
Presentation Material for FY2014 1st Half Results

November 19, 2014

Sompo Japan Nipponkoa Holdings, Inc.

1. Trend of business results P. 1

2. Domestic P&C insurance P. 10

3. Domestic Life insurance P. 24

4. Overseas insurance P. 31

5. Capital Policy P. 35

Appendix P. 38

Summary of 1H FY2014 Results

- Consolidated ordinary profit drastically improved (+¥50.2 billion), and amounted to ¥103.9 billion. Improvement of domestic P&C profitability covered one-time merger costs, and consolidated net income amounted to ¥15.4 billion.
- We upwardly revised our business forecasts for FY2014 based on the recent improvement of profitability and favorable market conditions.

* Business forecasts for FY2014 (revised): Ordinary profit ¥172.0 billion (+¥20.0 billion)

Net income ¥45.0 billion (+¥12.0 billion)

- Profitability of domestic P&C continued to improve, and core underwriting profit improved ¥28.5 billion year on year.
- Combined ratio of automobile insurance in 1H FY2014 improved 1.6 points year on year, and that in FY2014 is expected to be 94.5%.
- The merger was completed, and one-time merger costs for 1H FY2014 recorded as extraordinary losses in 1H FY2014 were ¥71.8 billion against the fiscal year plan about ¥80.0 billion.
- Domestic life keeps the increasing trend of premium and net income with growing business in force because of preferable sales growth of new medical insurance products.
- In overseas insurance, the top-line has steadily grown, and the bottom-line was in line with the fiscal year plan.
- The reduction in the exposure of strategic-holding stocks was ¥42.9 billion, which is in line with the fiscal year plan.

Overview of 1H FY2014 Results – Consolidated basis

- ◆ The top line has steadily grown, and ordinary profit significantly improved.
- ◆ Although one-time merger costs (¥71.8 billion) were recorded as extraordinary losses, net income amounted to ¥15.4 billion.

(Billions of yen)	1H FY2013	1H FY2014	Change	(Announced on Nov. 19, 2014) FY2014 (Forecasts)
Ordinary income (consolidated basis)	1,459.6	1,606.2	+ 146.6(+10.0%)	
Net premiums written (P&C)	1,118.9	1,244.4	+ 125.5(+11.2%)	2,505.0
Life insurance premiums	133.9	134.3	+ 0.4 (+0.3%)	279.5
Ordinary profit (consolidated basis)	53.7	103.9	+50.2	172.0
Sompo Japan Nipponkoa *1	41.8	97.4	+55.6	162.6
Himawari Life	5.4	12.6	+7.1	17.8
Overseas insurance subsidiaries	8.1	7.6	-0.5	19.2
Consolidated adjustment *2/Others	-1.7	-13.7	-12.0	-27.7
Net income (consolidated basis)	29.1	15.4	-13.7	45.0
Sompo Japan Nipponkoa *1	19.9	11.6	-8.3	42.8
Himawari Life	3.3	7.9	+4.6	11.0
Overseas insurance subsidiaries	6.5	6.5	-0.0	14.6
Consolidated adjustment *2/Others	-0.6	-10.7	-10.0	-23.5

*1 The figures in 1H FY2013 are the sum of Sompo Japan and Nipponkoa.

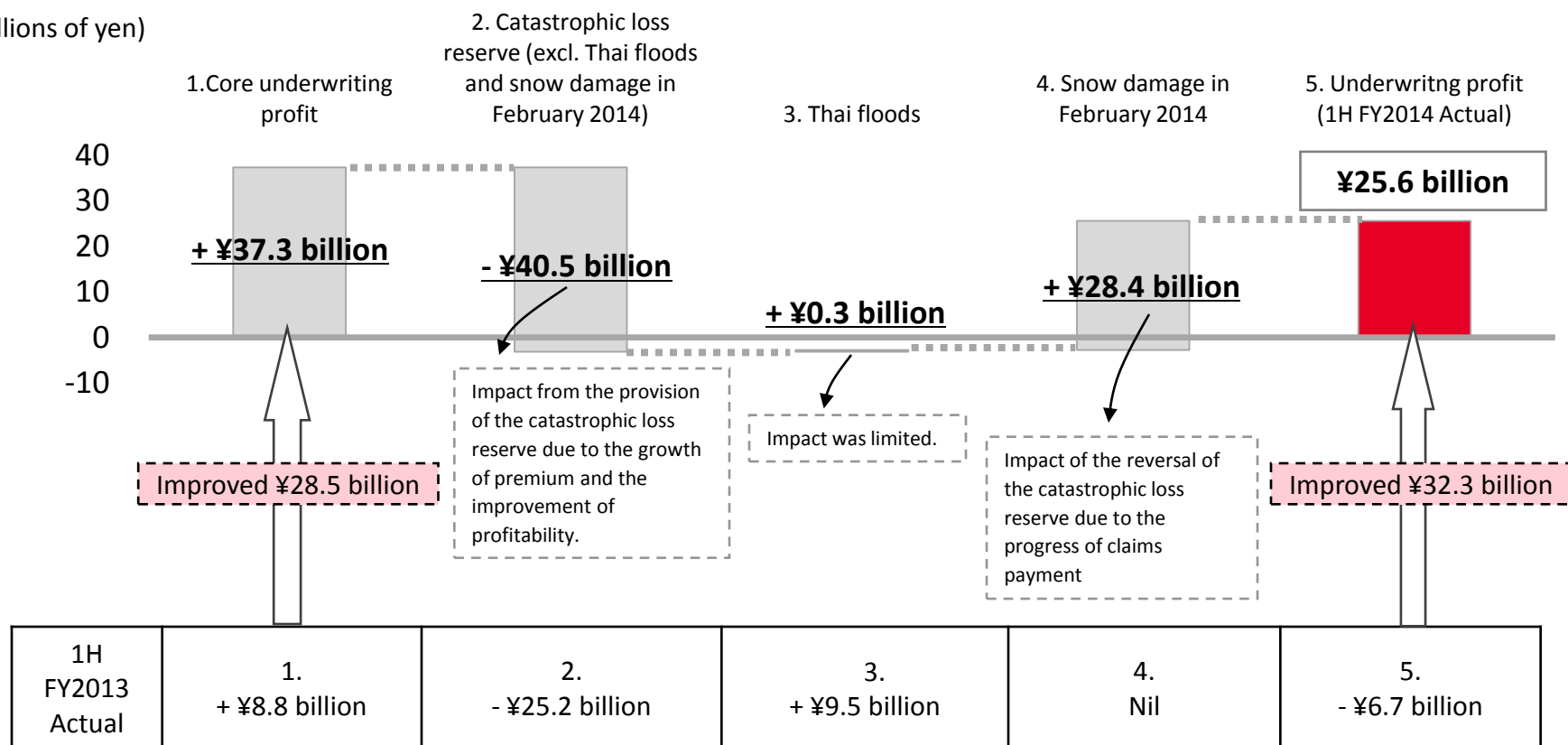
*2 "Purchase method" accounting was adopted upon the establishment of Sompo Japan Nipponkoa Holdings (the former NKSJ Holdings). In the consolidated accounts of the holdings, assets and liabilities of the former Nipponkoa and some group companies were acquired and carried on the balance sheet at fair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

Main points of Consolidated Results for 1H FY2014 – Underwriting profit

- ◆ Core underwriting profit* drastically increased mainly due to the improvement of profitability of voluntary automobile insurance.

Breakdown of underwriting profit (Sompo Japan Nipponkoa)

(Billions of yen)

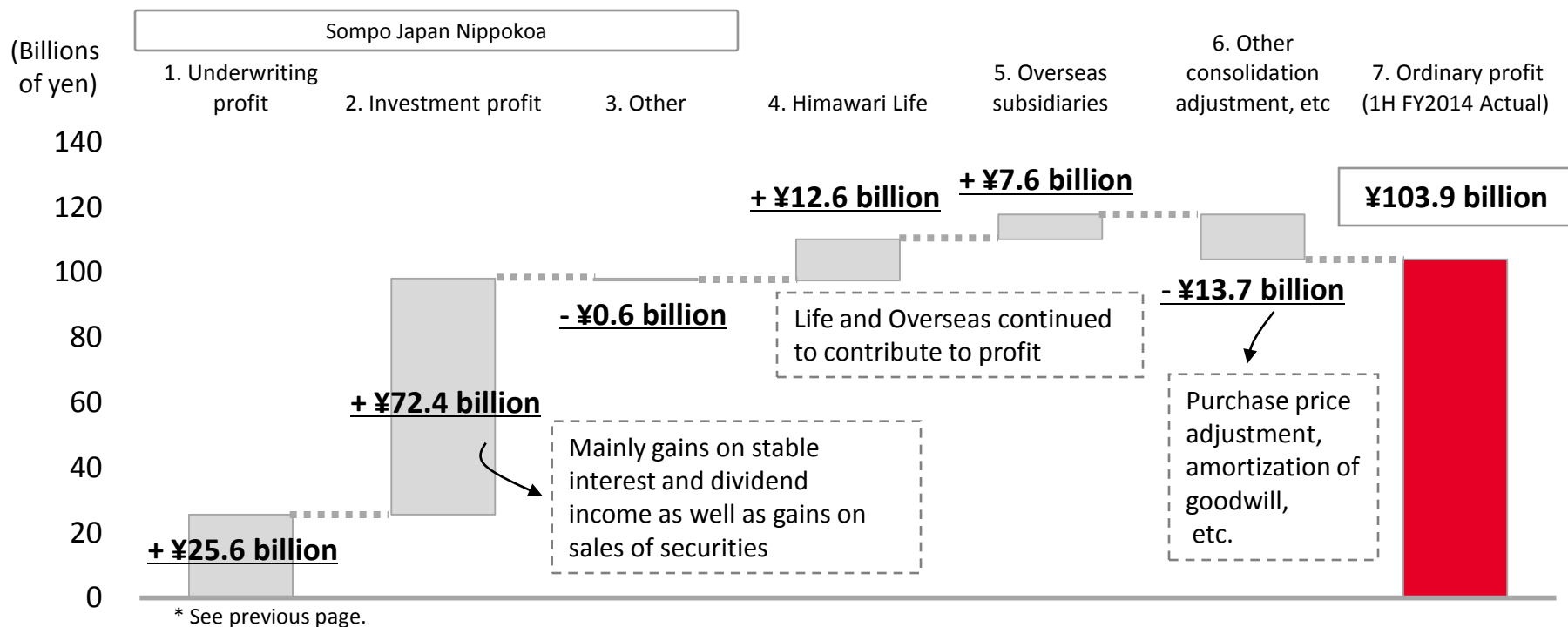


* Core underwriting profit is underwriting profit less the impact related to catastrophic loss reserve, the Thai floods and snow damage in February 2014.

Main points of Consolidated Results for 1H FY2014 - Ordinary profit

- ◆ Improvement of profitability and preferable investment environment of domestic P&C insurance as well as life and overseas contributed to profit.

Breakdown of ordinary profit

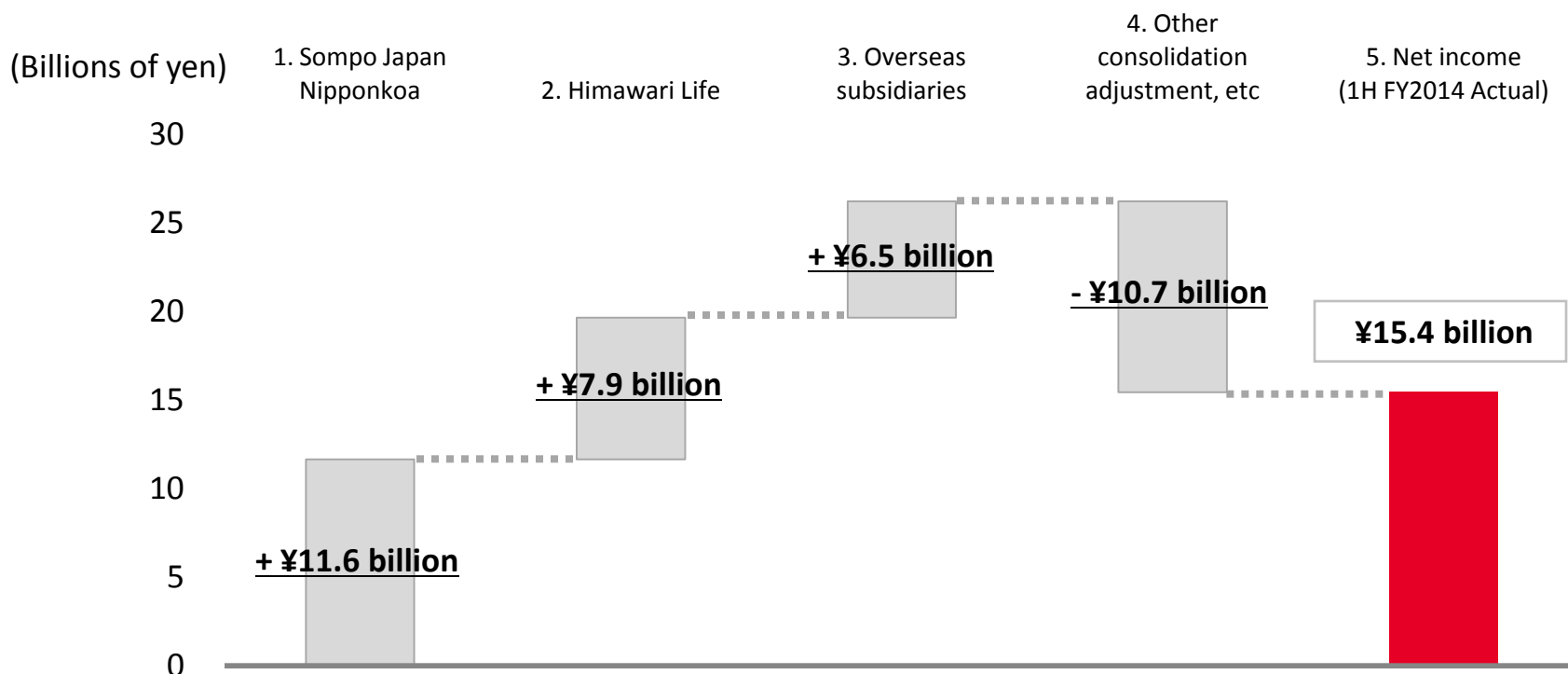


1H FY2013 Actual	1.	2.	3.	4.	5.	6.	7.
	- ¥6.7 billion	+ ¥56.6 billion	- ¥8.0 billion	+ ¥5.4 billion	+ ¥8.1 billion	- ¥1.7 billion	¥53.7 billion

Main points of Consolidated Results for 1H FY2014 - Net income

◆ Sampo Japan Nipponkoa, Himawari Life and overseas subsidiaries all contributed to profit.

Breakdown of net income



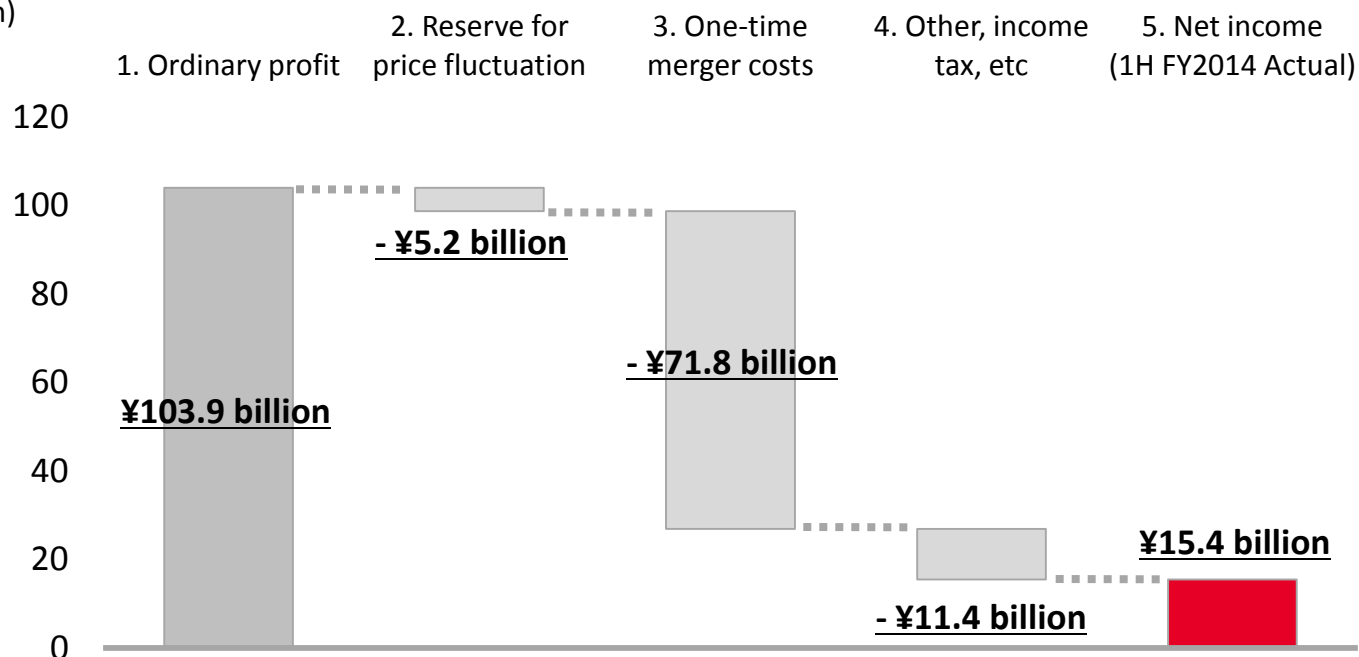
1H FY2013 Actual	1. + ¥19.9 billion	2. + ¥3.3 billion	3. + ¥6.5 billion	4. - ¥0.6 billion	5. ¥29.1 billion
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Main points of Consolidated Results for 1H FY2014 – Extraordinary losses

- ◆ The difference between ordinary profit and net income was mainly due to the impact of one-time merger costs related to system development (¥71.8 billion).
- ◆ If excluding one-time merger costs, net income would be greatly larger than that of 1H FY2013.

Breakdown of extraordinary gains/losses, etc.

(Billions of yen)



1H FY2013 Actual	1.	2.	3.	4.	5.
	¥53.7 billion	- ¥4.1 billion	- ¥6.6 billion	- ¥13.7 billion	¥29.1 billion

Summary of Business Forecasts for FY2014 – Consolidated basis

◆ We upwardly revised our business forecasts for FY2014 based on the recent improvement of profitability and favorable market conditions.

(Billions of yen)	FY2013 (Actual)	FY2014 (Previous forecasts)	FY2014 (Revised forecasts)	Change (Comparison with FY2013)		Change (Comparison with the previous forecasts)	
Net premiums written (P&C)	2,268.9	2,508.0	2,505.0	+236.0	(+10.4%)	-3.0	(-0.1%)
Life insurance premiums	277.2	279.5	279.5	+2.2	(+0.8%)	-	(-)
Ordinary profit (consolidated basis)	112.3	152.0	172.0	+59.6	(+53.0%)	+20.0	(+13.2%)
Sompo Japan Nipponkoa* ¹	117.7	144.0	162.6	+44.8	(+38.1%)	+18.5	(+12.9%)
Himawari Life	13.7	12.7	17.8	+4.0	(+29.3%)	+5.0	(+39.9%)
Overseas subsidiaries	10.9	18.4	19.2	+8.2	(+75.6%)	+0.8	(+4.4%)
Consolidated adjustment* ² /others	-30.1	-23.2	-27.7	+2.3	(-)	-4.4	(-)
Net Income (consolidated basis)	44.1	33.0	45.0	+0.8	(+1.9%)	+12.0	(+36.4%)
Sompo Japan Nipponkoa* ¹	49.5	33.7	42.8	-6.6	(-13.5%)	+9.0	(+26.9%)
Himawari Life	8.0	7.5	11.0	+2.9	(+37.1%)	+3.5	(+47.3%)
Overseas subsidiaries	11.5	13.5	14.6	+3.0	(+26.2%)	+1.0	(+8.0%)
Consolidated adjustment* ² /others	-25.0	-21.8	-23.5	+1.4	(-)	-1.7	(-)

*1 The figures in FY2013 are the sum of Sompo Japan and Nipponkoa.

*2 "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 consolidated accounts of the former Nipponkoa and some group companies', and that of the holdings.) Therefore, realized gains/losses, etc. in the consolidated accounts of Sompo Japan Nipponkoa must be adjusted, and this adjustment is included in the above "consolidated adjustments." (The accounts of the former Sompo Japan and the former Nipponkoa were combined at their respective carrying amount at the time of the merger.)

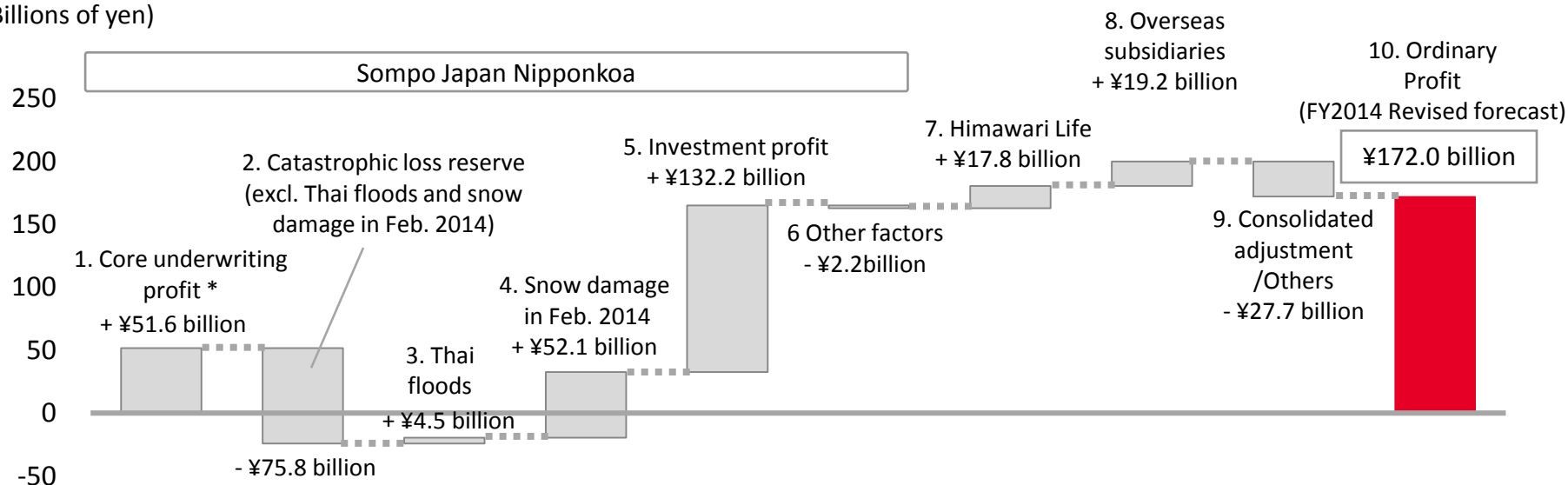
Main points of Business Forecasts for FY2014 – Ordinary Profit

◆ Consolidated ordinary profit is projected to be ¥172.0 billion.

- Underwriting profit : Steady improvement of profitability is expected due to product and premium rate revisions, etc. for voluntary automobile insurance.
- Investment profit : Stable interest and dividend income and gains on sales of securities are expected to contribute ¥132.2 billion to profit.
- Himawari Life : ¥17.8 billion profit contribution is expected.

Main components of consolidated ordinary profit

(Billions of yen)



FY2014 Previous forecasts	1. + ¥32.5 billion	2. - ¥41.1 billion	3. + ¥4.5 billion	4. + ¥46.1 billion	5. + ¥105.5 billion	6. - ¥3.6 billion	7. + ¥12.7 billion	8. + ¥18.4 billion	9. - ¥23.2 billion	10. ¥152.0 billion
FY2013 Actual	+ ¥14.4 billion	- ¥33.6 billion	+ ¥21.3 billion	- ¥64.6 billion	+ ¥192.7 billion	- ¥12.3 billion	+ ¥13.7 billion	+ ¥10.9 billion	- ¥30.1 billion	¥112.3 billion

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

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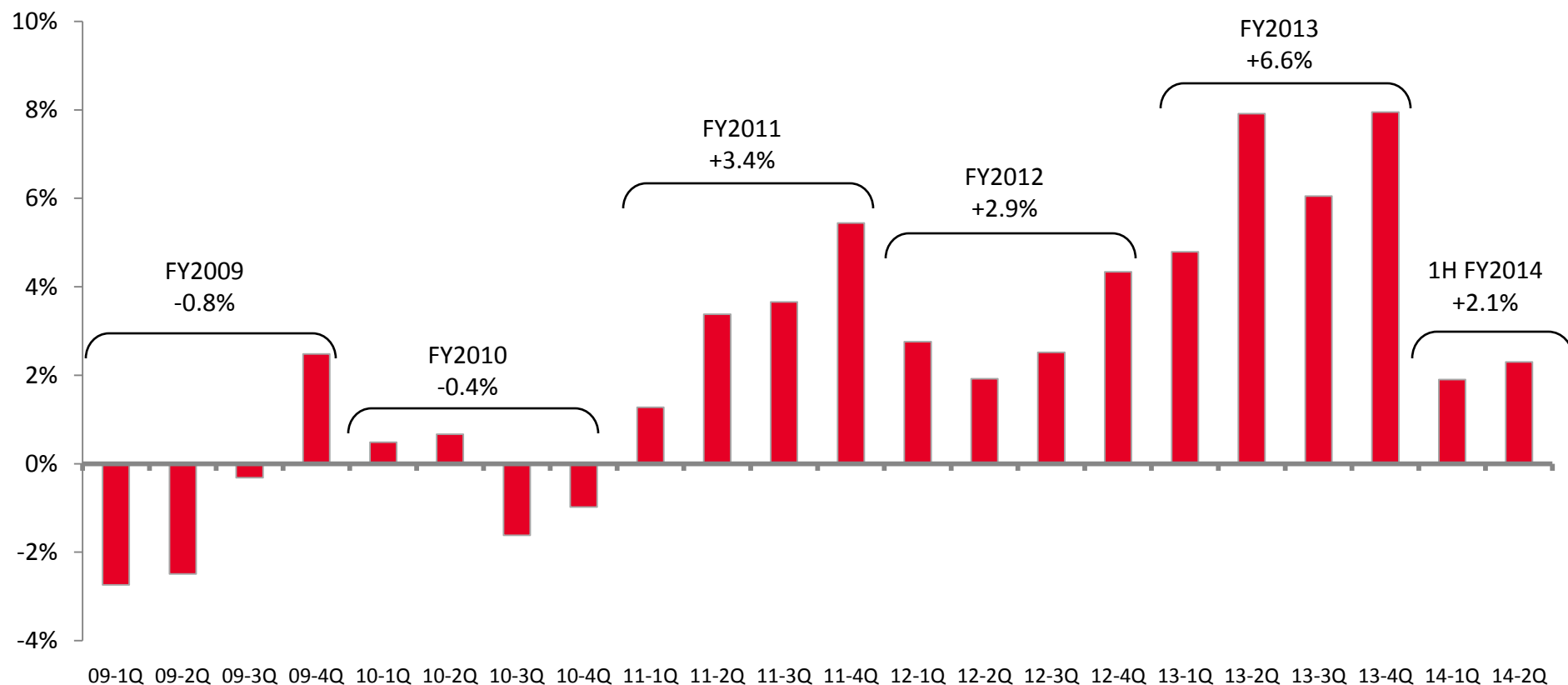
5. Capital Policy P. 35

Appendix P. 38

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)



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

* Premium is performance evaluation basis.

Net Premiums Written

◆ Net premiums written increased in all lines.

Net premiums written by product (Sompo Japan Nipponkoa)

(Billions of yen)	1H FY2013	1H FY2014	Change	FY2014 (Forecasts)
Fire and Allied Lines	128.7	150.5	+21.7 (+16.9%)	323.1
Marine	22.7	26.4	+3.6 (+16.0%)	50.0
Personal Accident	99.1	100.0	+0.9 (+ 0.9%)	184.8
Voluntary Automobile	501.8	515.4	+13.6 (+ 2.7%)	1,051.6
CALI	145.6	154.2	+8.6 (+ 5.9%)	308.2
Other	138.2	150.6	+12.4 (+ 9.0%)	265.5
of which, Liability	86.5	91.6	+5.1 (+6.0 %)	153.9
Total	1,036.3	1,097.4	+61.0 (+ 5.9%)	2,183.5
Total (excl. CALI, household earthquake)	890.2	942.7	+52.5 (+ 5.9%)	1,874.3

(Reference) Year-on-Year comparison of voluntary automobile insurance (end of September 2014)

*Performance evaluation basis

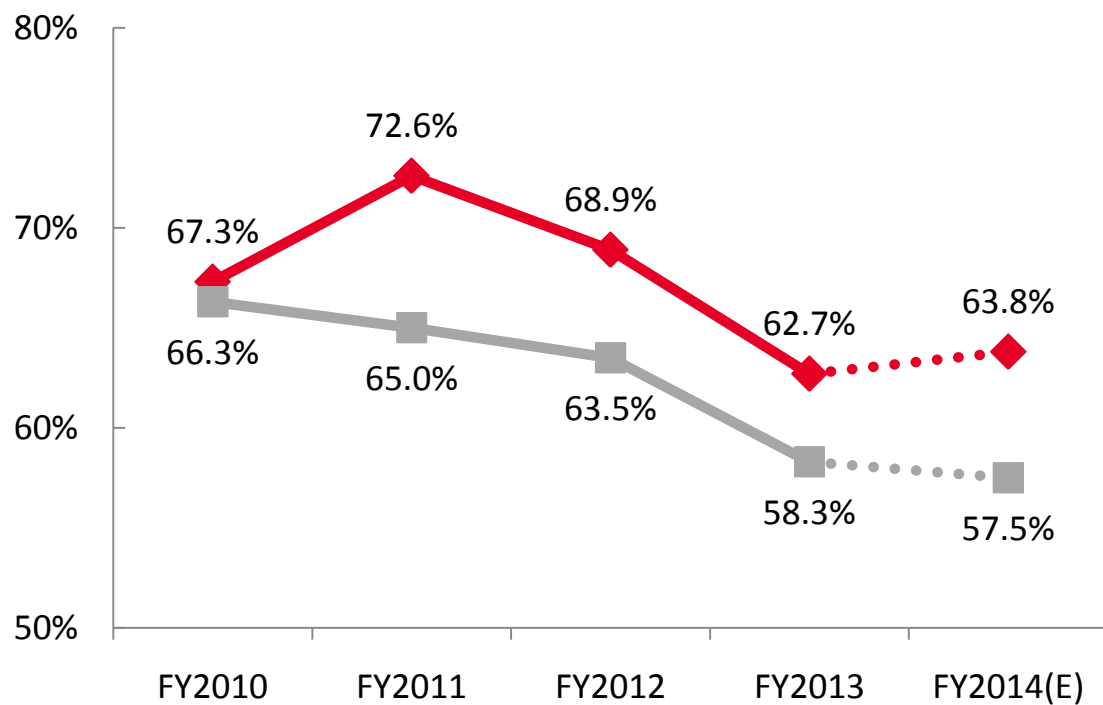
	Sompo Japan Nipponkoa		
	# of vehicles	Premium /vehicle	Total Premium
Non-Fleet	-0.3%	+1.0%	+0.8%
Fleet	+1.1%	+2.6%	+3.7%
Total	+0.0%	+1.2%	+1.2%

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

Loss Ratio (W/P)

- ◆ In 1H FY2014, loss ratio (W/P) increased due to progress of claims payment for snow damage in February 2014.
- ◆ Loss ratio excluding natural disasters improved mainly due to improvement of profitability of automobile insurance.

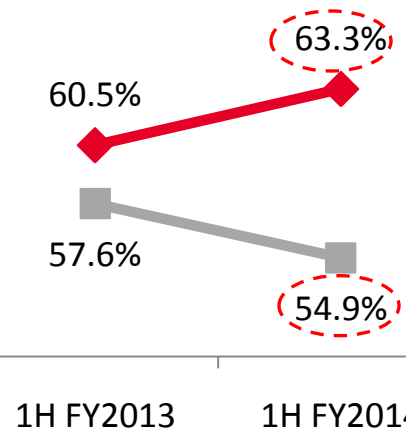
Trends of loss ratio (excl. CALI, household earthquake)



◆ Loss Ratio (excl. CALI, household earthquake)

■ Reference; Loss Ratio (excl. CALI, household earthquake, domestic natural disasters)

Trend of 1H Results



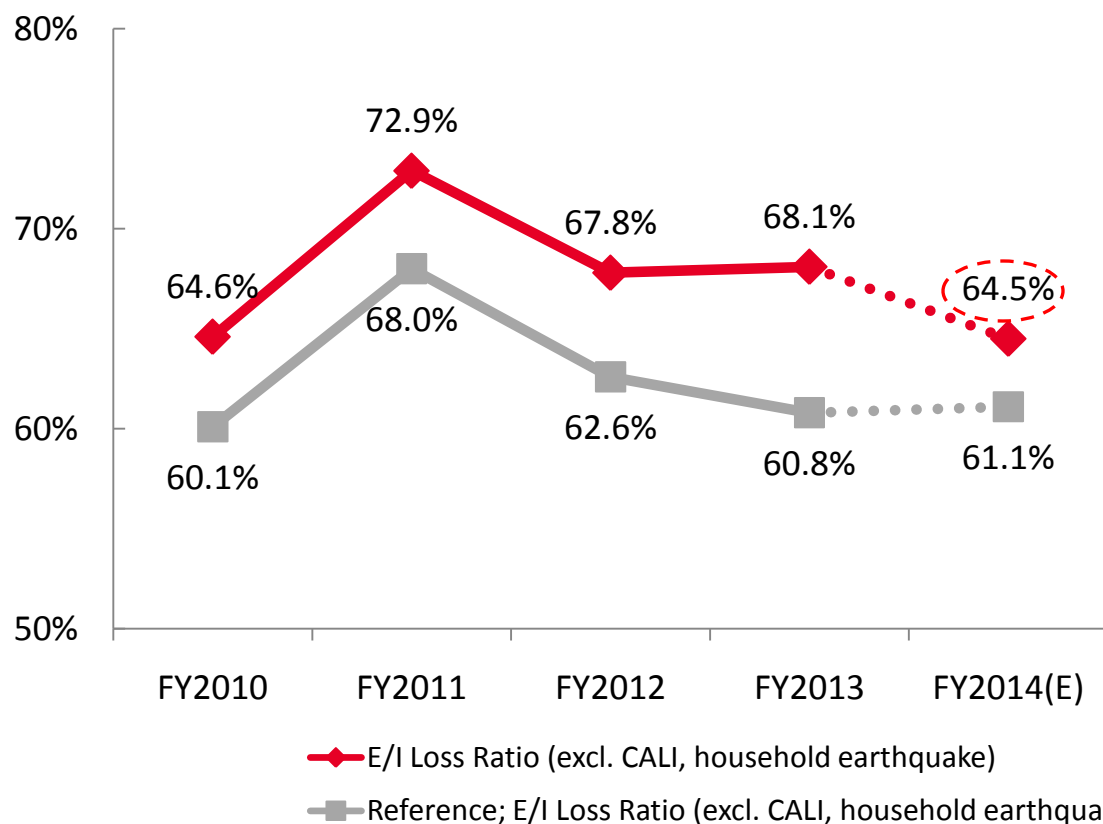
* The figures prior to September 1, 2014 are the sum of Sompo Japan and Nipponkoa.

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

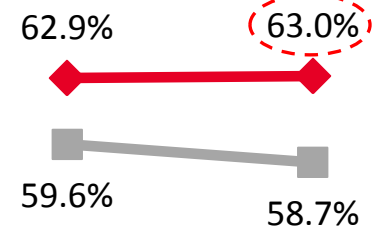
Loss Ratio (E/I)

◆ E/I loss ratio was 63.0% in 1H FY2014, and is expected to improve 3.5 points year on year in FY2014.

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



Trend of 1H Results

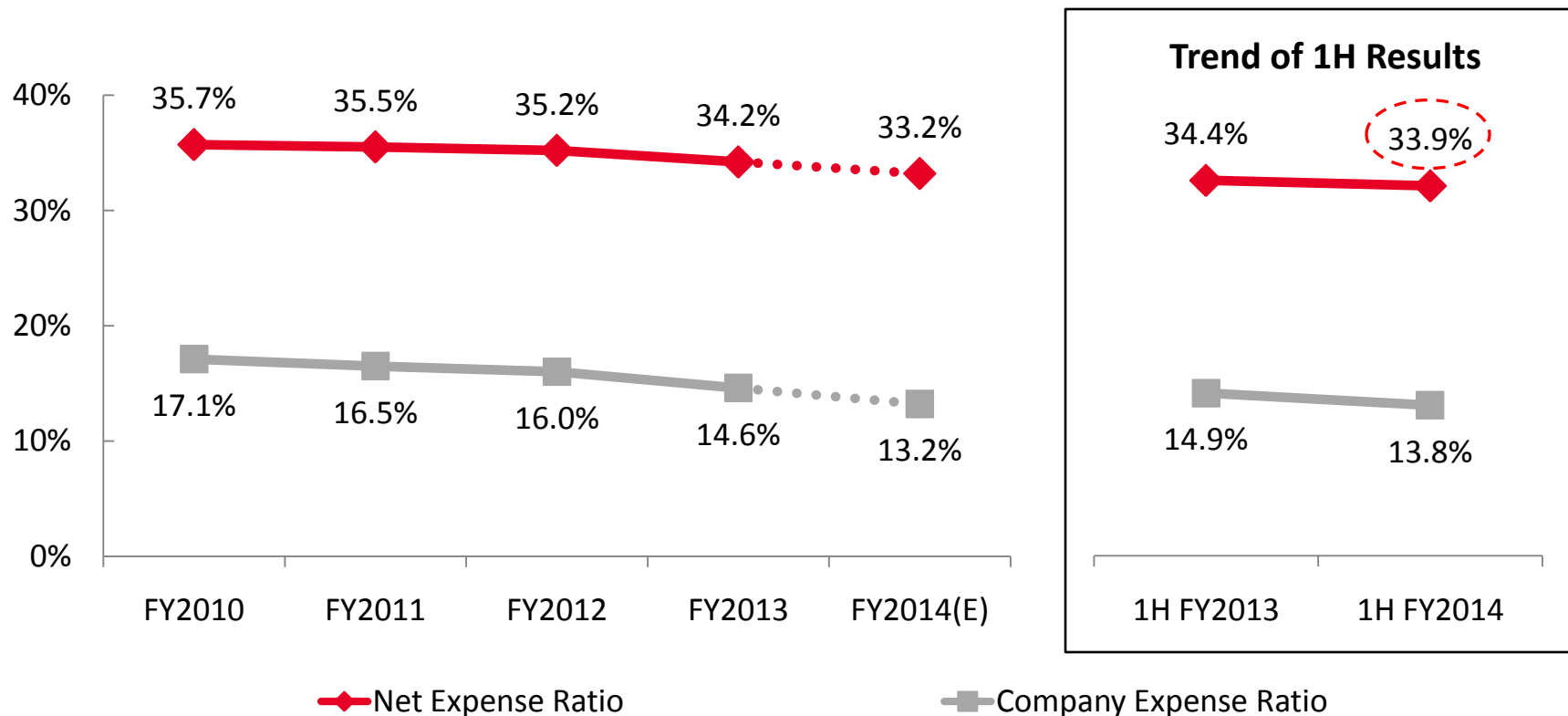


* The figures prior to September 1, 2014 are the sum of Sompo Japan and Nipponkoa.

Net Expense Ratio

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

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



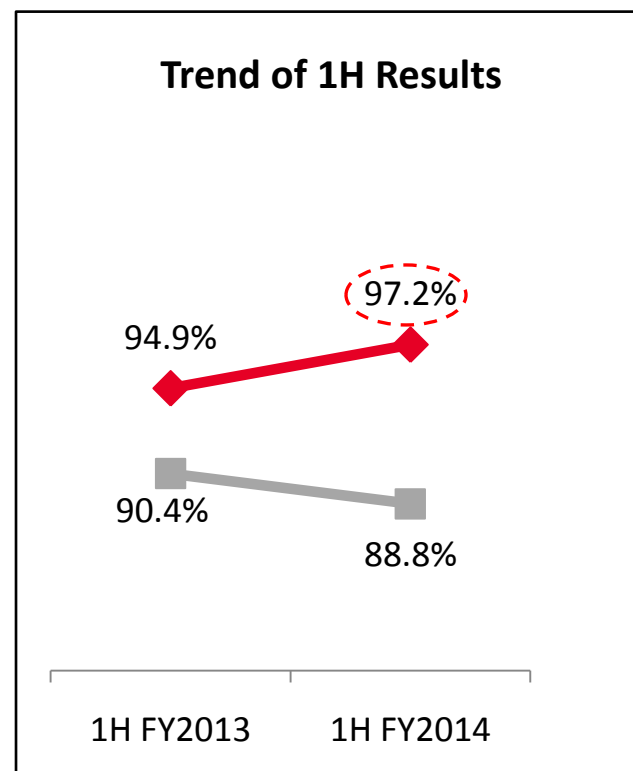
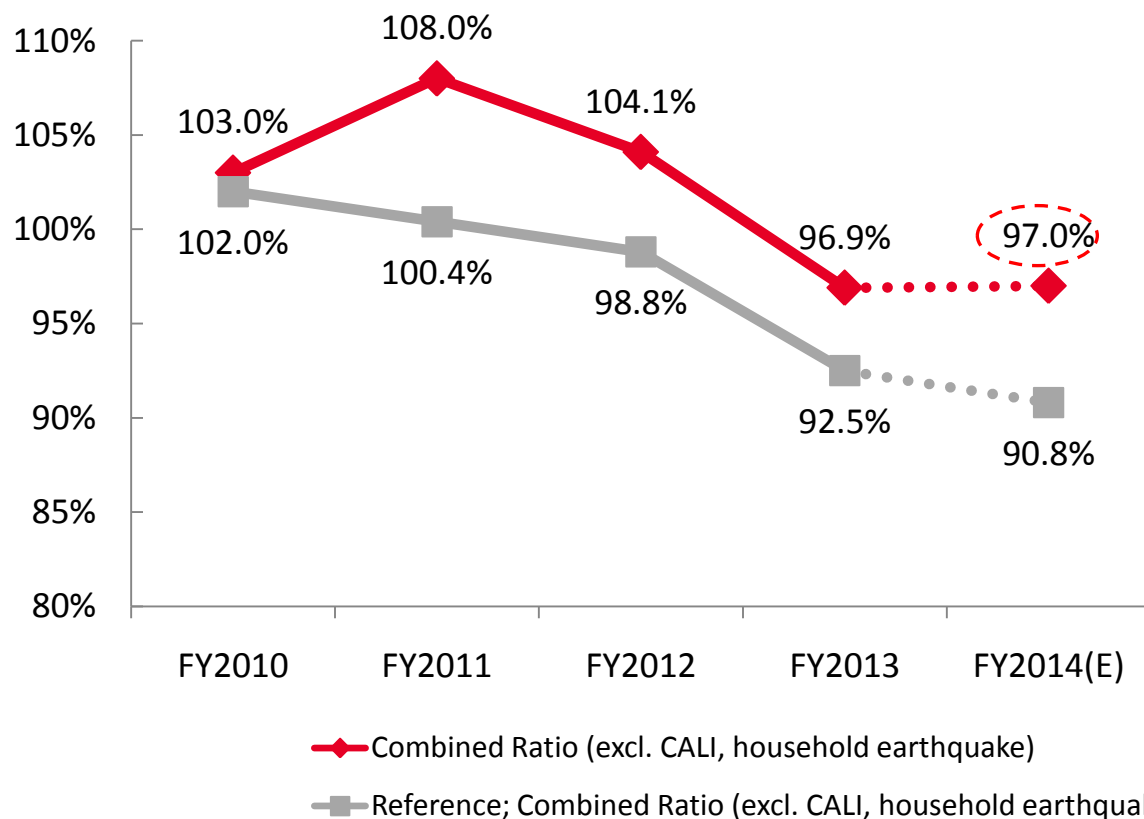
* The figures prior to September 1, 2014 are the sum of Sompo Japan and Nipponkoa.

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

Combined Ratio

- ◆ Combined ratio was 97.2% in 1H FY2014 due to snow damage in February 2014.
- ◆ Combined ratio excluding domestic natural disasters is expected to improve in FY2014.

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



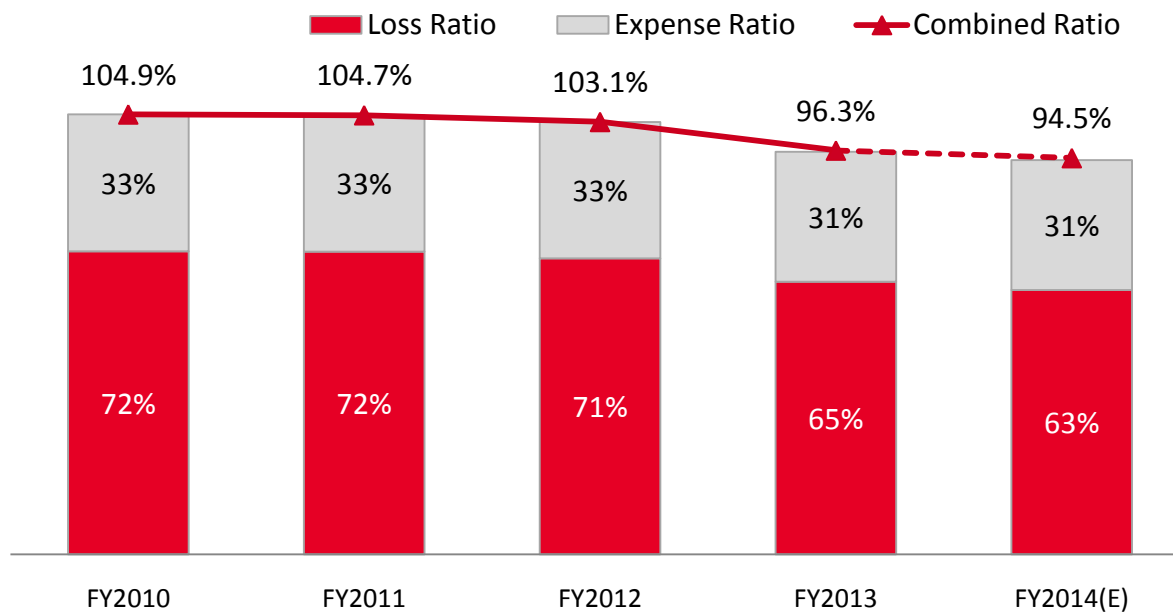
* The figures prior to September 1, 2014 are the sum of Sompo Japan and Nipponkoa.

Voluntary Automobile Insurance - Profitability

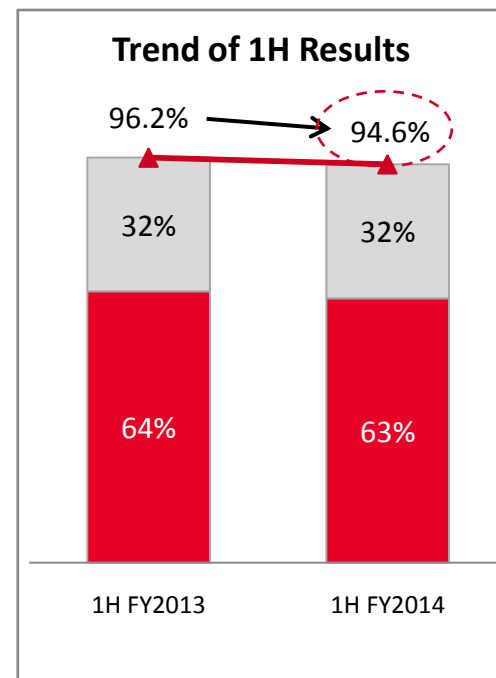
◆ Loss ratio was still downward trend in 1H FY2014.

- Positive impact of product and rate revisions has appeared, and decreasing trend of the number of reported claims is ongoing.

Trends of combined ratio of voluntary automobile insurance



(Reference) premium rate revisions & driver rating system revision (non-fleet)



Sompo Japan	Apr. +0.8%	Apr. +1.7%	Oct. Driver rating system revision	Apr. +2.1%	Jul. +2.5%
Nipponkoa	Dec. +1.4%	Jan. +1.8%	Oct. Driver rating system revision	Apr. +2.0%	Sep. +2.5%

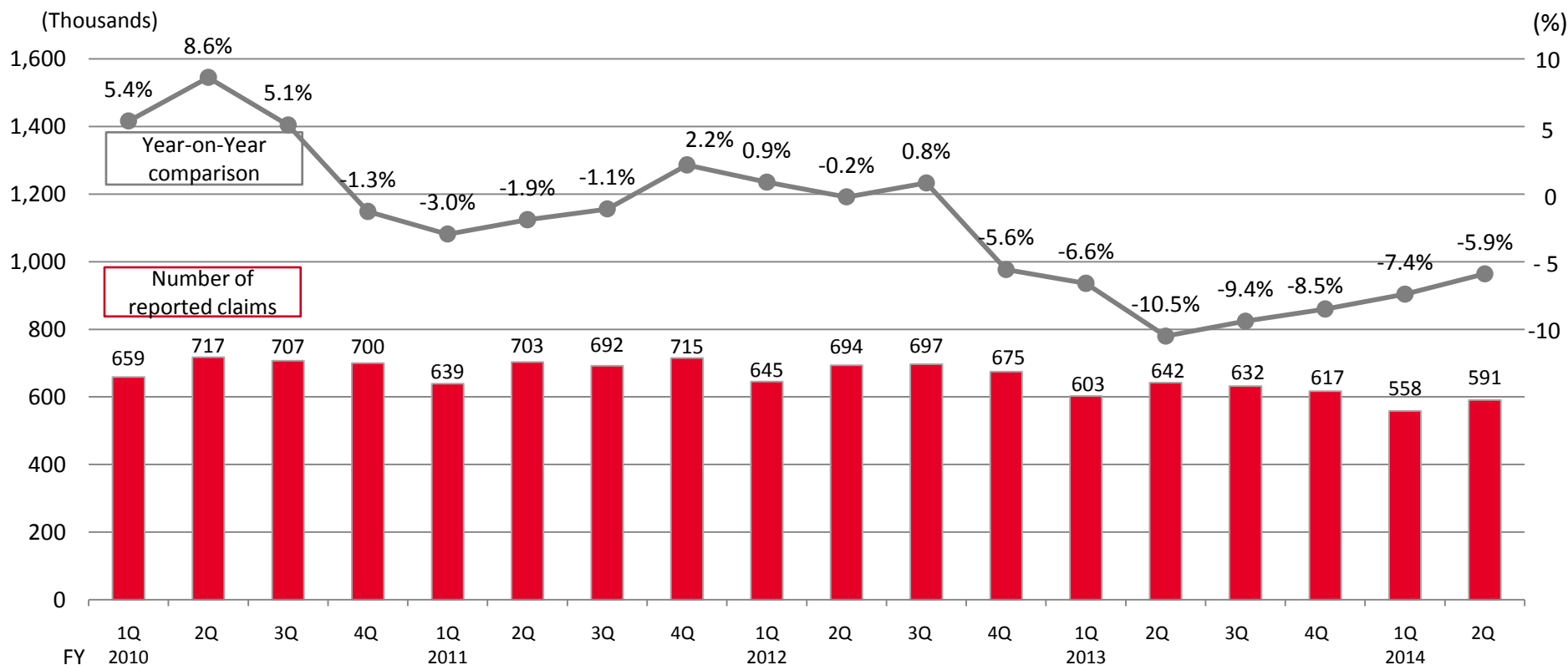
* The figures prior to September 1, 2014 are the sum of Sompo Japan and Nipponkoa.

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

Voluntary Automobile Insurance - Number of reported claims

◆ Decreasing trend (Year-on-Year comparison) has been on going since 4Q FY2012.

Trends of number of reported claims



* Year on Year comparison is adjusted based on calendar.

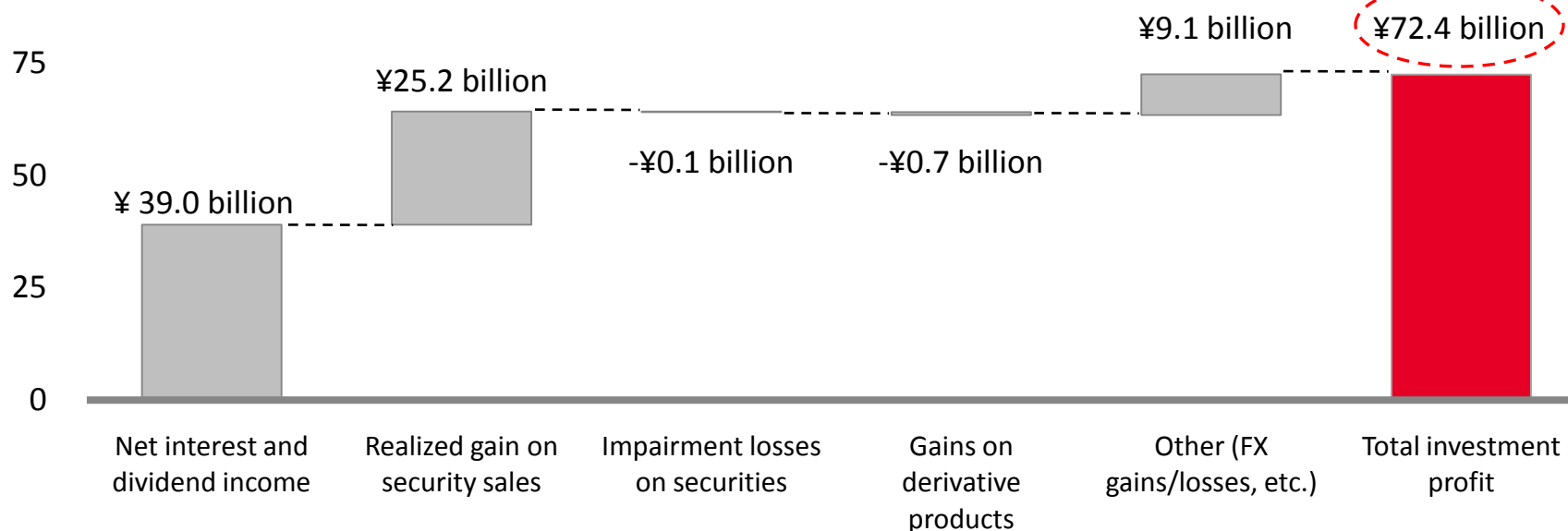
* Special factors in each fiscal year (The Great East Japan Earthquake, typhoon No.12 and 15 in FY2011, the severe storm in April 2012, and snow damage in February 2014) are excluded.

Investment Profit

- ◆ Investment profit forecast was upwardly revised to ¥132.2 billion (+¥26.7 billion against previous forecast) reflecting the current market conditions.

Breakdown of investment profit in 1H 2014 (Sompo Japan Nipponkoa)

(Billions of 100 yen)



1H FY2013		¥34.2 bn.	¥35.8 bn.	-¥11.2 bn.	-¥4.2 bn.	¥2.0 bn.	¥56.6 bn.
FY2014 Forecast	Previous	¥55.6 bn.	¥49.2 bn.	-¥3.0 bn.	-¥0.3 bn.	¥4.0 bn.	¥105.5 bn.
	Revised	¥61.1 bn.	¥58.6 bn.	-¥0.6 bn.	-¥0.8 bn.	¥13.9 bn.	¥132.2 bn.

Business Forecasts - Domestic P&C Insurance Business

(Billions of yen)	FY2013 (Actual)	FY2014 (Previous forecasts)	FY2014 (Revised forecasts)	Change (Comparison with FY2013)	Change (Comparison with the previous forecasts)
Net premiums written	2,082.1	2,174.1	2,183.5	+101.3 (+4.9%)	+9.4 (+0.4%)
(Excl. CALI, household earthquake)	1,783.0	1,868.1	1,874.3	+91.2 (+5.1%)	+6.1 (+0.3%)
Loss ratio	65.7%	67.8%	66.2%	+0.6pt	-1.6pt
(Excl. CALI, household earthquake)	62.7%	65.4%	63.8%	+1.1pt	-1.6pt
El loss ratio (excl. CALI, household earthquake)	68.1%	64.6%	64.5%	-3.5pt	-0.1pt
Expense ratio	32.2%	31.5%	31.3%	-0.9pt	-0.2pt
(Excl. CALI, household earthquake)	34.2%	33.3%	33.2%	-1.1pt	-0.1pt
Combined ratio	97.9%	99.3%	97.5%	-0.3pt	-1.8pt
(Excl. CALI, household earthquake)	96.9%	98.7%	97.0%	+0.1pt	-1.7pt
Underwriting profit	-62.5	42.2	32.6	+95.2 (-)	-9.5 (-22.7%)
Investment profit	192.7	105.5	132.2	-60.4 (-31.4%)	+26.7 (+25.3%)
Ordinary profit	117.7	144.0	162.6	+44.8 (+ 38.1%)	+ 18.5 (+12.9%)
Net income	49.5	33.7	42.8	-6.6 (-13.5%)	+9.0 (+26.9%)

* The figures in FY2013 are the sum of Sompo Japan and Nipponkoa.

Assumption of Business Forecasts - Domestic P&C

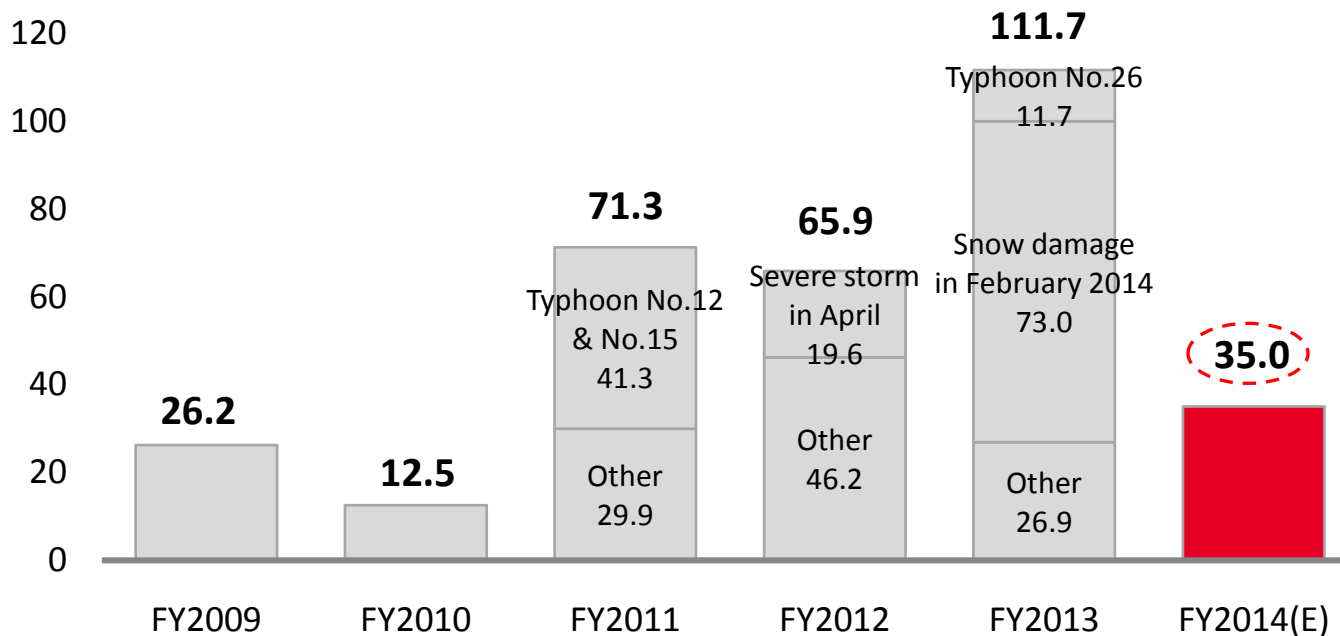
	FY2014 previous forecasts	FY2014 revised forecasts
Losses from domestic natural disasters (occurring in the fiscal year)	¥43.0 billion	¥35.0 billion
Thai floods	Net claims paid : ¥4.6 billion	Net claims paid : ¥4.6 billion
Snow Damage in February 2014	Net claims paid : ¥59.1 billion	Net claims paid : ¥72.5 billion
Catastrophic loss reserve	Net reversal : ¥16.5 billion	Net reversal : ¥1.3 billion
Provision rate of Catastrophic loss reserve	Provision rate of fire group : 10.0% Provision rate of automobile group : 5.5%	Provision rate of fire group : 10.0% Provision rate of automobile group : 5.5%
Market indicators	(Stock) Nikkei 225 : ¥14,827 (Interest yield) 10y JGB : 0.64% (Foreign exchange) 1US\$: ¥102.92 1Euro : ¥141.65	(Stock) Nikkei 225 : ¥16,173 (Interest yield) 10y JGB : 0.53% (Foreign exchange) 1US\$: ¥109.45 1Euro : ¥138.87
Interest and dividend income	Gross : ¥100.7 billion Net : ¥55.6 billion	Gross : ¥106.3 billion Net : ¥61.1 billion
Realized gains on securities	Realized gains on security sales : ¥49.2 billion Impairment losses on securities : ¥3.0 billion	Realized gains on security sales : ¥58.6 billion Impairment losses on securities : ¥0.6 billion
Reserve for price fluctuation	Net provision : ¥8.9 billion	Net provision : ¥8.9 billion

(Reference) Domestic Natural Disasters

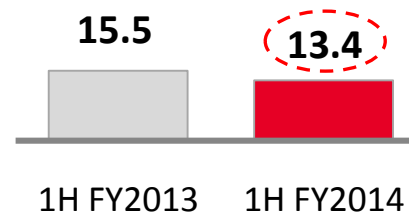
- ◆ In 1H FY2014, incurred losses for domestic natural disasters totaled ¥13.4 billion.
(¥35.0 billion is estimated for FY2014.)

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

(Billions of yen)



Trend of 1H Results



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

* Excluding Great East Japan Earthquake

(Reference) Snow Damage in February 2014

◆ In 1H FY2014, the impact on underwriting profit was ¥28.4 billion due to the reversal of outstanding loss reserve.

The impact of snow damage in February 2014

	By the end of FY2013 (cumulative)	April to September 2014			(Billions of yen) By the end of 1H FY2014 (cumulative)
	Total	Total	Fire and allied lines	Voluntary automobile	Total
Net claims paid	20.8	60.7	54.8	4.5	81.6
Provision of outstanding loss reserve	52.1	-40.4	-36.0	-3.3	11.7
Net Loss Occurred	73.0	20.3	18.8	1.1	93.4
Reversal of catastrophic loss reserve	8.4	48.7	44.2	4.5	57.1
Impact on underwriting profit	-64.6	28.4	25.4	3.3	-36.2

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

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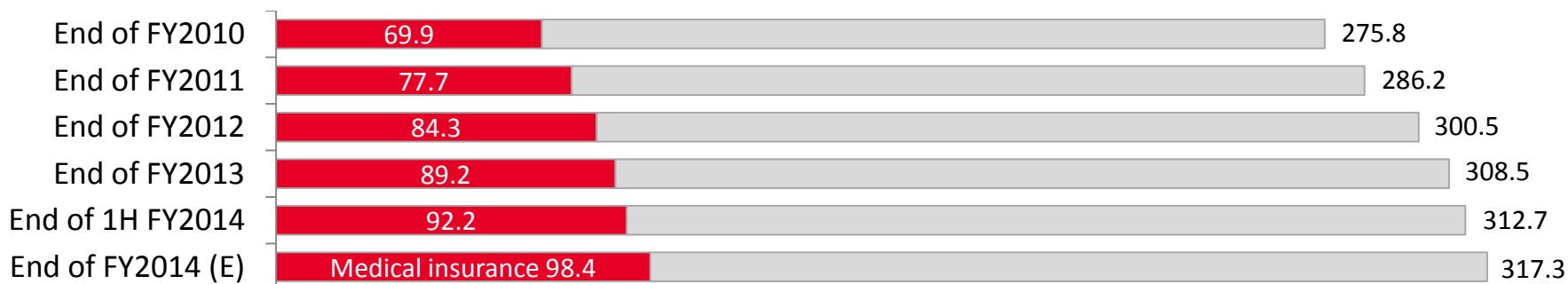
Appendix P. 38

Annualized Premium in Force and MCEV

- ◆ MCEV is expanding due to growth in highly profitable protection-type products (medical insurance, etc).

Trends of annualized premium in force

(Billions of yen)



Trends of MCEV

(Billions of yen)



Annualized New Premium and Annualized Premium in Force

- ◆ Increase in business in force contributes to the trend of premium growth, especially in protection-type products.
- ◆ Annualized new premium in FY2014 is expected to increase sharply by sales of new medical insurance products.

	FY2014					(Billions of yen)		
	FY2013 (Actual)	(Previous forecasts)	(Revised forecasts)	Change (Comparison with FY2013)	Change (Comparison with the previous forecasts)	1H FY2013	1H FY2014	Change
Amount of new business	2,635.0	2,600.0	2,600.0	-35.0 (-1.3%)	- (-)	1,293.9	1,196.6	-97.3 (-7.5%)
Annualized new premium	30.4	41.0	43.6	+13.2 (+43.4%)	+2.6 (+6.3%)	15.0	17.3	+2.2 (+14.9%)
Premium and other income	372.8	383.7	381.2	+8.3 (+2.2%)	-2.4 (-0.6%)	182.4	185.2	+2.7 (+1.5%)
(excl. lump-sum payment)	369.0	379.4	377.8	+8.7 (+2.4%)	-1.5 (-0.4%)	180.4	183.6	+3.2 (+1.8%)
Ordinary profit	17.2	16.2	21.2	+4.0 (+23.4%)	+5.0 (+31.4%)	7.3	15.0	+7.6 (+104.9%)
Net income	8.0	7.5	11.0	+2.9 (+37.1%)	+3.5 (+47.3%)	3.3	7.9	+4.6 (+140.6%)

	(Billions of yen)			(Billions of yen)	
	End of FY2013	End of 1H FY2014	Change		Change
Amount of business in force	20,245.5	20,635.9	+390.3 (+1.9%)	Breakdown	Protection-type +3.6
Annualized premium in force	308.5	312.7	+ 4.2 (+1.4%)		Saving-type +0.5
					Total +4.2

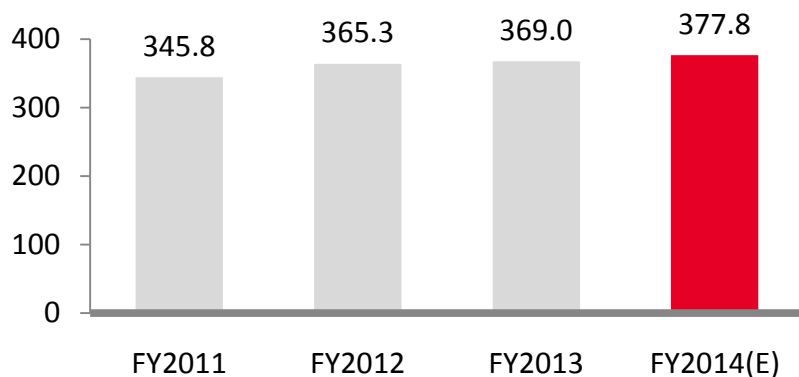
* Amount of business and annualized premium are the sum of individual insurance and individual annuities.

Premium and Other Income

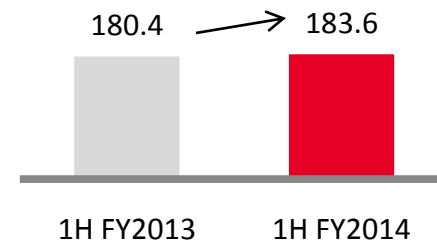
◆ Insurance premiums excluding low-margin lump-sum payment products steadily increased.

Income from insurance premium (excluding lump-sum payment)

(Billions of yen)

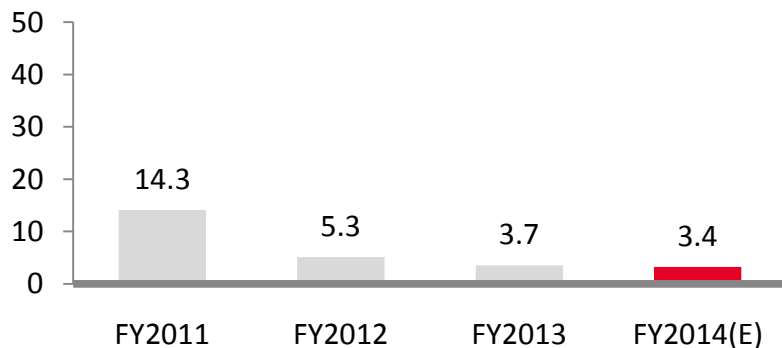


Trend of 1H Results

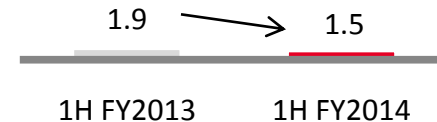


Income from insurance premium (lump-sum payment)

(Billions of yen)



Trend of 1H Results

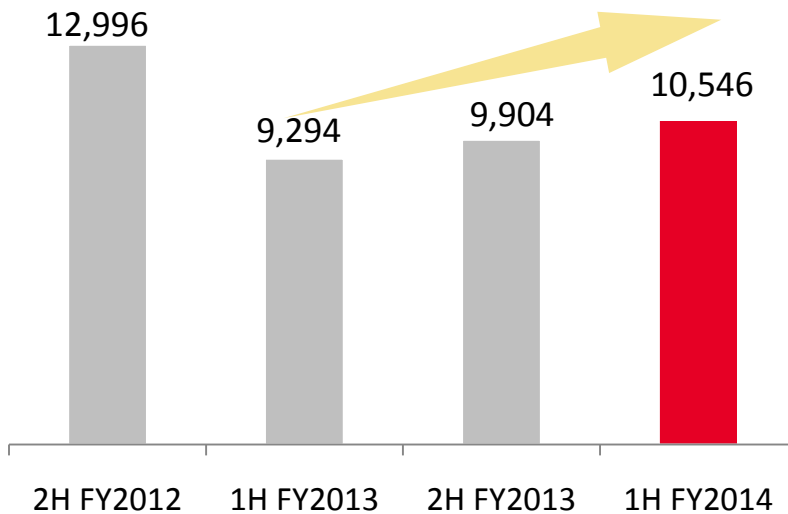


Trend of P&C Insurance Channel and Weight of Protection-type Products

◆ 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)

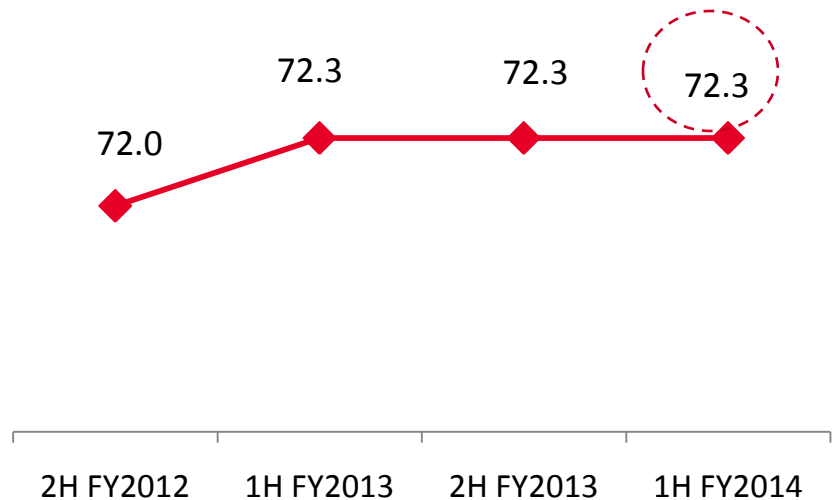


* Front-loaded demand ahead of the rate revision was observed in 2H FY2012.

(Note) Annualized new premium

Weight of protection-type products

(%)



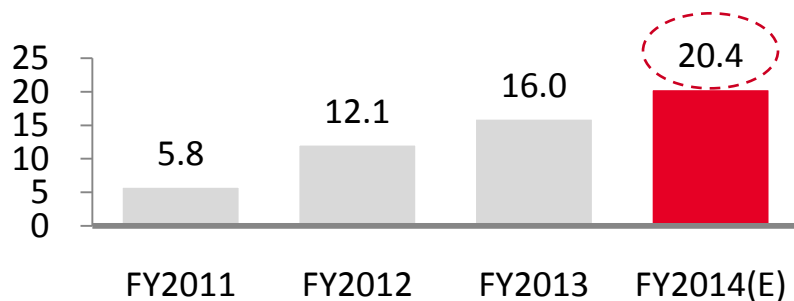
(Note) Number of policies in force

Profit (J-GAAP)

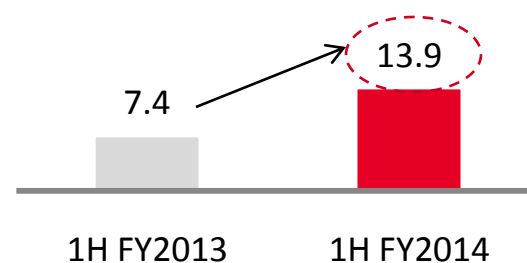
◆ Bottom-line in 1H FY2014 is on improving trend, and net income has steadily grown as policies in force increased.

Basic profit*

(Billions of yen)



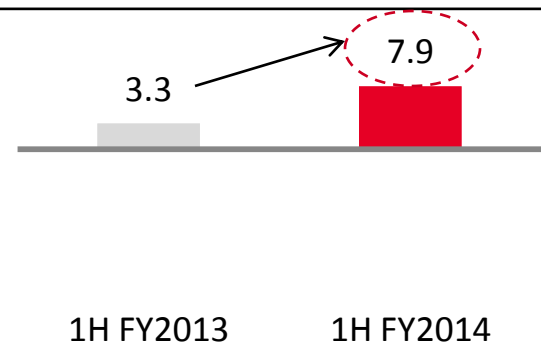
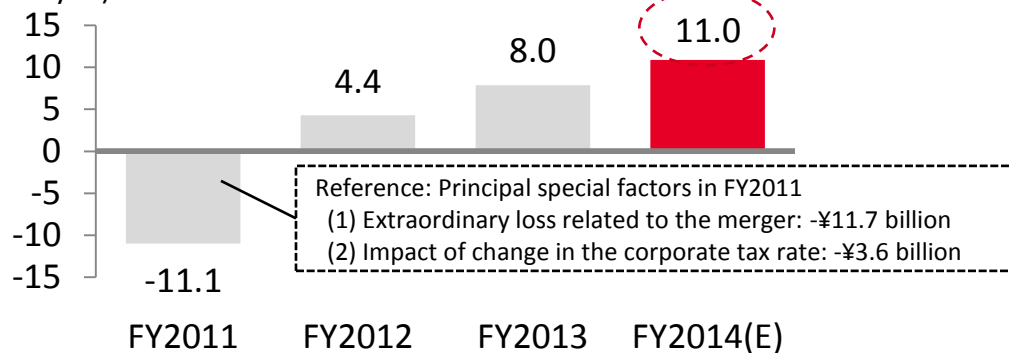
Trend of 1H Results



* 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

(Billions of yen)



(Reference) Embedded Value (MCEV)

- ◆ A high level of growth in adjusted EV is expected to continue due to favorable sales of protection-type products.

Growth in adjusted EV

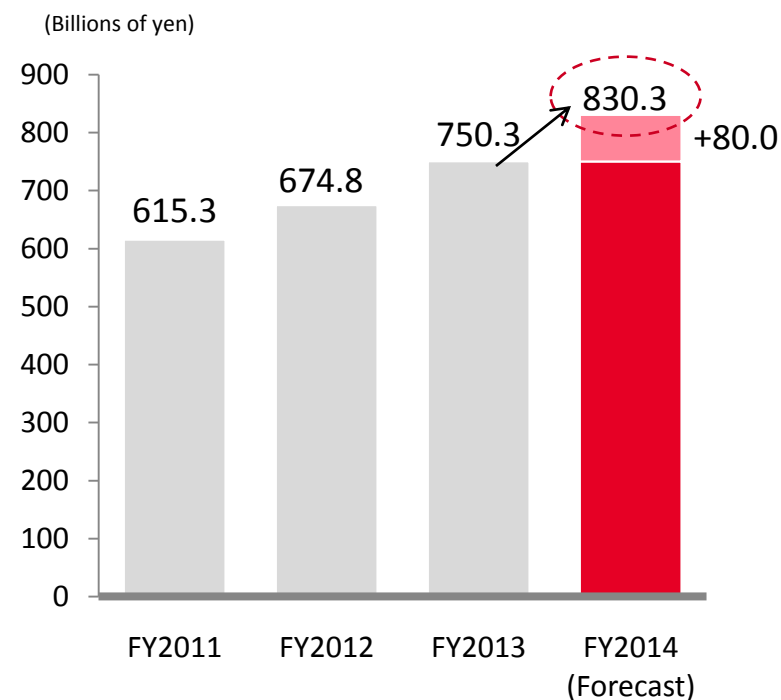
(Billions of yen)				
	FY2012 (Actual)	FY2013 (Actual)	FY2014 (Forecast)	Change
New Business Value	47.1	46.3	54.0	+ 7.7
Expected existing business contribution	33.8	38.7	41.0	+ 2.3
Sub-total	80.9	85.0	95.0	+ 10.0
Experience variances and assumption change	26.9	0.7	-15.0	-15.7
Growth in adjusted EV	107.8	85.7	80.0	-5.7
Other operating/non-operating variances*	-20.4	-2.7	-	+ 2.7
Economic variances	-28.0	-7.5	-	+ 7.5
Change of EV amount	59.4	75.5	80.0	+ 4.5
EV as of the end of fiscal year	674.8	750.3	830.3	+80.0

* Other operating/non-operating variances

(1) FY2012 : Change in surrender risk factor in non-hedgeable risks, and consumption tax hike, etc.

(2) FY2013 : Refine the balance model, etc.

Trends of MCEV



(Note) Change of MCEV does not agree with growth in adjusted EV because there are economic variances and other operating/non-operating variances.

1. Trend of business results P. 1

2. Domestic P&C insurance P. 10

3. Domestic Life insurance P. 24

4. Overseas insurance P. 31

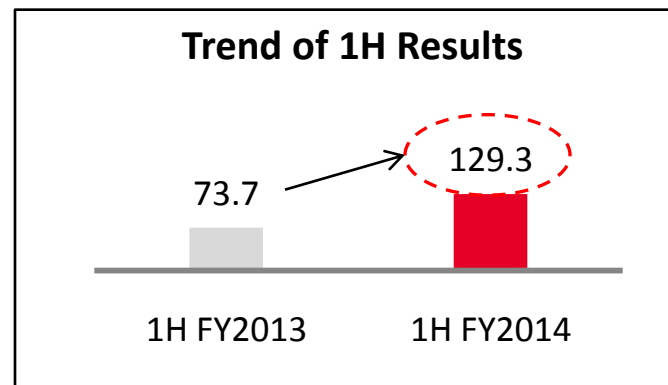
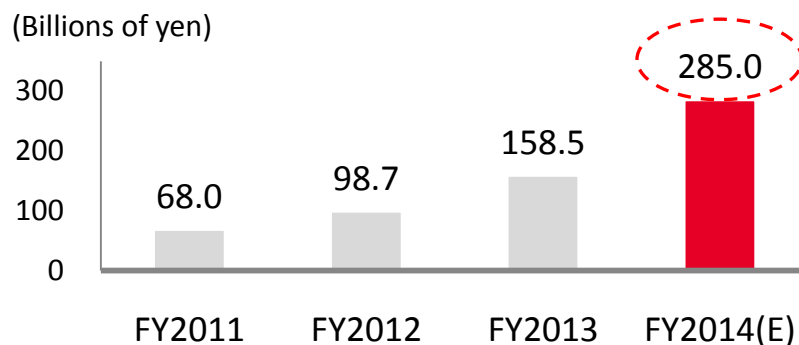
5. Capital Policy P. 35

Appendix P. 38

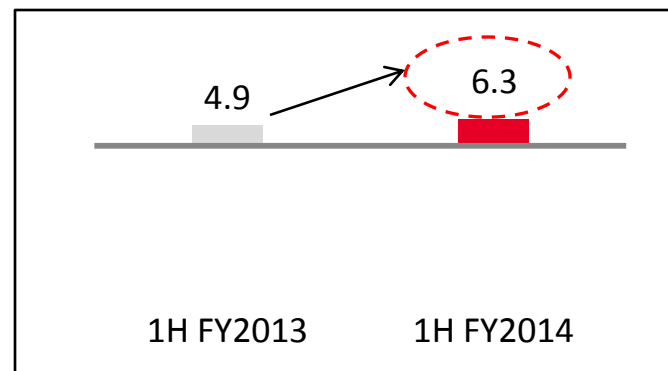
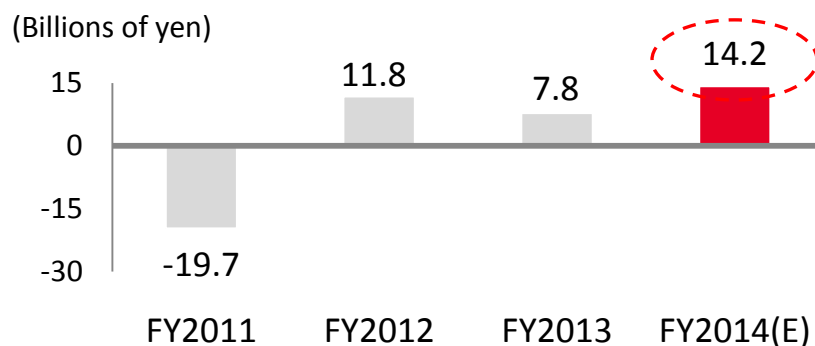
Trend of Overseas Insurance Business

◆ Top-line has steadily grown, and bottom-line was in line with the fiscal year plan.

Net premiums written



Net income



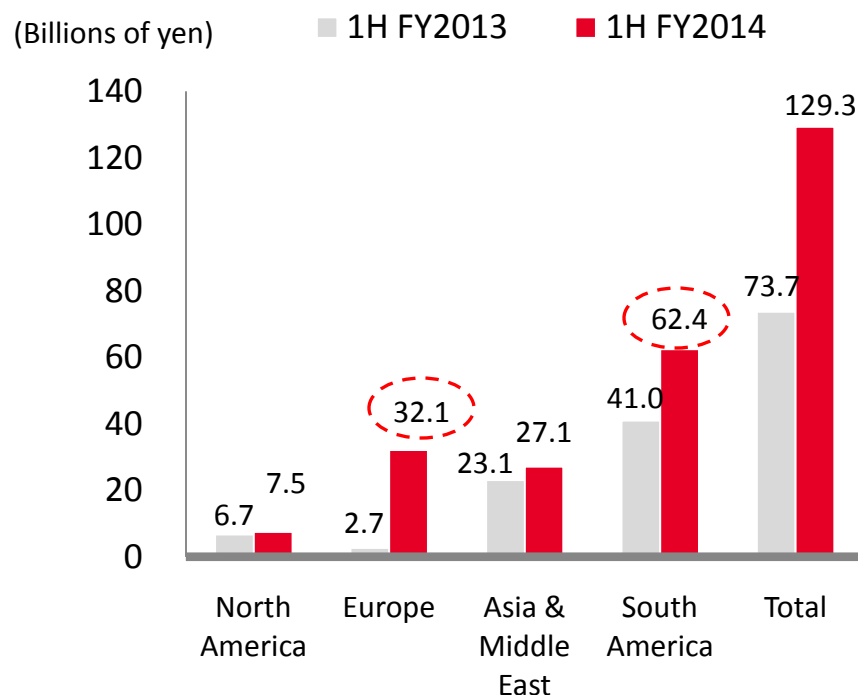
* Net premiums written of subsidiaries and affiliates reflect holding shares of each company. This treatment does not coincide with financial statements.

* 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.

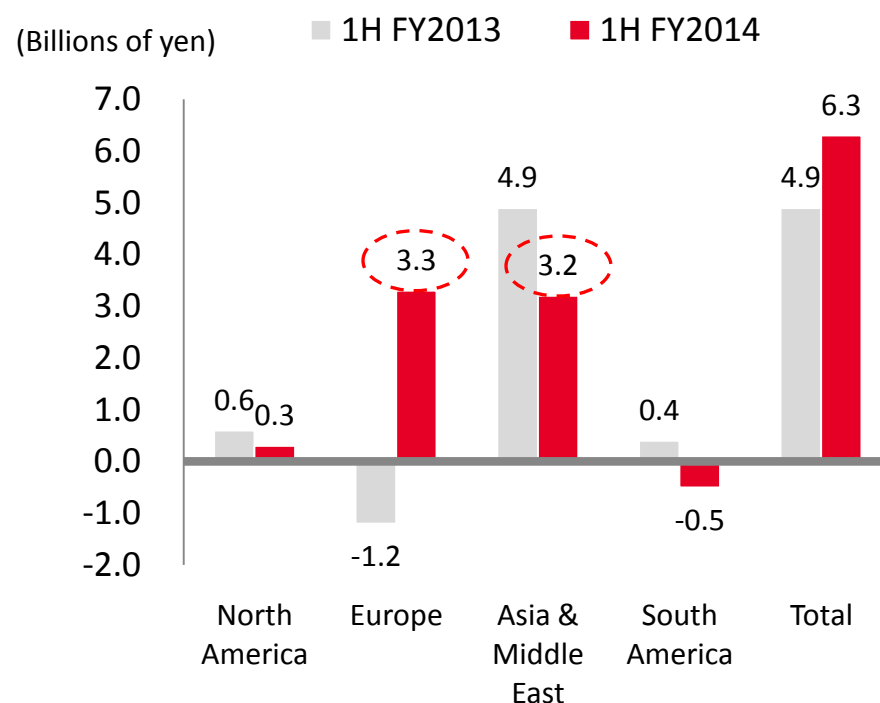
Overview of Business Results by Region

- ◆ 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.

Overview of Business Results by Company

- ◆ Top-line has steadily grown. Canopius' profit started to be consolidated, and SJ Sigorta and Tenet Sampo contributed to bottom-line.

Business results of overseas subsidiaries

(Billions of yen)

		Net premiums written			Net income		
		1H FY2014 (Actual)	change	FY2014 (Forecast)	1H FY2014 (Actual)	change	FY2014 (Forecast)
North America	SJ America	7.5	+0.8	17.2	0.3	-0.3	1.2
Europe	SJNK Europe + NK Europe	2.8	+0.0	5.1	0.0	+1.3	0.3
	Canopius (UK)	29.2	+29.2	83.4	3.3	+3.3	7.9
Asia & Middle East	SJ Sigorta (Turkey)	10.1	+0.8	20.5	1.6	+0.4	1.5
	Tenet Sampo (Singapore)	4.1	+1.3	8.7	0.7	-2.1	0.3
	Berjaya (Malaysia)	5.5	+0.8	10.8	0.5	-0.0	1.2
	SJNK China + NK China	4.2	+0.5	7.7	-0.0	+0.0	0.0
	SJNK H.K. + NK Asia	1.9	+0.1	4.0	0.3	-0.0	0.3
	Other	1.1	+0.2	2.4	0.0	+0.0	-0.0
South America	Yasuda Maritima (Brazil)	62.4	+21.3	124.7	-0.5	-1.0	1.1
Total		129.3	+55.5	285.0	6.3	+1.4	14.2

* 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.)

1. Trend of business results P. 1

2. Domestic P&C insurance P. 10

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5. Capital Policy P. 35

Appendix P. 38

Asset Portfolio (Sompo Japan Nipponkoa)

- ◆ 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)



Proportion of general account

	Domestic stocks	Yen-denominated Interest-bearing assets	Foreign securities	Real estate, etc.
End of Mar. 2014	32.0%	33.3%	26.9%	7.8%
End of Sep. 2014	33.1%	30.4%	29.0%	7.5%

Breakdown of foreign securities (foreign currencies) (End of Sep. 2014)

	USD	EUR	Others	Total
Bonds	26%	16%	10%	52%
Funds, etc.	22%	0%	1%	23%
Subsidiaries, affiliates	4%	0%	20%	24%
Total	52%	16%	31%	100%

Proportion of saving-type account

	Yen-denominated interest-bearing assets	Foreign securities
End of Mar. 2014	98.5%	1.5%
End of Sep. 2014	98.4%	1.6%

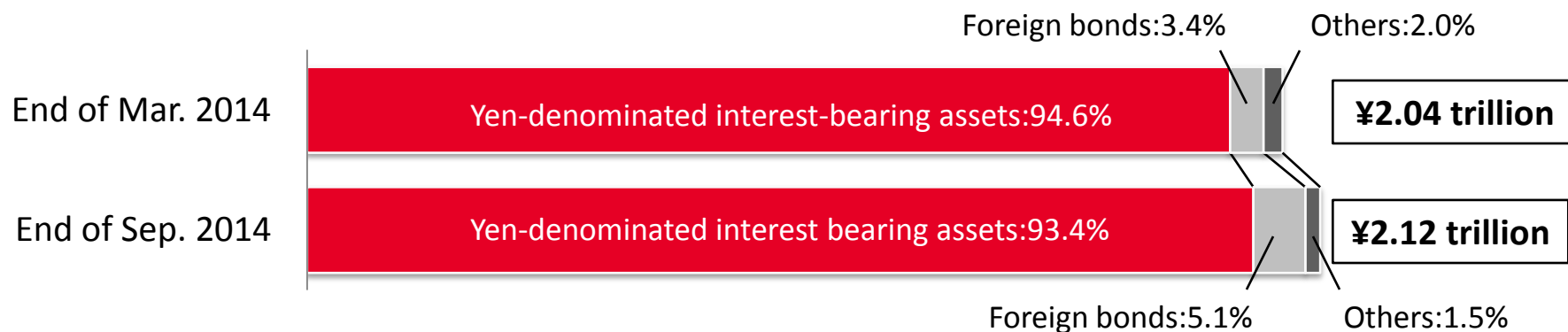
Asset/Liability Duration (Saving-type)

	End of Mar. 2014	End of Sep. 2014
Asset	4.8y	4.6y
Liability	6.1y	6.1y

Investment Portfolio (Himawari Life)

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

Amount of investment assets (Himawari Life)



Asset/Liability Duration

	End of Mar. 2014	End of Sep. 2014
Asset	12.9y	13.0y
Liability	16.4y	16.6y

(Note) The liability duration assumes the same interest rate sensitivity (changes in fair value) for assets and liabilities.

1. Trend of business results P. 1

2. Domestic P&C insurance P. 10

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4. Overseas insurance P. 31

5. Capital Policy P. 35

Appendix P. 38

Numerical Management Targets

(Billions of yen)

		FY2012	FY2013	FY2014		FY2015
		(Actual)	(Actual)	(Previous forecasts)	(Revised forecasts)	(Plan)
Domestic P&C insurance business	Adjusted profit	-8.9	6.5	47.7	60.9	70.0 -80.0
Sompo Japan Nipponkoa*	Net premium written	1,966.2	2,082.1	2,174.1	2,183.5	2,040.0
	(Exc. CALI)	1,691.7	1,783.9	1,869.1	1,875.2	1,740.0
	Loss ratio	72.0%	65.7%	67.8%	66.2%	65.6%
	(Exc. CALI/Fin. Guarantee)	68.8%	62.7%	65.0%	63.8%	62.8%
	Expense ratio	33.4%	32.2%	31.5%	31.3%	30.6%
	(Exc. CALI)	35.2%	34.2%	33.3%	33.2%	32.6%
	Combined ratio	105.4%	97.9%	99.3%	97.5%	96.2%
	(Exc. CALI/Fin. Guarantee)	104.1%	96.9%	98.3%	96.9%	95.3%
Domestic life insurance business	Growth in embedded value (EV)	107.8	85.7	84.0	80.0	100.0 - 110.0
Overseas insurance business	Net income as reported in financial statements	11.8	7.8	13.0	14.2	14.0 - 20.0
Financial and other services	Net income as reported in financial statements	0.7	1.5	1.3	1.7	2.0 - 3.0
Group total	Adjusted consolidated profit	111.6	101.5	146.0	156.9	180.0 - 210.0

Adjusted ROE	5.4%	4.3%	5.9%	6.2%	7% or more
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* The figures prior to September 1, 2014 are the sum of Sompo Japan and Nipponkoa.

Definition of Adjusted Profit

Definition of Business		Calculation Method for Adjusted Profit
Domestic P&C Insurance	Total of Sompo Japan Nipponkoa, Sonpo 24 and Saison Automobile & Fire (non-consolidated)	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	Himawari Life	Growth in Embedded Value (EV) - Capital transactions such as equity issuance - Changes in EV attributable to fluctuation of interest rates, etc.
Overseas Insurance	Overseas insurance subsidiaries	Net income
Financial and Other Services	Financial services, Healthcare business, etc.	Net income

(Calculation Method for Adjusted Consolidated ROE)

$$\text{Adjusted Consolidated ROE} = \frac{\text{Adjusted consolidated profit}}{\text{Consolidated net assets (excluding life insurance subsidiaries' net assets) + Catastrophic loss reserve (after tax) + Reserve for price fluctuation (after tax) + Life insurance subsidiaries' EV}}$$

*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.

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