ◆ Net claims paid decreased in all lines, and W/P loss ratio (excluding CALI, household earthquake) improved.
- ◆ Due to limited occurrence of domestic natural disasters, E/I loss ratio drastically improved (-3.7 points), mainly in fire and allied lines.

Loss ratio by product line

(Billions of yen)	3Q FY2016						
	Net claims paid	Change	Loss ratio	Change			
Fire and Allied lines	147.6	-25.7	74.0%	+5.5pt			
Marine	19.6	-2.8	63.4%	+2.8pt	(Reference) E/I Loss ratio		
Personal Accident	70.8	-4.7	55.1%	-2.4pt			3Q FY2016
Voluntary Automobile	415.7	-4.5	59.2%	-0.8pt			E/I loss ratio
CALI	171.1	-1.1	84.9%	+4.7pt	Fire and Allied lines (excl. household earthquake)	58.0%	-17.3pt
Other	102.3	-1.5	50.6%	-1.4pt	Marine	54.9%	-17.0pt
of which, Liability	54.9	-1.7	49.3%	-0.7pt	Personal Accident	58.0%	-2.4pt
Total	927.3	-40.6	63.2%	+0.2pt	Voluntary Automobile	60.3%	+0.3pt
Total (excl. CALI, household earthquake)	748.8	-46.9	59.3%	-0.9pt	Other	57.5%	-1.8pt
Total (excl. CALI, household earthquake, domestic natural disasters)	697.8	-16.2	55.6%	+1.0pt	Total (excl. CALI, household earthquake)	59.1%	-3.7pt

Net Expense Ratio

◆ Controlled net expense in line with the plan mainly in company expense.

Net expense ratio

(Billions of yen)	3Q FY2016			
	Amount	Change	Net expense ratio	Change
Net commissions and brokerage fees	289.0	-14.7	17.9%	-0.2pt
Operating, general and administrative expenses*	227.9	-1.0	14.1%	+0.5pt
Total	517.0	-15.8	31.9%	+0.3pt
Total (excl. CALI, household earthquake)	471.2	-12.9	33.7%	+0.3pt
Total (excl. CALI, household earthquake, upfront investment)	466.6	-17.5	33.4%	+0.0pt

Company expense ratio

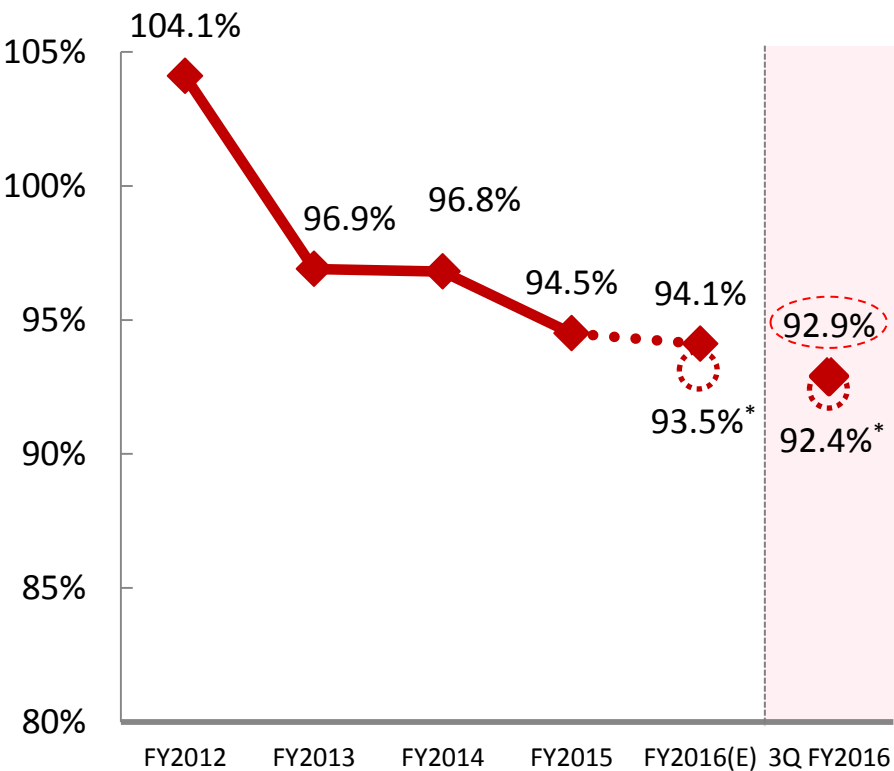
(Billions of yen)	3Q FY2016			
	Amount	Change	Company expense ratio	Change
Personnel expenses	107.6	-1.6	6.6%	+0.2pt
Non-Personnel expenses	109.9	+0.6	6.8%	+0.3pt
Tax and contributions	10.3	-0.0	0.6%	+0.0pt
Total	227.9	-1.0	14.1%	+0.5pt
Total (excl. upfront investment)	223.3	-5.6	13.8%	+0.2pt

* Only for underwriting (company expense), of which upfront investment is ¥4.5 billion.

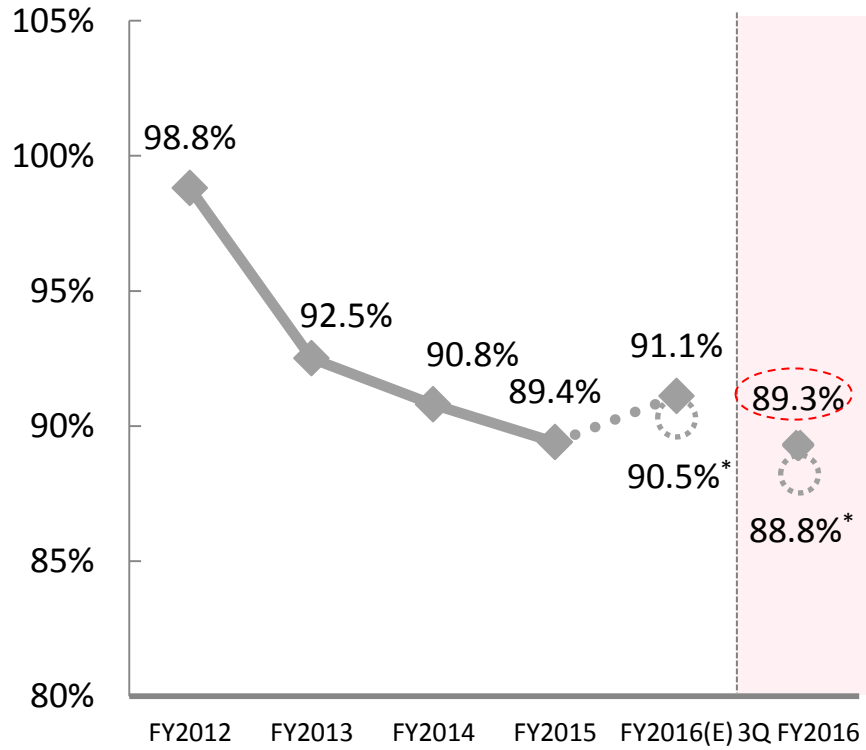
Combined Ratio

◆ Combined ratio progressed favorably due to improvement of loss ratio (excluding CALI, household earthquake), appropriate control of expense, etc.

Combined ratio (excl. CALI, household earthquake)



(Reference) excl. CALI, household earthquake, domestic natural disasters



* Excluding upfront investments.

Investment Profit

◆ Investment profit was steady against the full-year forecast for FY2016. We also steadily reduced strategic-holding stocks.

Investment profit (Sompo Japan Nipponkoa, non-consolidated)

(Billions of yen)		3Q FY2015	3Q FY2016	Change	FY2016 (Forecast)
Net interest and dividend income	1	51.2	48.7	-2.5	63.1
Interest and dividend income* ¹		84.6	82.2	-2.4	105.3
Gains on sales of securities* ¹	2	26.8	40.5	+13.6	67.9
of which, ones of domestic stocks		19.3	36.5	+17.2	61.9
Impairment losses on securities* ¹	3	-20.2	-0.7	+19.5	-2.1
of which, ones of domestic stocks		-17.7	-0.5	+17.1	-2.0
Gains on derivatives	4	-0.8	-16.0	-15.1	-2.3
Other investment income	5	11.3	6.7	-4.6	-9.7
Investment profit	1+2+3+4+5	68.4	79.2	+10.8	116.9

Progress against the full-year forecast: 78%

(Reference)
Reduction of strategic-holding stocks

Actual* ²	¥56.1 billion
Stock future* ³	¥33.1 billion
Total	¥89.3 billion

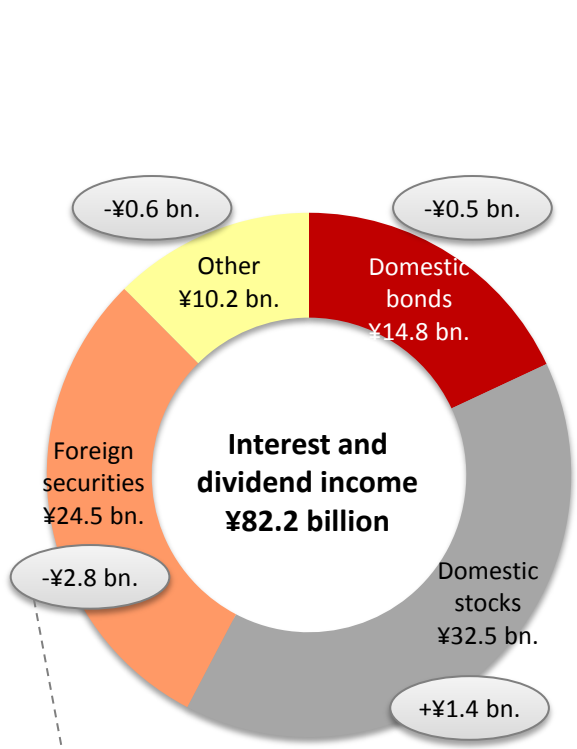
*² Net reduction on fair value basis.
(market value of sales minus market value of purchase)
*³ Short position of Nikkei 225 Futures.

*¹ See next page for breakdown

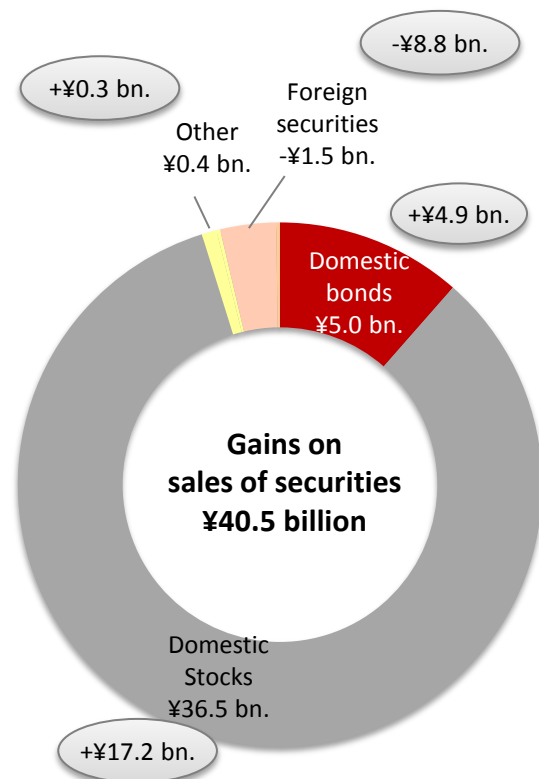
Mainly gains and losses on stock future
(offset by gains on sales of securities),
and on forward exchange contract

(Reference) Breakdown of Investment Profit

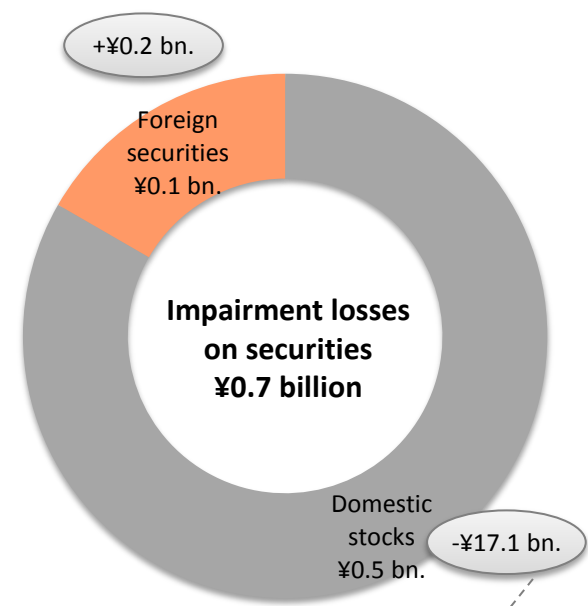
Breakdown of interest and dividend income, gains on sales of securities, and impairment losses on securities (3Q FY2016)



Mainly due to decrease in dividend income of foreign stocks



Progress of sales of actual stocks



Absence of impairment losses of group subsidiaries in FY2015

: Changes from 3Q FY2015

(Reference) Business Forecasts for FY2016 – Sompo Japan Nipponkoa

(Billions of yen)	FY2015 (Actual)	FY2016 (Forecast)	Change
Net premiums written	2,218.4	2,164.5	-53.8 (-2.4%)
(excl. CALI, household earthquake)	1,910.8	1,862.3	-48.5 (-2.5%)
Loss ratio	63.7%	63.1%	-0.6pt
(excl. CALI, household earthquake)	61.1%	60.0%	-1.1pt
E/I loss ratio (excl. CALI, household earthquake)	61.6%	58.6%	-3.1pt
Net expense ratio	31.6%	32.3%	+0.7pt
(excl. CALI, household earthquake)	33.4%	34.1%	+0.7pt
Combined ratio	95.3%	95.4%	+0.1pt
(excl. CALI, household earthquake)	94.5%	94.1%	-0.4pt
Underwriting profit	78.2	105.3	+27.0 (+34.5%)
Investment profit	108.5	116.9	+8.4 (+7.8%)
Ordinary profit	178.0	206.5	+28.4 (+16.0%)
Net income	126.2	147.0	+20.7 (+16.4%)
+Provisions for catastrophic loss reserve (after tax)	-1.7	12.8	+14.6
+Provisions for reserve for price fluctuation (after tax)	5.7	7.1	+1.4
-Gains/losses on sales of securities and impairment losses on securities (after tax)	22.6	47.2	+24.6
-Special factors (after tax)*	-8.5	-	+8.5
Adjusted profit	116.1	119.7	+3.5 (+3.1%)

(Reference)
Adjusted
profit

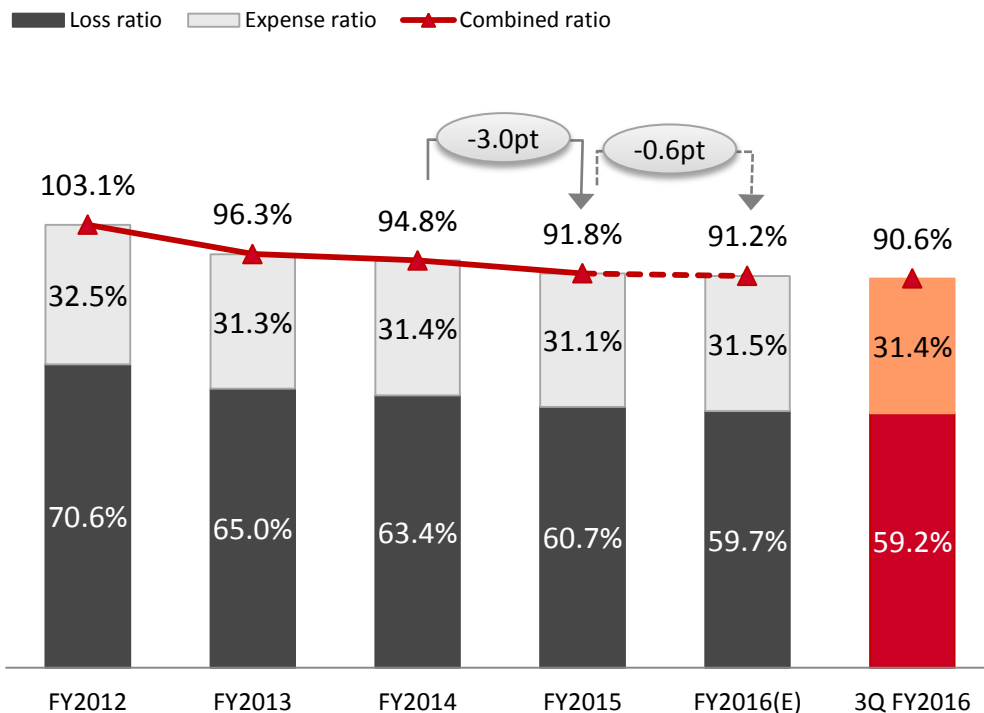
* Special factors are impact of corporate income tax reduction, etc.

(Reference) Assumption of Business Forecasts for FY2016

Losses from domestic natural disasters (occurring in the fiscal year)	¥43.0 billion * Other than above, ¥7.0 billion for Kumamoto earthquake, etc.
Catastrophic loss reserve	Net provision : ¥17.8 billion
Provision rate of catastrophic loss reserve	Provision rate of fire group : fire 14.0% other 5.0% Provision rate of automobile group : 3.2%
Market indicators	(Stock) Nikkei 225 : ¥16,449 (Interest yield) 10y JGB : - 0.09% (Foreign exchange) 1US\$: ¥101.12, 1Euro : ¥113.36 * Assumptions for market indicators are based on ones as of end of September 2016.
Interest and dividend income	Gross : ¥105.3 billion Net : ¥63.1 billion
Realized gains on securities	Realized gains on security sales : ¥67.9 billion Impairment losses on securities : ¥2.1 billion
Reserve for price fluctuation	Net provision : ¥10.0 billion

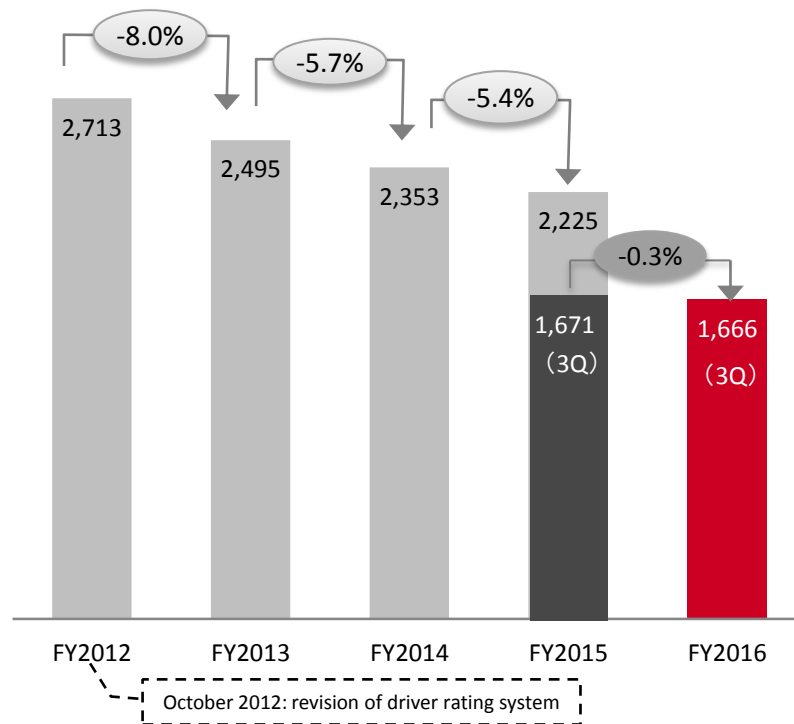
(Reference) Related Indicators of Automobile Insurance

Combined ratio



The number of reported claims

(Thousands)



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

* Exclude certain natural disasters, whose incurred loss exceeds certain threshold.

(Reference) Domestic Natural Disasters

Net claims paid for natural disasters that occurred in the fiscal year (excluding CALI, household earthquake)

(Billions of yen)	3Q FY2015	3Q FY2016	Change
Fire and Allied lines	56.6	29.6	-26.9
Marine	-	0.0	+0.0
Personal Accident	0.0	0.0	-0.0
Voluntary Automobile	5.0	3.0	-2.0
Other	1.1	1.5	+0.3
Total	62.8	34.2	-28.6

Net claims paid for major natural disasters

- Kumamoto earthquake (April 2016): ¥4.9 billion
- Typhoon No.9 (August 2016): ¥6.9 billion
- Typhoon No. 10 (August 2016): ¥4.3 billion
- Typhoon No. 16 (September 2016): ¥8.1 billion

* Since outstanding loss reserve is worked out by compendium method in 3Q results, incurred losses related to natural disasters were not aggregated.

(Reference) Fund and Reserve

Underwriting reserves and reserve for outstanding losses and claims (at the end of 3Q FY2016)

(Billions of yen)	Ordinary underwriting reserve* ¹		Catastrophic loss reserve		Reserve for outstanding losses and claims* ²	
	Amount	Change	Amount	Change	Amount	Change
Fire and allied lines* ³	745.1	-32.2	174.9	-2.6	112.9	-11.0
Marine	15.3	-3.9	48.3	+1.3	27.8	-2.2
Personal accident	126.0	+4.0	72.9	+2.3	70.2	+1.6
Voluntary automobile	306.9	-0.9	75.0	+11.6	414.2	+8.8
CALI* ³	416.0	+0.5	-	-	85.2	-3.8
Other	317.7	+9.3	199.1	+9.4	204.0	+8.2
Total	1,927.3	-23.2	570.5	+22.2	914.6	+1.7
Total (excluding CALI and household earthquake)	1,502.5	-17.1	570.5	+22.2	829.4	+5.5
	Amount	Change				
Reserve for saving-type products* ⁴	1,473.0	-41.2				

*1 Include reserves for maturity refund of non-saving-type insurance.

*2 Applied compendium method in 3Q.

*3 Underwriting reserves of earthquake insurance and CALI are included in ordinary underwriting reserves.

*4 Deposit of premiums by policyholders and its investment profit cumulated as total of reserves for maturity refund and reserves for policyholders' dividends.

Overview of 3Q FY2016 Results – Himawari Life

- ◆ Policies in force of protection-type products kept growing. Net income was ¥8.1 billion and steadily progressed against the full-year forecast of ¥6.5 billion.

Main indicators

(Billions of yen)	3Q FY2015	3Q FY2016	Change		FY2016 (Forecast)
Annualized new premium	29.9	32.9	+3.0	(+10.0%)	40.5
Premium and other income	289.7	304.6	+14.8	(+5.1%)	408.4
(excl. lump-sum payment)	287.0	304.5	+17.5	(+6.1%)	408.4
Investment profit (general account)	31.0	32.0	+1.0	(+3.2%)	43.0
Expense	68.2	73.8	+5.6	(+8.2%)	106.5
Ordinary profit	18.6	15.7	-2.9	(-15.7%)	14.8
Net income	10.1	8.1	-2.0	(-19.9%)	6.5

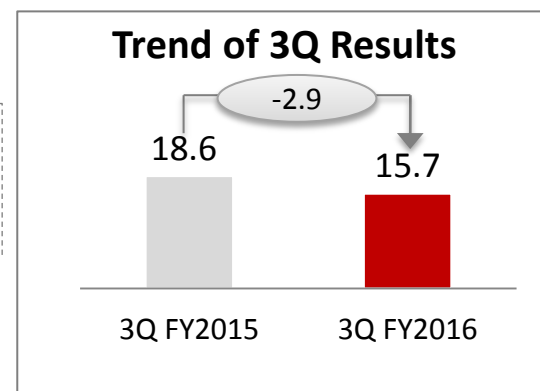
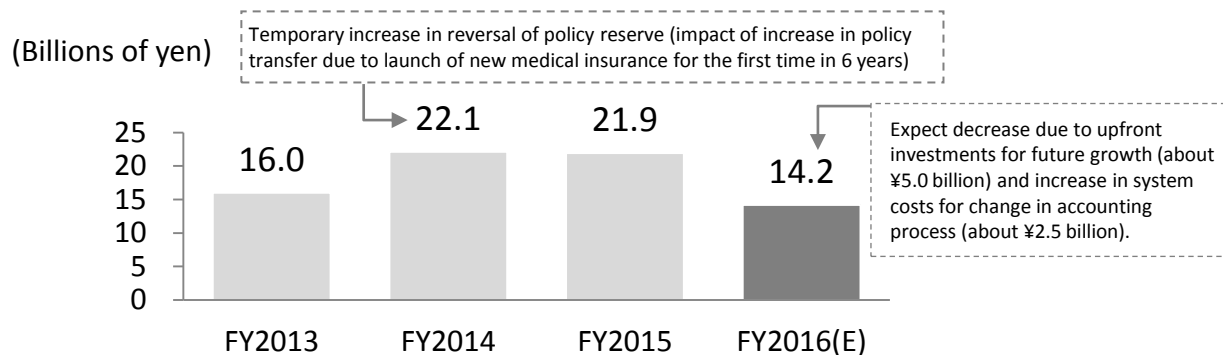
(Billions of yen)	End of FY2015	End of 3Q FY2016	Change	
Amount of business in force	21,642.1	21,991.9	+349.8	
Annualized premium in force	332.8	346.9	+14.0	(Of which, protection-type +¥5.5 billion)

* The sum of individual insurance and individual annuities.

Profit – J-GAAP

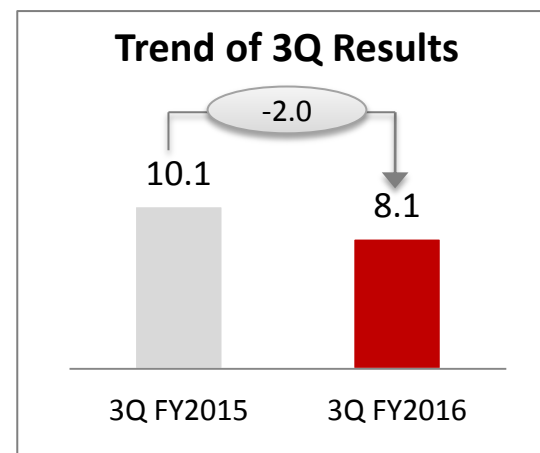
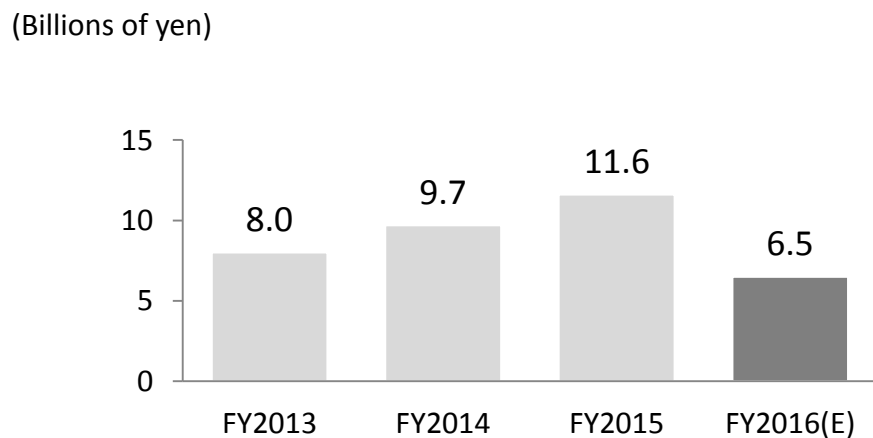
◆ Bottom-line in 3Q FY2016 steadily progressed against the full-year forecast for FY2016.

Basic profit*



* 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.

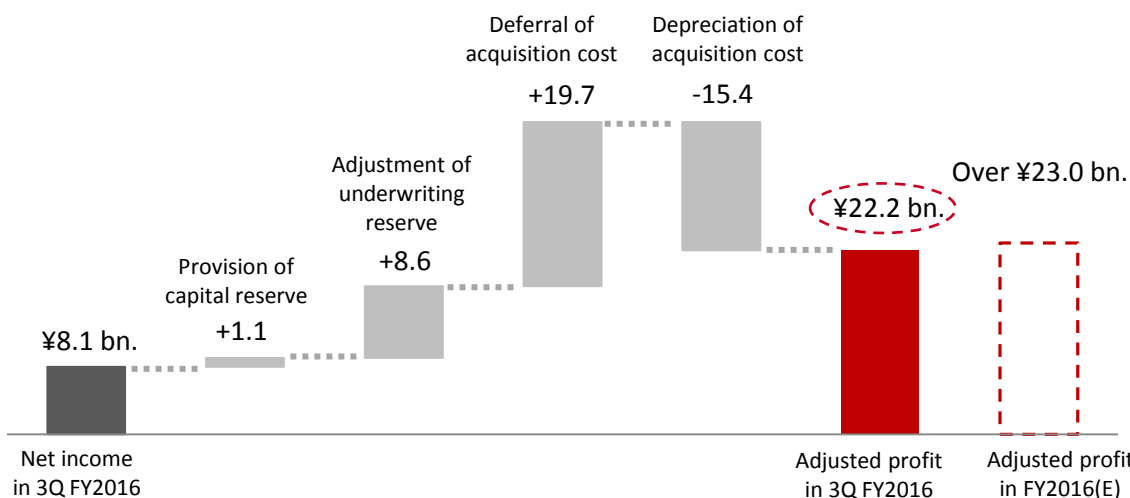
Net income



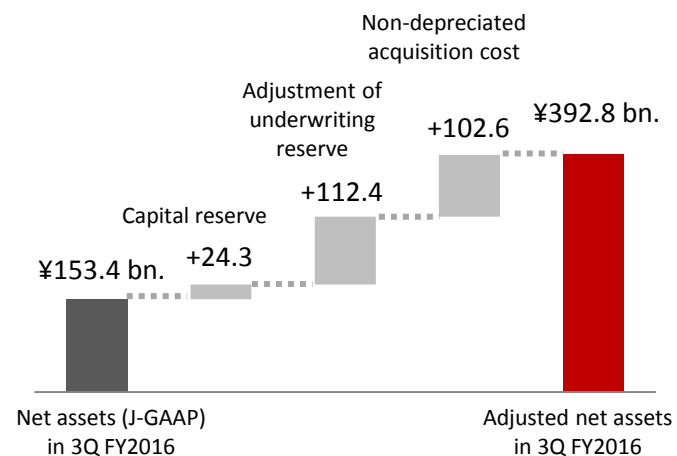
Adjusted Profit and Adjusted Net Assets – Himawari Life

◆ Adjusted profit progressed 97% against the full-year forecast for FY2016.

Conversion from net income to adjusted profit



(Reference) Adjusted net assets



(Reference) Adjusted profit = Net income + Provision of capital reserve^{*1}
 + Adjustment of underwriting reserve^{*2}
 + Deferral of acquisition cost^{*3}
 – Depreciation of acquisition cost^{*3}

(Reference) Adjusted net assets = Net assets + Capital reserve^{*1}
 + Adjustment of underwriting reserve^{*2}
 + Non-depreciated acquisition cost^{*3}

*1 Contingency reserve and reserve for price fluctuation (after tax).

*2 Re-calculate underwriting reserve, which is calculated conservatively, with factors used for calculation of premiums (after tax).

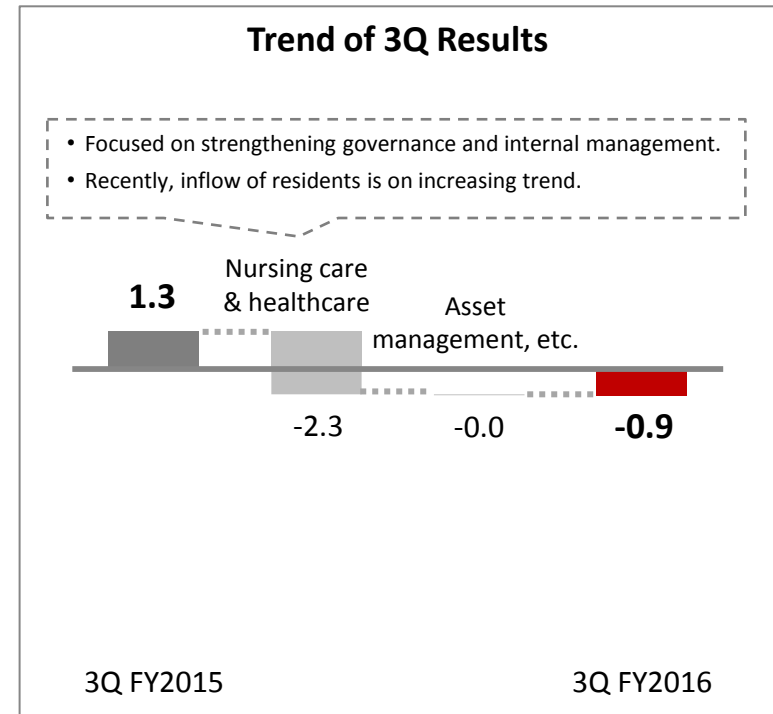
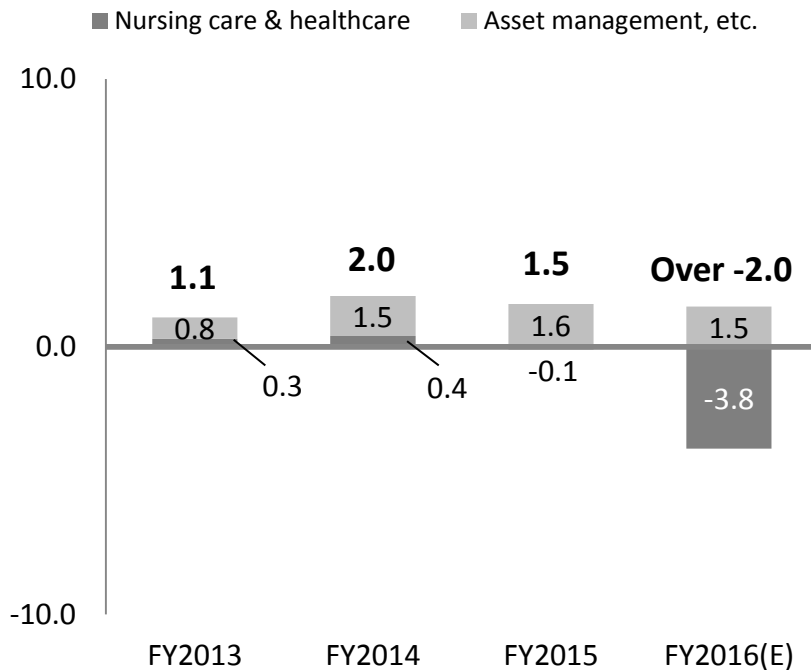
*3 Acquisition cost, such as commissions for new contracts, depreciated over 10 years (after tax).

Overview of 3Q FY2016 Results – Nursing Care & Healthcare, etc.

- ◆ While spending some costs, we focused on strengthening internal management and enhancing profitability in nursing care business.

Trends of net income

(Billions of yen)



* Nursing care business is the sum of SOMPO Care Message, SOMPO Care Next, Cedar (non-consolidated), and Sompo Risk Management & Health Care.

Main Indicators of SOMPO Care

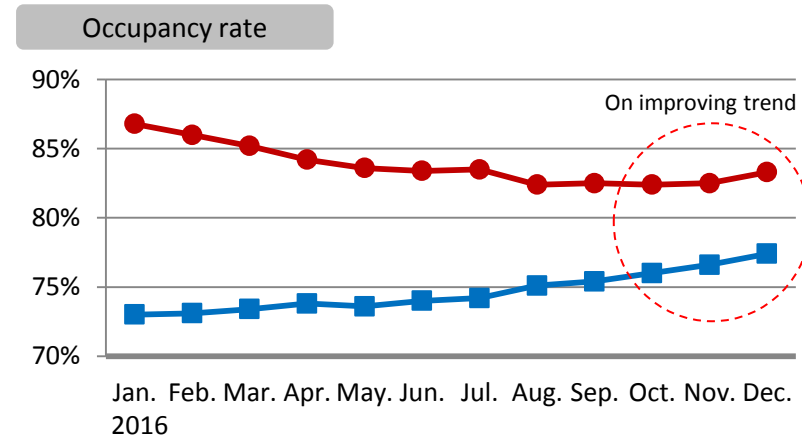
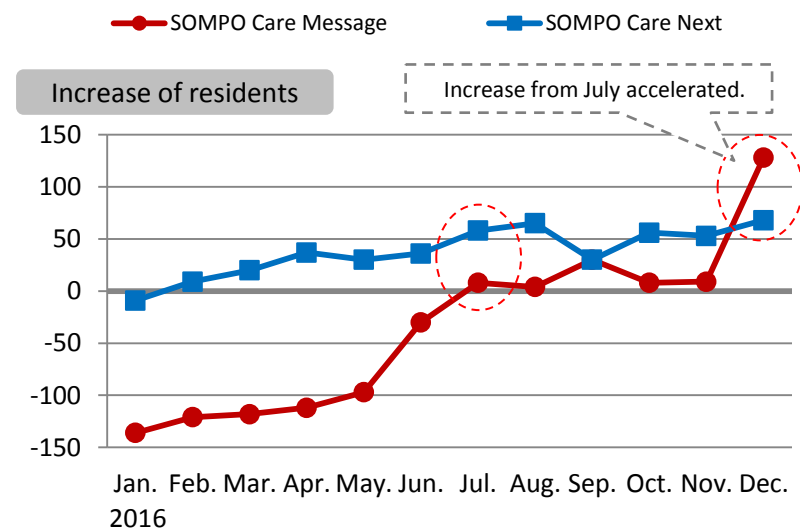
◆ KPI of occupancy rate is on increasing trend due to increase of new residents.

Main indicators

(Billions of yen)		3Q FY2016	Change	FY2016 (Forecast)
Sales		83.4	-3.0	111.6
	(SOMPO Care Message)	55.5	-4.3	73.9
	(SOMPO Care Next)	27.8	+1.3	37.7
Occupancy rate	(SOMPO-no-le)	84.6%	-4.4%	86.0%
	(SOMPO-no-le S)	81.7%	-4.2%	81.3%
	(La vie Re)	77.4%	+4.2%	80.2%

* SOMPO-no-le, SOMPO-no-le S, and La vie Re are brands of SOMPO Care Message's nursing homes, SOMPO Care Message's serviced residential complexes for elderly, and SOMPO Care Next's nursing facilities respectively.

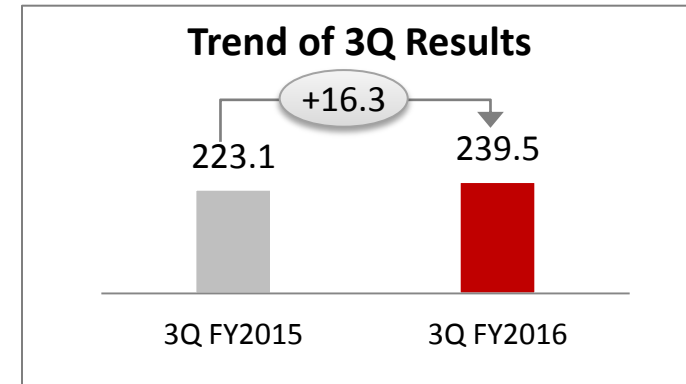
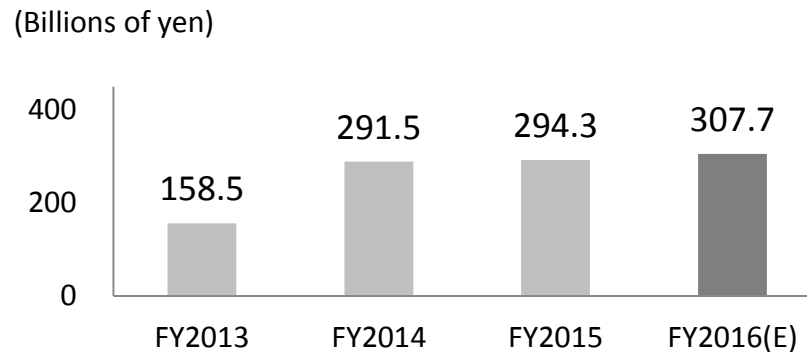
Trends of residents, occupancy rate



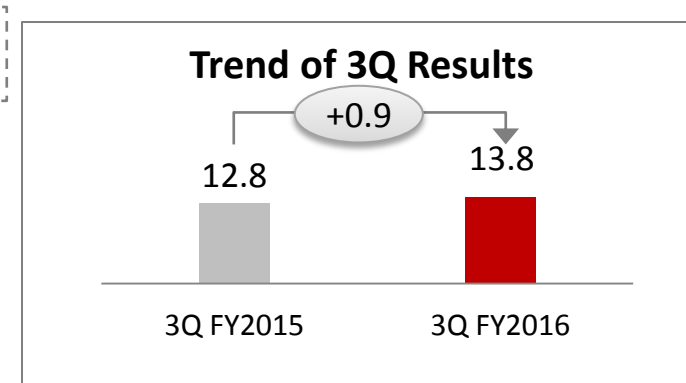
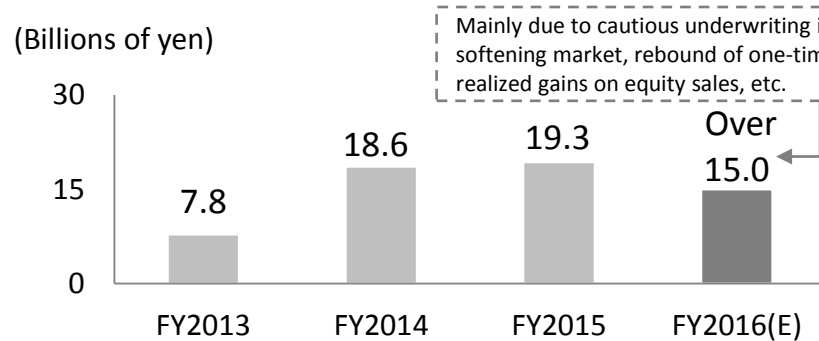
Overview of 3Q FY2016 Results – Overseas Insurance

◆ Both top-line and bottom-line progressed faster than planned.

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 figures also have been adjusted to reflect shareholdings and other factors.

From FY2016, figures include non-consolidated subsidiaries: Sompo Indonesia, Sompo Thailand, PGA Sompo (Philippines), United Insurance (Vietnam), and Sompo Mexico (The same shall apply hereafter).

Business Results by Region

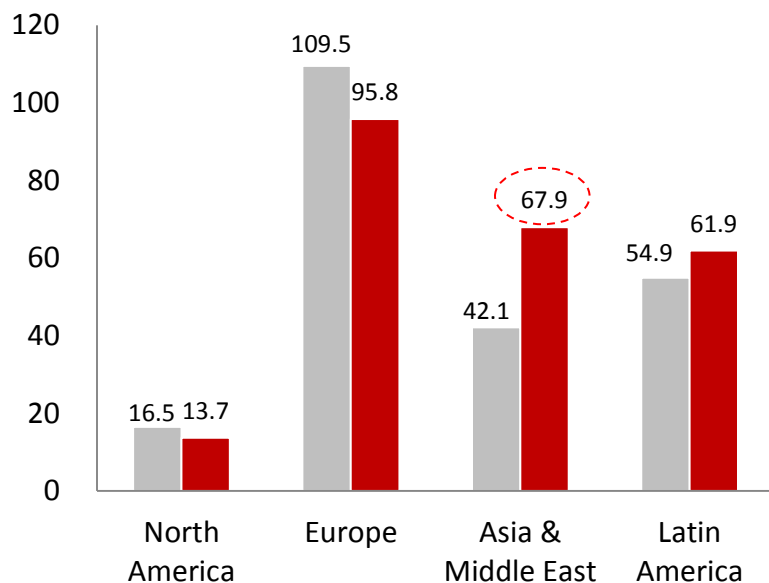
◆ Asia & Middle East centered on Turkey took a lead in growth.

Net premiums written (by region)

Net income (by region)

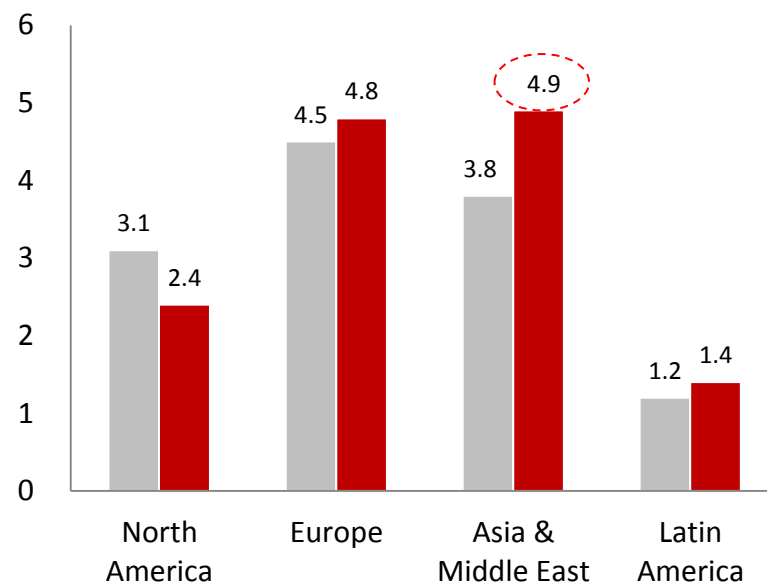
(Billions of yen)

■ 3Q FY2015 ■ 3Q FY2016



(Billions of yen)

■ 3Q FY2015 ■ 3Q FY2016



(Reference) Business Results by Company

(Billions of yen)		Net premiums written			Net income			Key points for 3Q FY2016	(Reference) Exchange rate
		3Q FY2016	Change	FY2016 (Forecast)	3Q FY2016	Change	FY2016 (Forecast)		3Q FY2016*2
North America	Sompo America	13.7	-2.7	20.3	2.4	-0.7	1.5	Loss ratio was favorable in workers compensation, etc., and bottom-line progressed faster than planned.	101.12 JPY/USD (-15.7%)
Europe	SJNK Europe	0.6	-2.9	0.7	0.6	+0.3	0.5	Expanded reinsurance coverage. Bottom-line was favorable due to one-time gain by reversal of reserves, etc.	131.00 JPY/GBP (-28.0%)
	Sompo Canopus (UK)	95.1	-10.8	118.3	4.2	-0.0	5.4	Both underwriting and investment profits are in line with the plan.	101.12 JPY/USD (-15.7%)
Asia & Middle East	SJ Sigorta (Turkey)	43.0	+25.7	49.0	2.5	+1.3	2.8	Motor Third-party Liability Insurance grew drastically. Progress is faster than planned with good loss ratio.	33.63 JPY/TRY (-14.9%)
	Sompo Singapore	4.2	-2.3	5.7	1.1	+0.2	0.8	Bottom-line was steady with good loss ratio.	74.01 JPY/SGD (-12.0%)
	Berjaya Sompo (Malaysia)	7.6	+0.0	10.6	0.8	-0.2	0.9	Loss ratio steadily progressed.	24.46 JPY/MYR (-9.1%)
	SJNK China NK China	3.4	-1.8	5.5	-0.2	-0.2	-0.1	Premiums decreased mainly due to tightened underwriting.	15.14 JPY/RMB (-20.1%)
	Sompo Hong Kong	2.4	-0.8	3.2	0.2	-0.1	0.4	Basically in line with the plan.	13.04 JPY/HKD (-15.8%)
	Universal Sompo (India)	2.0	+0.1	2.6	0.1	-0.0	0.1	Basically in line with the plan.	1.72 JPY/INR (-5.5%)
Latin America	Sompo Seguros (Brazil)	61.6	+6.7	83.7	1.2	-0.0	1.8	Loss ratio is improving because benefit of underwriting optimization began to appear.	31.02 JPY/BRL (+5.1%)
Other (non-consolidated)*1		5.3	+5.3	7.5	0.5	+0.5	0.6	-	-
Total		239.5	+16.3	307.7	13.8	+0.9	15.0	-	-

*1 Sum of Sompo Indonesia, Sompo Thailand, PGA Sompo (Philippines), United Insurance (Vietnam), Sompo Mexico.

*2 For 3Q FY2016 results, exchange rates as of the end of September 2016 are applied. (Change is comparison with exchange rate as of the end of September 2015.)

1. Trend of business results

2. Results of each business

2-1. Domestic P&C insurance

2-2. Domestic life insurance

2-3. Nursing care & healthcare, etc.

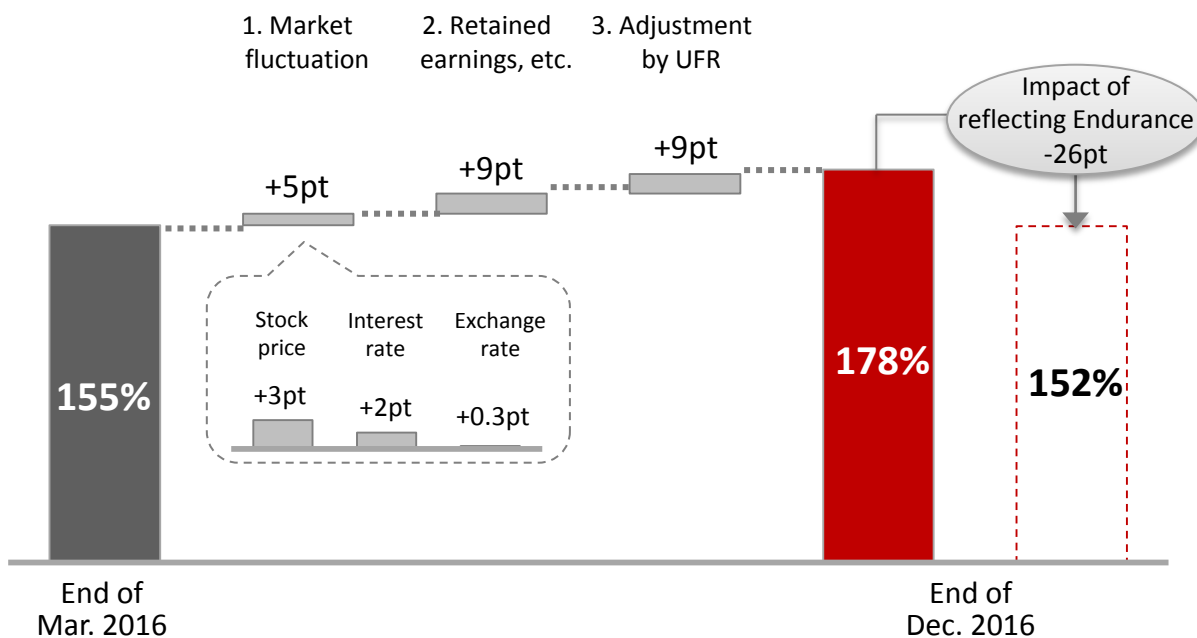
2-4. Overseas insurance

3. ERM & asset management

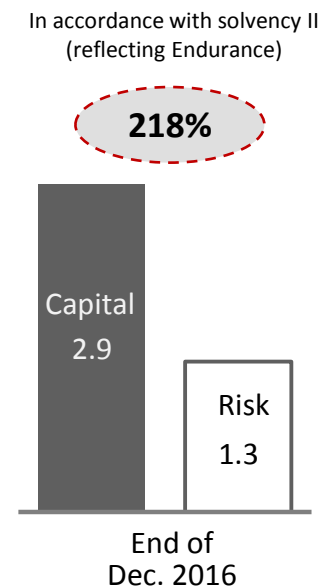
Financial Soundness

◆ Kept robust financial soundness even after M&A.

Trend of ESR (99.95% VaR)*



(Reference) ESR (99.5% VaR)

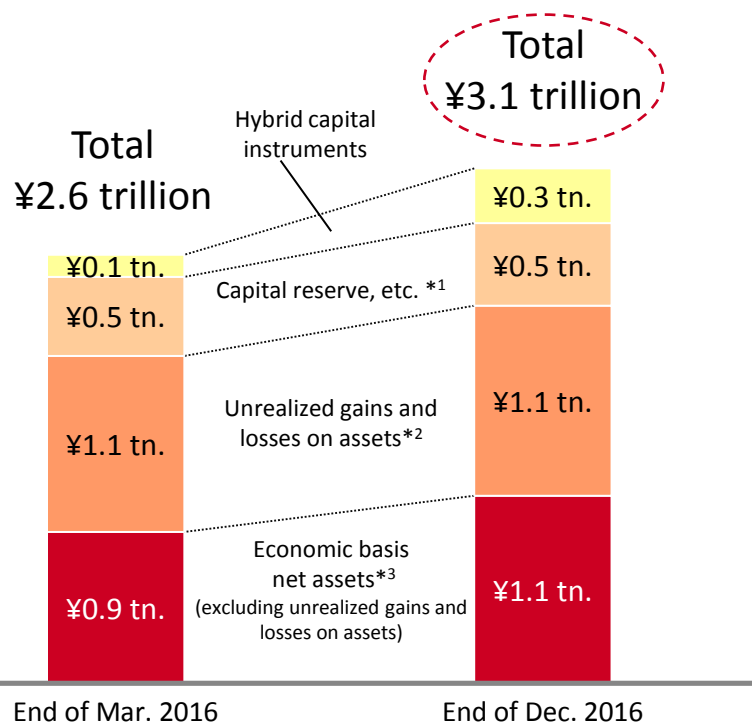


* In accordance with international capital regulation, such as Solvency II, and more conservative in operation than Solvency II. (Use 99.95 % VaR to calculate risk amount.) Target range is around 120% to 170% for ESR (99.95% VaR).

(Reference) Market indicators	End of Mar. 2016	End of Dec. 2016	
Domestic stock price (Nikkei 225)	¥16,758	¥19,114	(+14.1%)
Domestic interest rate (30y JGB)	0.56%	0.71%	(+15bp)
Exchange rate (JPY/USD)	¥112.68/USD	¥116.49/USD	(+3.4%)

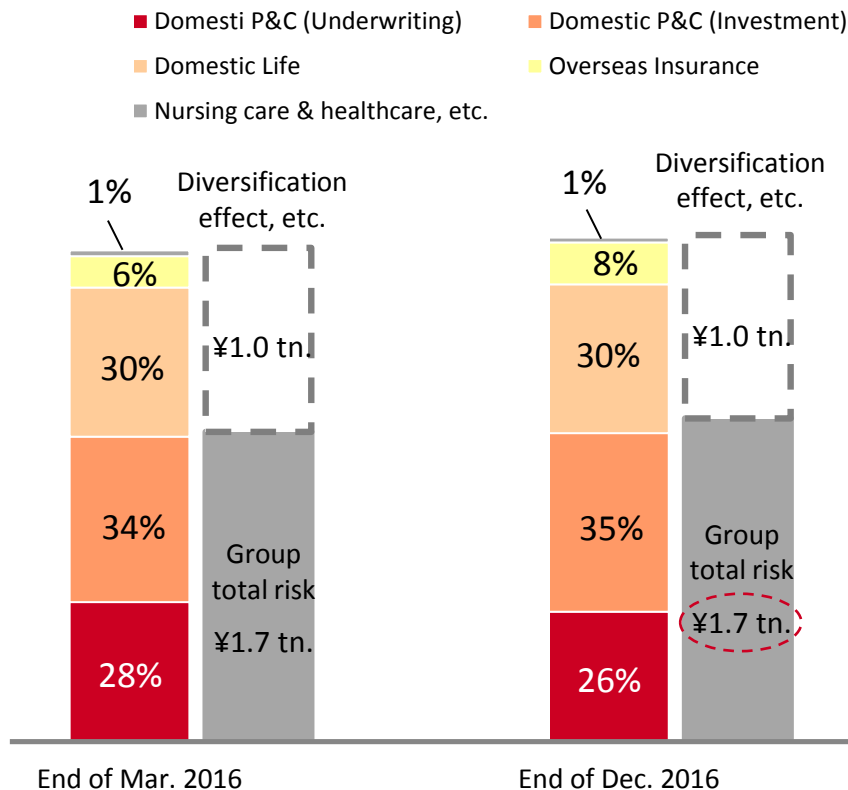
(Reference) Breakdown of Adjusted Capital and Risk

Trend of adjusted capital



*1 Reserve for price fluctuation and catastrophic loss reserve, etc. (after tax)
 *2 Unrealized gains and losses on securities, etc., including non mark-to-market assets (e.g. policy reserve matching bonds)
 *3 Total of net assets on non-consolidated balance sheets, and value in force of P&C and life insurance business.

Trend of breakdown of risk*4 by business

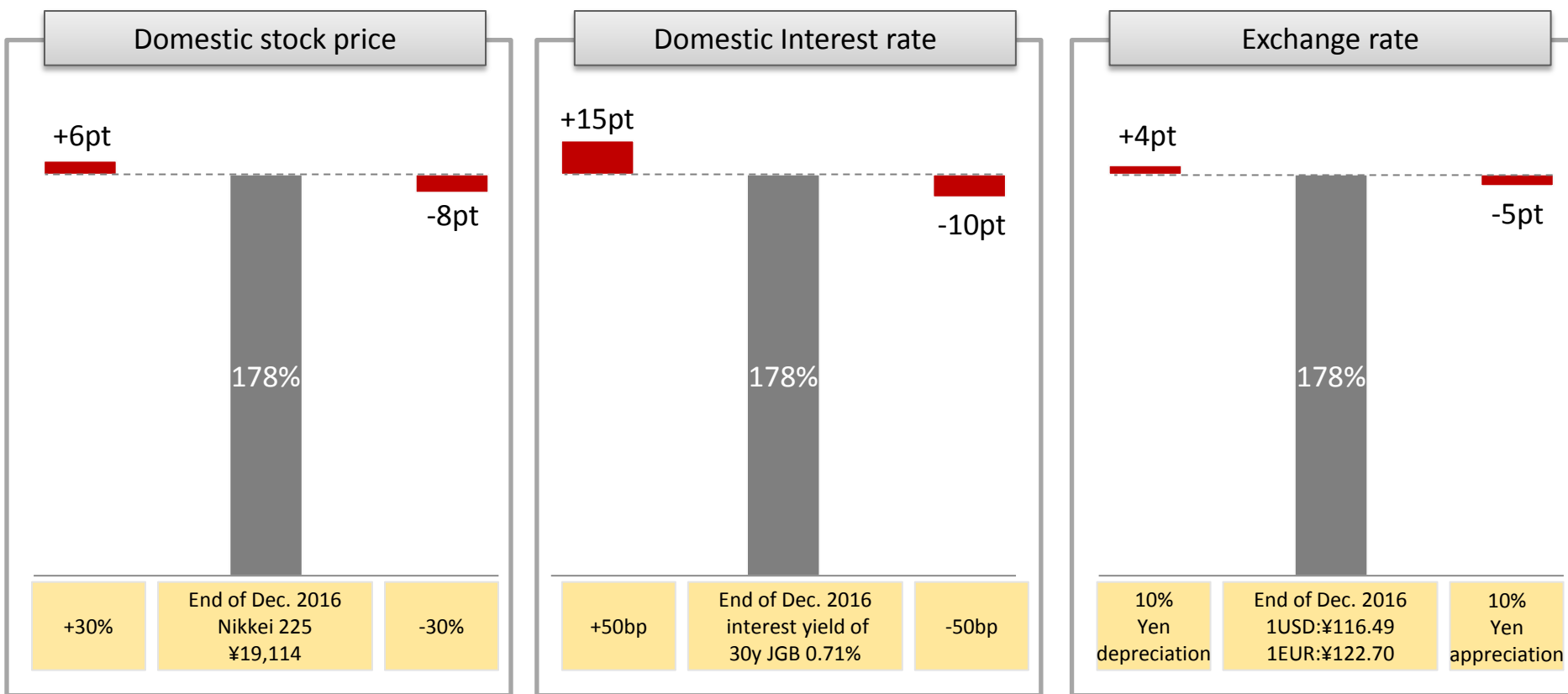


*4 Risk : 1 year holding period, 99.95% VaR (AA equivalent confidence level)
 • Risk amount of each business:
 Before reflecting risk diversification effect among businesses and before-tax basis.
 • Group total risk:
 Sum of risk amount of each business less risk diversification effect among businesses and tax impact.

(Reference) Market Sensitivity

Market sensitivity of ESR (99.95% VaR)

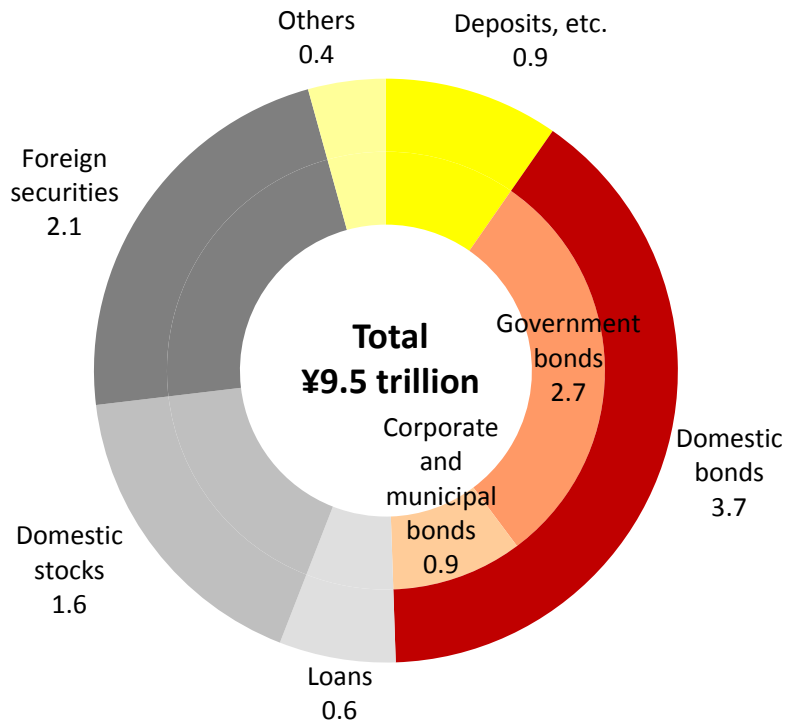
■ : ESR (99.95% VaR) ■ : Assumed change



Asset Portfolio – Group-wide

- ◆ Keep thorough ALM, considering the character of liability and liquidity, and policy to reduce domestic stocks steadily.

Amount of investment assets (Group consolidated base, as of end of December 2016)



By company (billions of yen)

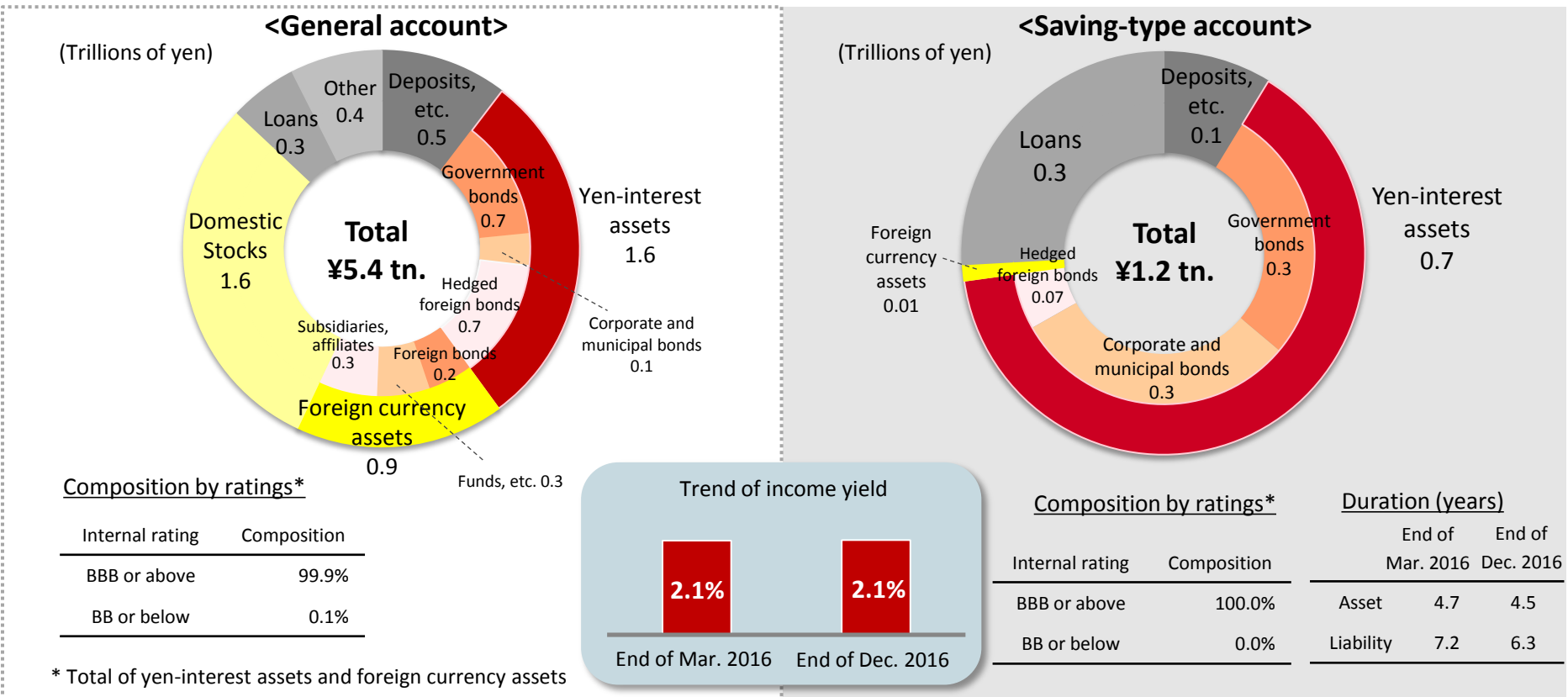
	Amount of investment assets	Composition
Sompo Japan Nipponkoa	6,329.5	66.4%
Himawari Life	2,495.4	26.2%
Overseas group subsidiaries	583.6	6.1%
Saison Automobile & Fire	39.9	0.4%
Sonpo 24	21.7	0.2%
Other domestic subsidiaries	61.5	0.6%
Total	9,531.9	100.0%

* Others include lands, buildings and stocks of non-consolidated subsidiaries, etc.

Asset Portfolio – Sompo Japan Nipponkoa

- ◆ The general account is managed with diversified investments while the saving-type account utilizes portfolio management based on ALM.
- ◆ Aim to diversify investment instruments, considering low interest rate.

Amount of investment assets (end of December 2016, Sompo Japan Nipponkoa, non-consolidated)

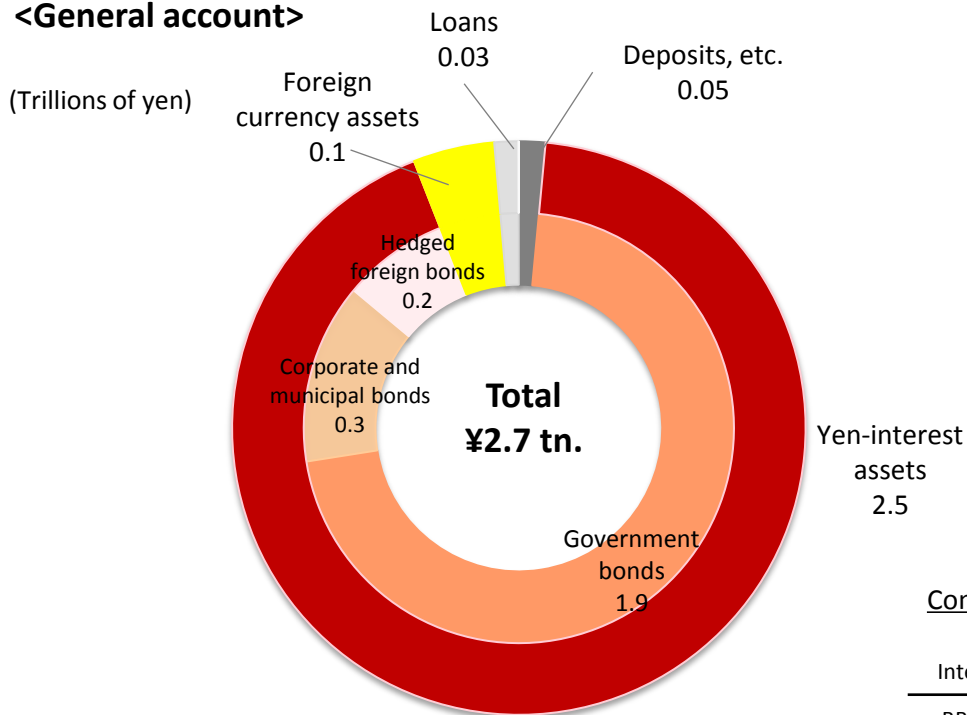


Asset Portfolio – Himawari Life

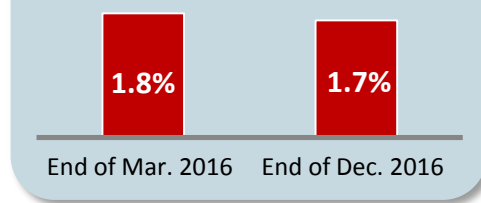
- ◆ Manage the portfolio through disciplined ALM, which mainly consists of yen-interest assets.
- ◆ Keep allocating investment assets to foreign currency assets, assuming normalization of low interest rate.

Amount of investment assets (end of December 2016, Himawari Life, non-consolidated)

<General account>



Trend of income yield



Yen-interest assets
2.5

Composition by ratings*

Internal rating	Composition
BBB or above	99.8%
BB or below	0.2%

Duration (years)

	End of Mar. 2016	End of Dec. 2016
Asset	14	14
Liability	23	20

(Reference) Amount of separate account (End of Dec. 2016): ¥22.1 billion (mainly investment in domestic stocks and bonds)

* Total of yen-interest assets and foreign currency assets

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.

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