

Highlights of 3Q FY2015 Results

February 12, 2016

Sompo Japan Nipponkoa Holdings, Inc.



Table of Contents

Highlights of 3Q FY2015 results	2	3. Domestic life insurance	
1. Trend of business results		Overview of 3Q FY2015 results – Himawari Life	22
Overview of 3Q FY2015 results – consolidated basis	4	Profit – J-GAAP	23
Main points of consolidated results – (1) underwriting profit	5	(Reference) Sales of medical insurance products	24
Main points of consolidated results – (2) ordinary profit	6	4. Overseas insurance	
Main points of consolidated results – (3) net income	7	Overview of business results – net premiums written, net income	26
Business forecasts for FY2015 – consolidated basis	8	Business results by region	27
Main points of business forecasts for FY2015 – ordinary profit	9	Business results by company	28
2. Domestic P&C insurance		5. ERM & Asset management	
Overview of 3Q FY2015 results – Sompo Japan Nipponkoa	11	Strategic risk management (ERM)	30
Net premiums written	12	Financial soundness – internal solvency ratio	31
Loss ratio (W/P)	13	(Reference) Breakdown of adjusted capital and risk	32
Net expense ratio	14	(Reference) Market sensitivity	33
Combined ratio	15	Asset portfolio – group-wide	34
Investment profit	16	Asset portfolio – Sompo Japan Nipponkoa	35
Business forecasts for FY2015 – Sompo Japan Nipponkoa	17	Asset portfolio – Himawari Life	36
Assumption of business forecasts for FY2015	18	Appendix	
(Reference) Related indicators of automobile insurance	19	Group governance	38
(Reference) Domestic natural disasters	20	Nursing care business	39
		Numerical management targets	40

Highlights of 3Q FY2015 Results

- Top-line steadily increased. Loss ratio and net expense ratio continue improving.
- Consolidated net income increased by ¥45.0 billion to ¥88.3 billion in the absence of one-time merger costs.

Domestic P&C

(Sompo Japan Nipponkoa)

- Combined ratio (excluding CALI and household earthquake) continues improving to 93.5%.
- Investment profit progressed in line with the business forecast for FY2015.
- Net income increased by ¥28.2 billion to ¥61.1 billion.

Domestic life

- Annualized new premium steadily increased, mainly in medical insurance.
- Net income was ¥10.1 billion, and almost achieved the full-year business forecast of ¥10.2 billion.

Overseas insurance

- Top-line steadily increased due to full-year contribution of Sompo Canopus.
- Net income was ¥12.8 billion (slight decrease) due to the impact of one-time large losses, etc.

ERM & Asset management

- Reduction of exposure for strategic-holding stocks steadily progressed to ¥64.8 billion.
- Internal solvency ratio was 175%, and there is no issue for our financial soundness.

*We keep around 170% level as of end of January 2016 (flash-basis).

Unchanged the business forecast for FY2015.

Consolidated ordinary profit:

¥230.0 billion

Consolidated net income:

¥160.0 billion

(Reference)

Management numerical targets

Adjusted consolidate profit:

¥223.0 billion

Adjusted consolidate ROE:

7.6%

1. Trend of business results

2. Domestic P&C insurance

3. Domestic life insurance

4. Overseas insurance

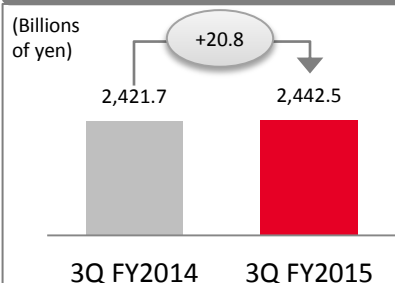
5. ERM & Asset management

Appendix

Overview of 3Q FY2015 Results – Consolidated basis

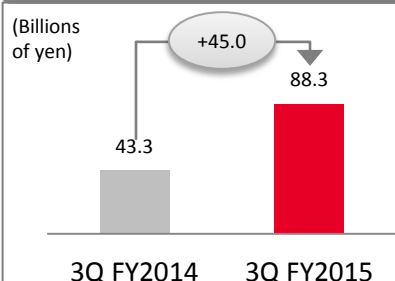
- ◆ Top-line steadily increased. While consolidated ordinary profit has decreased mainly due to decrease of investment profit, consolidated net income drastically increased (+¥45.0 billion) in the absence of one-time merger costs, etc.

Consolidated ordinary income



3Q FY2014 3Q FY2015

Consolidated net income



3Q FY2014 3Q FY2015

(Billions of yen)	3Q FY2014	3Q FY2015	Change	FY2015 (Forecast)
Consolidated ordinary income	2,421.7	2,442.5	+20.8 (+0.9%)	-
Net premiums written (P&C)	1,868.1	1,939.4	+71.3 (+3.8%)	2,581.0
Life insurance premiums	202.0	216.0	+14.0 (+7.0%)	277.0
Consolidated ordinary profit	158.5	121.5	-36.9	230.0
Sompo Japan Nipponkoa*1	142.9	88.6	-54.2	178.0
Himawari Life	18.6	15.2	-3.4	15.9
Overseas insurance subsidiaries	15.1	16.0	+0.9	24.3
Consolidated adjustment*2/Others	-18.2	1.6	+19.9	11.7
Consolidated net income*3	43.3	88.3	+45.0	160.0
Sompo Japan Nipponkoa*1	32.8	61.1	+28.2	126.0
Himawari Life	11.9	10.1	-1.7	10.2
Overseas insurance subsidiaries	13.6	12.8	-0.7	18.7
Consolidated adjustment*2/Others	-15.1	4.1	+19.3	4.9
(Reference) Adjusted profit (by business)	-	-	-	223.0
Domestic P&C insurance	56.3	70.3	+14.0	112.7
Domestic life insurance	-	-	-	90.0
Overseas insurance	14.1	12.8	-1.3	18.4
Financial & other services	1.3	1.7	+0.3	2.2

*1 The figures prior to September 1, 2014 are the sum of Sompo Japan and Nipponkoa. (The same shall apply hereafter.)

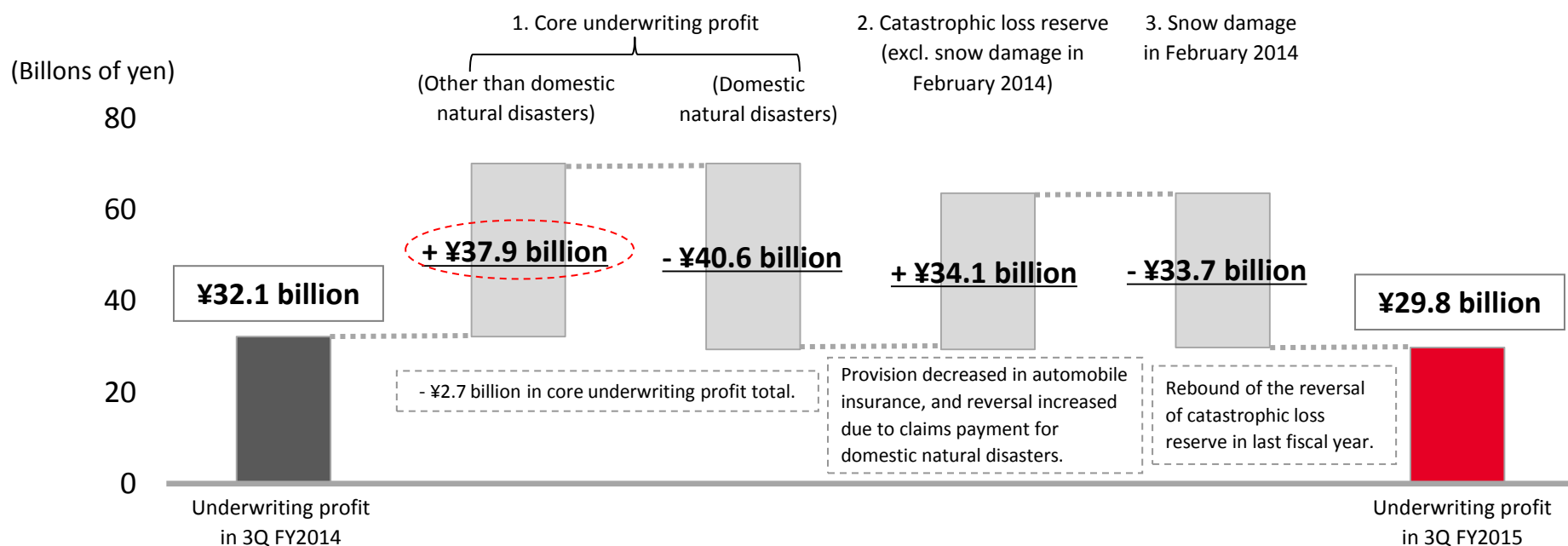
*2 "Purchase method" accounting was adopted upon the establishment of Sompo Japan Nipponkoa Holdings (the former NKSJ Holdings). In the consolidated accounts of the holdings, assets and liabilities of the former Nipponkoa and some group companies were acquired and carried on the balance sheet at fair value at the time of business integration. (This gave rise to a difference between the carrying amount in the 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."

*3 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

- ◆ Core underwriting profit excluding domestic natural disasters improved while claims paid by natural disasters increased.

Changing factors of underwriting profit (Sompo Japan Nipponkoa)



	1. Core underwriting profit	2. Catastrophic loss reserve	3. Snow damage in February 2014
3Q FY2014 Actual	¥45.7 billion	- ¥52.0 billion	¥38.4 billion
3Q FY2015 Actual	¥43.0 billion	- ¥17.9 billion	¥4.7 billion

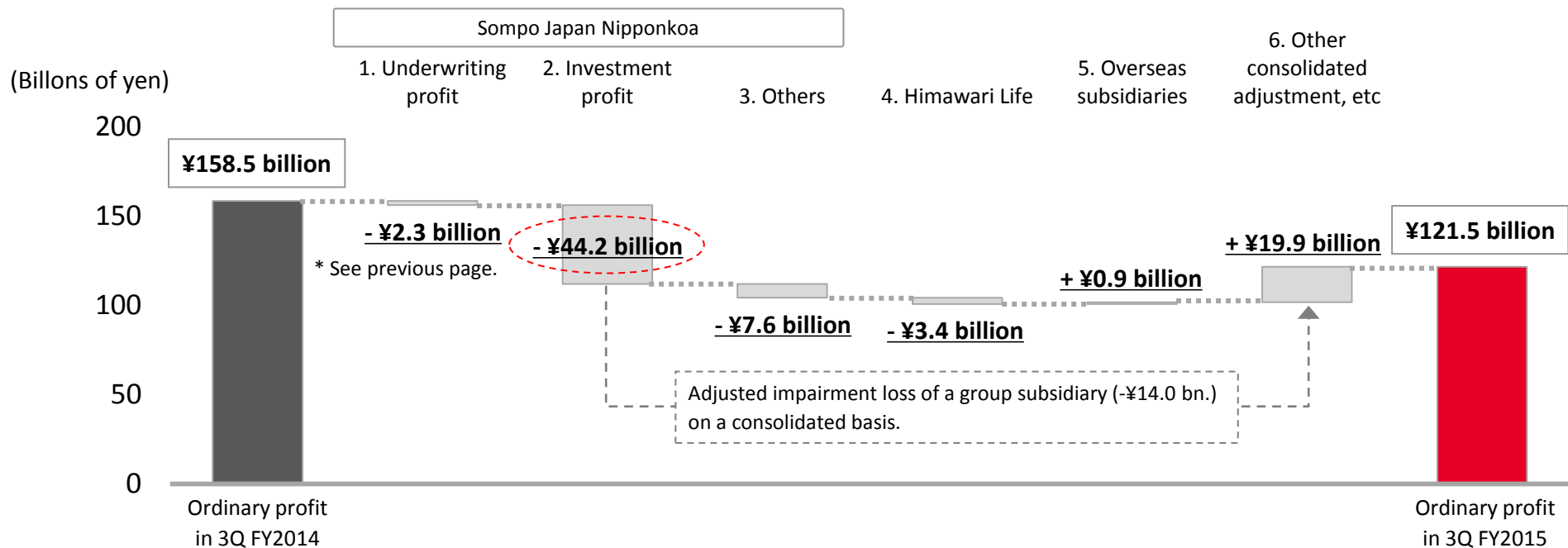
* Core underwriting profit is underwriting profit less the impact related to catastrophic loss reserve, and snow damage in February 2014.

* Above figures for domestic natural disasters are net claims paid by domestic natural disasters that occurred in the fiscal year.

Main Points of Consolidated Results – (2) Ordinary Profit

- ◆ Although ordinary profit decreased mainly due to decrease of investment profit, we can catch up the full-year forecast (¥230.0 billion) by steady progressing reduction of strategic-holding stocks.

Changing factors of consolidated ordinary profit



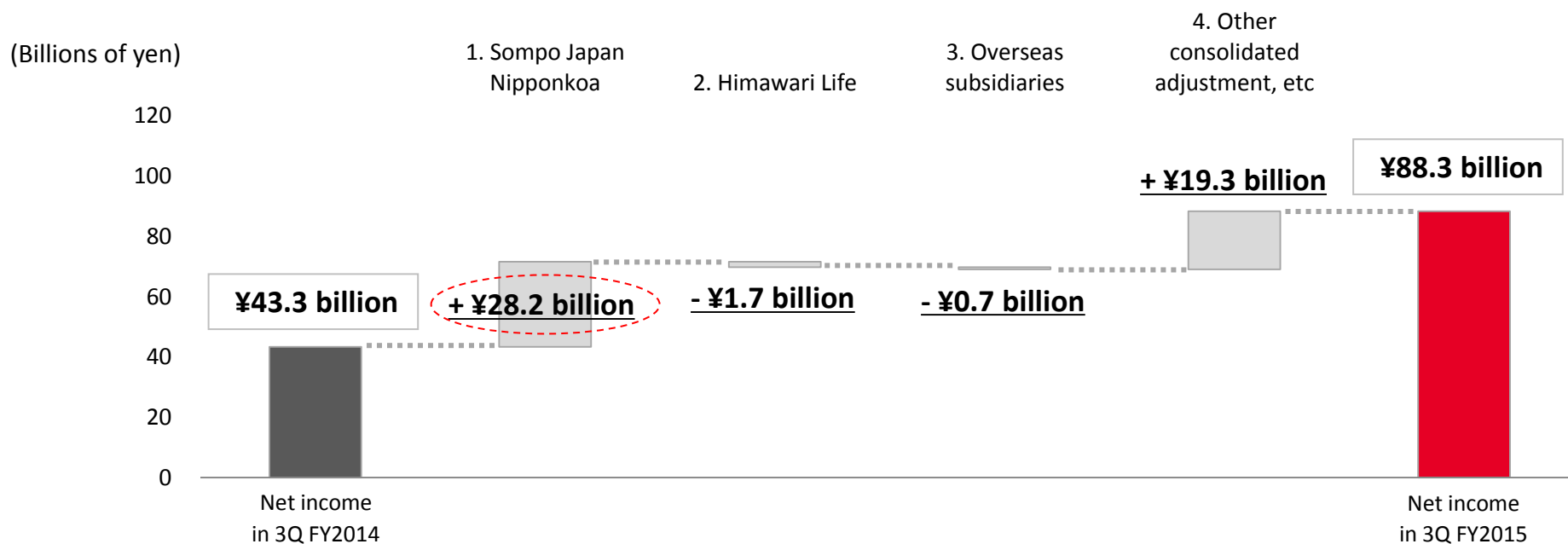
	1. Underwriting profit	2. Investment profit	3. Others	4. Himawari Life	5. Overseas subsidiaries	6. Other consolidated adjustment, etc
3Q FY2014 Actual	¥32.1 billion	¥112.7 billion	- ¥1.9 billion	¥18.6 billion	¥15.1 billion	- ¥18.2 billion
3Q FY2015 Actual	¥29.8 billion	¥68.4 billion	- ¥9.5 billion	¥15.2 billion	¥16.0 billion	¥1.6 billion

Main Points of Consolidated Results – (3) Net Income

◆ Consolidated net income improved by ¥45.0 billion to ¥88.3 billion in the absence of one-time merger costs*.

* ¥76.8 billion of one-time merger cost was recorded as an extraordinary loss in 3Q FY2014.

Changing factors of consolidated net income



	1. Somo Japan Nipponkoa	2. Himawari Life	3. Overseas subsidiaries	4. Other consolidated adjustment, etc
3Q FY2014 Actual	¥32.8 billion	¥11.9 billion	¥13.6 billion	- ¥15.1 billion
3Q FY2015 Actual	¥61.1 billion	¥10.1 billion	¥12.8 billion	¥4.1 billion

Business Forecasts for FY2015 – Consolidated basis

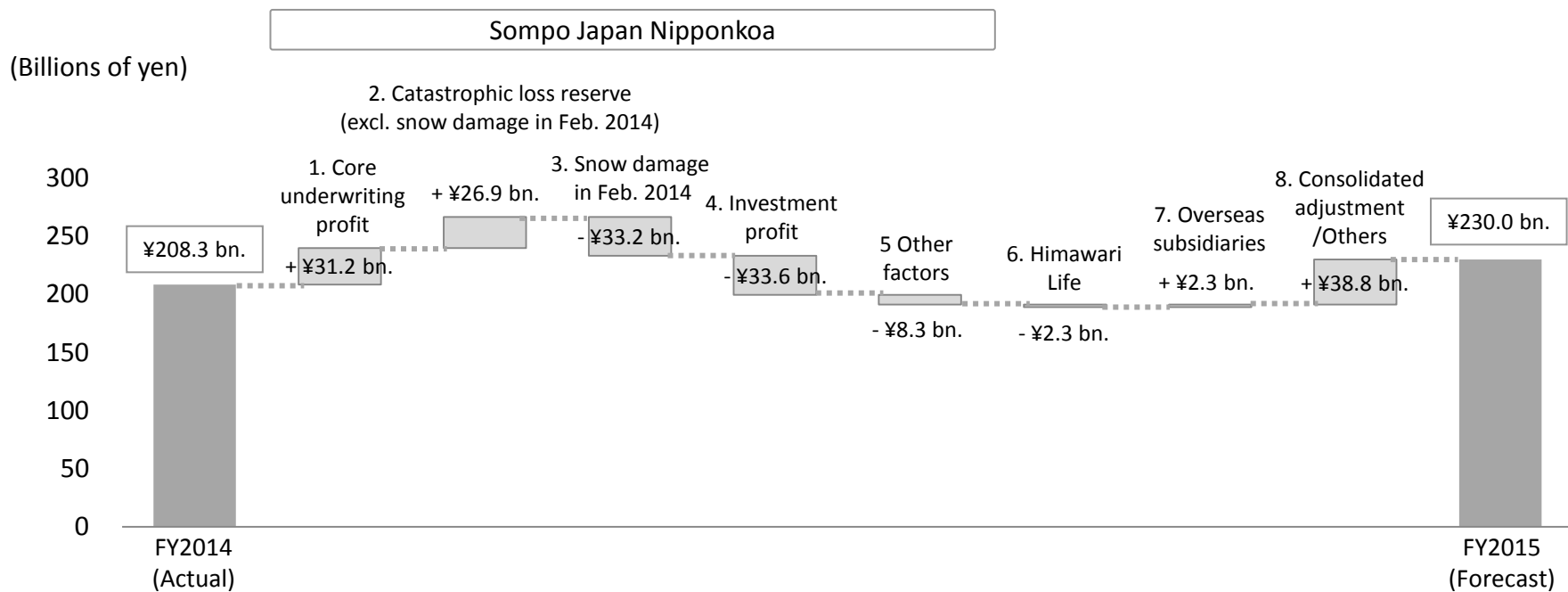
(Billions of yen)	FY2014 (Actual)	FY2015 (Forecast)	Change	
Net premiums written (P&C)	2,508.0	2,581.0	+72.9	(+2.9%)
Life insurance premiums	277.2	277.0	-0.2	(-0.1%)
Consolidated ordinary profit	208.3	230.0	+21.6	(+10.4%)
Sompo Japan Nipponkoa	195.1	178.0	-17.1	(-8.8%)
Himawari Life	18.3	15.9	-2.3	(-12.8%)
Overseas subsidiaries	21.9	24.3	+2.3	(+10.6%)
Consolidated adjustment*/others	-27.1	11.7	+38.8	(-)
Consolidated net income	54.2	160.0	+105.7	(+194.8%)
Sompo Japan Nipponkoa	45.0	126.0	+80.9	(+179.6%)
Himawari Life	9.7	10.2	+0.5	(+5.7%)
Overseas subsidiaries	19.4	18.7	-0.7	(-3.8%)
Consolidated adjustment*/others	-19.9	4.9	+24.9	(-)
(Reference) Adjusted profit (by business)	138.3	223.0	+84.6	(+61.2%)
Domestic P&C insurance	69.9	112.7	+42.8	(+61.3%)
Domestic life insurance	47.4	90.0	+42.6	(+89.9%)
Overseas insurance	18.6	18.4	-0.2	(-1.2%)
Financial & other services	2.3	2.2	-0.1	(-5.5%)

* “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 – Ordinary Profit

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

Main components of consolidated ordinary profit



	1. Core underwriting profit	2. Catastrophic loss reserve	3. Snow damage in Feb. 2014	4. Investment profit	5. Other factors	6. Himawari Life	7. Overseas subsidiaries	8. Consolidated adjustment /Others
FY2014 Actual	¥58.2 bn.	- ¥53.6 bn.	¥38.5 bn.	¥151.5 bn.	¥0.4 bn.	¥18.3 bn.	¥21.9 bn.	- ¥27.1 bn.
FY2015 Forecast	¥89.4 bn.	- ¥26.7 bn.	¥5.3 bn.	¥117.9 bn.	- ¥7.9 bn.	¥15.9 bn.	¥24.3 bn.	¥11.7 bn.

1. Trend of business results

2. Domestic P&C insurance

3. Domestic life insurance

4. Overseas insurance

5. ERM & Asset management

Appendix

Overview of 3Q FY2015 Results – Sompo Japan Nipponkoa

◆ Top-line steadily increased. Combined ratio improved by 3.2 points mainly due to improving loss ratio.

(Billions of yen)	3Q FY2014	3Q FY2015	Change
Net premiums written	1,633.9	1,685.9	+52.0 (+3.2%)
(excl. CALI, household earthquake)	1,405.4	1,451.6	+46.2 (+3.3%)
Loss ratio	65.8%	62.9%	-2.9pt
(excl. CALI, household earthquake)	63.1%	60.2%	-3.0pt
Net expense ratio	31.9%	31.6%	-0.3pt
(excl. CALI, household earthquake)	33.8%	33.4%	-0.4pt
Combined ratio	97.7%	94.5%	-3.2pt
(excl. CALI, household earthquake)	96.9%	93.5%	-3.4pt
Underwriting profit	32.1	29.8	-2.3
Investment profit	112.7	68.4	-44.2
Ordinary profit	142.9	88.6	-54.2
Net income	32.8	61.1	+28.2
(Reference) Adjusted profit			
+Provisions for catastrophic loss reserve (after tax)	-4.6	7.7	+12.4
+Provisions for reserve for price fluctuation (after tax)	4.8	4.4	-0.4
-Gains/losses on sales of securities and impairment losses on securities (after tax)	29.6	4.7	-24.8
-Special factors (after tax)*	-58.4	-4.5	+53.8
Adjusted profit	61.8	73.1	+11.2

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

Net Premiums Written

- ◆ Net premiums written (excluding CALI and household earthquake) increased by 3.3% year on year, mainly in fire and allied lines and voluntary automobile.

Net premiums written by product line

(Billions of yen)	3Q FY2014	3Q FY2015	Change		FY2015 (Forecast)
Fire and Allied Lines	236.0	257.9	+21.8	(+9.3%)	332.0
Marine	39.3	39.2	-0.0	(-0.1%)	55.2
Personal Accident	142.7	141.9	-0.7	(-0.5%)	187.1
Voluntary Automobile	777.3	799.1	+21.8	(+2.8%)	1,071.7
CALI	227.8	233.5	+5.6	(+2.5%)	302.2
Other	210.6	214.0	+3.4	(+1.6%)	272.3
of which, Liability	125.0	122.7	-2.3	(-1.8%)	148.0
Total	1,633.9	1,685.9	+52.0	(+3.2%)	2,220.9
Total (excl. CALI, household earthquake)	1,405.4	1,451.6	+46.2	(+3.3%)	1,917.5

(Reference) Year-on-Year comparison of voluntary automobile insurance (April - December 2015)

	Sompo Japan Nipponkoa		
	# of vehicles	Premium /vehicle	Total Premium
Non-Fleet	-0.9%	+2.9%	+2.0%
Fleet	+0.9%	+2.8%	+3.8%
Total	-0.5%	+2.8%	+2.3%

*Performance evaluation basis

(Main factors)

Fire and Allied Lines: Drastically increased due to front-loaded demand ahead of product revision in October.
(Abolition of long-term policies of over 10 years, and revision of premium rate)

Voluntary Automobile: Increased mainly due to the impact of product and premium rate revisions.

Loss Ratio (W/P)

◆ Loss ratio dropped by 3.0 points due to improving profitability of automobile insurance and in the absence of the impact of snow damage in February 2014.

Loss ratio by product line

3Q FY2015

(Billions of yen)

	Net claims paid	Change	Loss ratio	Change		
Fire and Allied lines	173.3	-4.9	68.6%	-8.8pt		
Marine	22.5	+2.1	60.6%	+6.2pt	(Reference) E/I Loss ratio	
Personal Accident	75.6	-0.8	57.6%	-0.7pt		3Q FY2015
Voluntary Automobile	420.2	-7.6	60.1%	-2.8pt		E/I loss ratio change
CALI	172.2	+0.0	80.2%	-2.2pt	Fire and Allied lines (excl. household earthquake)	75.3% +4.7pt
Other	103.8	-0.4	52.0%	-1.0pt	Marine	71.9% +2.2pt
of which, Liability	56.7	-2.6	49.9%	-1.1pt	Personal Accident	60.5% +1.2pt
Total	967.9	-11.6	62.9%	-2.9pt	Voluntary Automobile	60.0% -2.0pt
Total (excl. CALI, household earthquake)	795.7	-11.7	60.2%	-3.0pt	Other	59.3% -5.1pt
Total (excl. CALI, household earthquake, domestic natural disasters)	714.0	+9.1	54.6%	-1.3pt	Total (excl. CALI, household earthquake)	62.8% -0.9pt

Net Expense Ratio

◆ Net expense ratio steadily decreased due to reduction of personnel expenses and top-line growth.

Net expense ratio

(Billions of yen)	3Q FY2015			
	Amount	Change	Net expense ratio	Change
Net commissions and brokerage fees	303.8	+9.8	18.0%	+0.0pt
Operating, general and administrative expenses*	229.0	+1.1	13.6%	-0.4pt
Total	532.8	+11.0	31.6%	-0.3pt
Total (excl. CALI, household earthquake)	484.1	+9.6	33.4%	-0.4pt

Company expense ratio

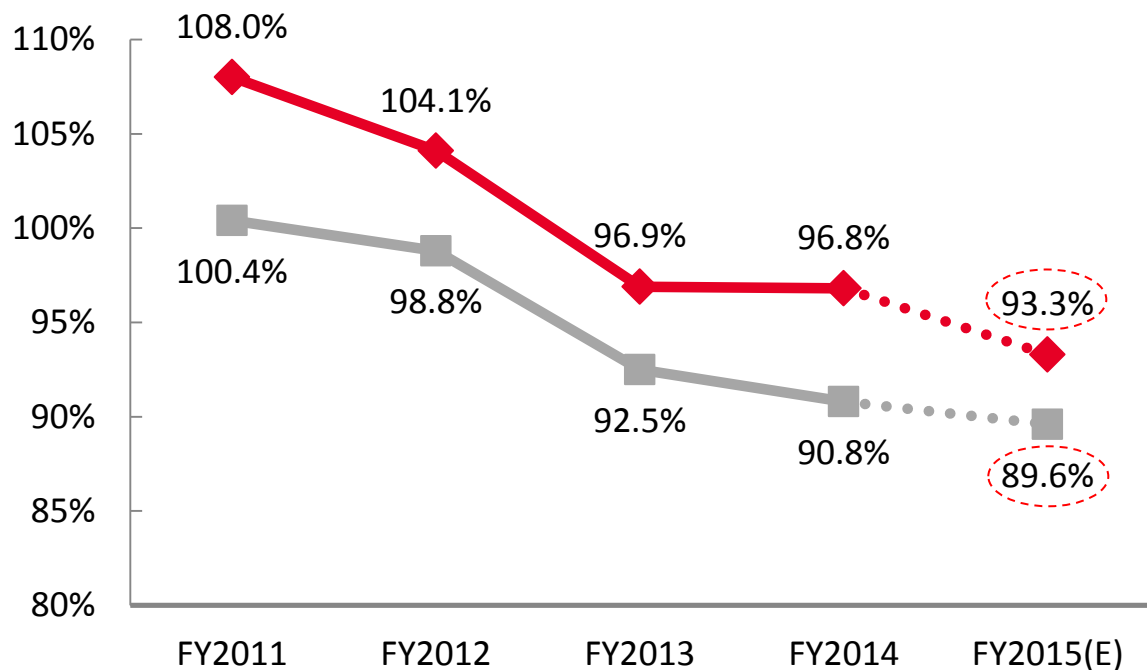
(Billions of yen)	3Q FY2015			
	Amount	Change	Company expense ratio	Change
Personnel expenses	109.2	-1.5	6.5%	-0.3pt
Non-Personnel expenses	109.3	+2.9	6.5%	+0.0pt
Tax and contributions	10.4	-0.1	0.6%	-0.0pt
Total	229.0	+1.1	13.6%	-0.4pt

* Only for underwriting (company expense)

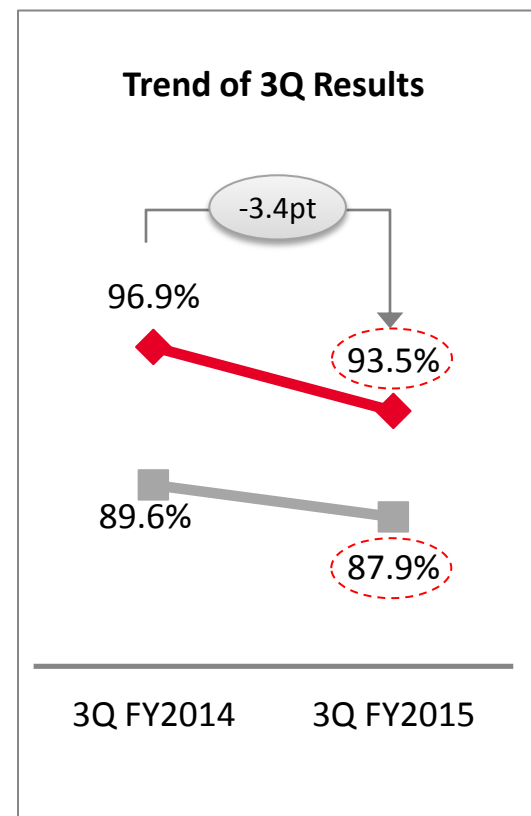
Combined Ratio

◆ Combined ratio improved by 3.4 points to 93.5%.

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



◆ Combined ratio (excl. CALI, household earthquake)
 ■ Reference: Combined ratio (excl. CALI, household earthquake, domestic natural disasters)



Investment Profit

◆ We expect to achieve the full-year forecast, while the investment profit decreased in 3Q due to the timing of selling strategic-holdings stocks.

(Billions of yen)		3Q FY2014	3Q FY2015	Change
Net interest and dividend income	1	54.2	51.2	-2.9
Interest and dividend income		88.3	84.6 ^{*1}	-3.6
Gains on sales of securities	2	46.2	26.8	-19.3
of which, ones on sales of domestic stocks		31.4	19.3 ^{*2}	-12.1
Impairment losses on securities	3	-0.7	-20.2	-19.4
of which, ones on domestic stocks		-0.0	-17.7	-17.7
Gains on derivatives	4	-2.2	-0.8	+1.3
Other investment income	5	15.2	11.3	-3.9
Investment profit	1+2+3+4+5	112.7	68.4	-44.2

*1 Breakdown of interest and dividend income

	3Q FY2015	Change
Domestic bonds	¥15.3 bn.	-¥1.0 bn.
Domestic stocks	¥30.9 bn.	+¥2.0 bn.
Foreign securities	¥27.3 bn.	-¥2.7 bn.
Others ^{*3}	¥11.0 bn.	-¥1.9 bn.
Total	¥84.6 bn.	-¥3.6 bn.

*3 Other securities, loans, etc.

*2 Reduction of strategic-holdings stocks
(April - December 2015)

Actual ^{*4}	¥25.6 bn.
Stock future ^{*5}	¥39.2 bn.
Total	¥64.8 bn.

*4 Net reduction on fair value basis.
(market value of sales minus market value of purchase)

*5 Short position of Nikkei 225 Futures.

Business Forecasts for FY2015 – Sompo Japan Nipponkoa

(Billions of yen)	FY2014 (Actual)	FY2015 (Forecast)	Change
Net premiums written	2,181.3	2,220.9	+39.6 (+1.8%)
(excl. CALI, household earthquake)	1,875.2	1,917.5	+42.3 (+2.3%)
Loss ratio	65.6%	63.0%	-2.6pt
(excl. CALI, household earthquake)	63.2%	60.1%	-3.1pt
E/I loss ratio (excl. CALI, household earthquake)	63.8%	61.4%	-2.4pt
Net expense ratio	31.8%	31.4%	-0.4pt
(excl. CALI, household earthquake)	33.6%	33.2%	-0.4pt
Combined ratio	97.4%	94.4%	-3.0pt
(excl. CALI, household earthquake)	96.8%	93.3%	-3.5pt
Underwriting profit	45.2	68.0	+22.7 (+50.3%)
Investment profit	151.5	117.9	-33.6 (-22.2%)
Ordinary profit	195.1	178.0	-17.1 (-8.8%)
Net income	45.0	126.0	+80.9 (+179.6%)
+Provisions for catastrophic loss reserve (after tax)	-7.7	13.6	+21.4
+Provisions for reserve for price fluctuation (after tax)	6.3	5.6	-0.6
-Gains/losses on sales of securities and impairment losses on securities (after tax)	45.6	30.1	-15.5
-Special factors (after tax)*	-80.0	-3.7	+76.3
Adjusted profit	77.9	118.9	+40.9 (+52.5%)

(Reference)
Adjusted
profit

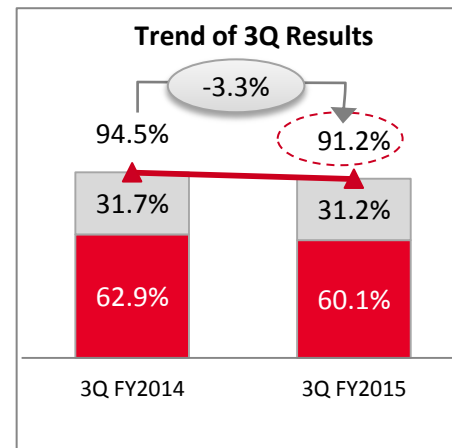
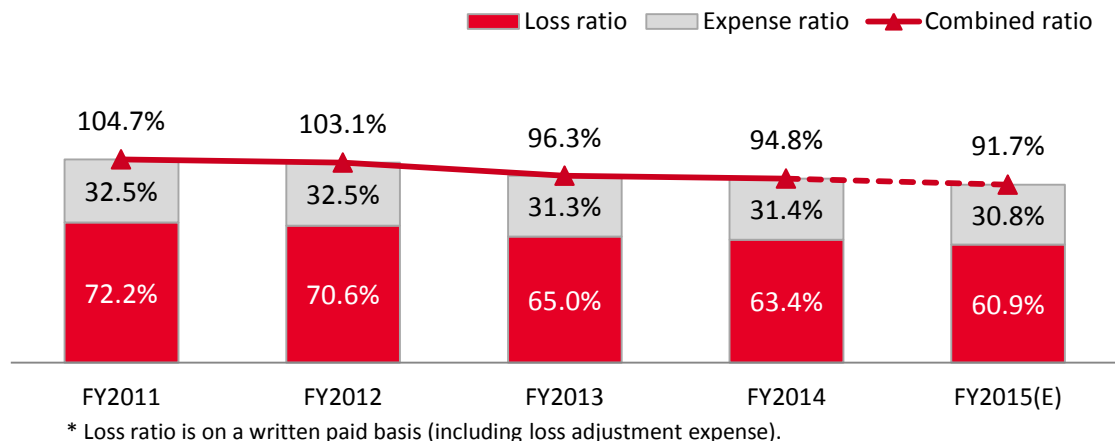
* Special factors are one-time merger costs, etc.

Assumption of Business Forecasts for FY2015

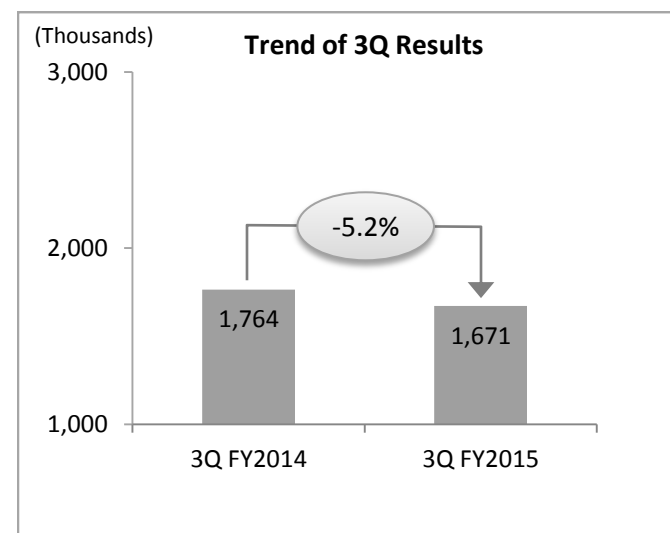
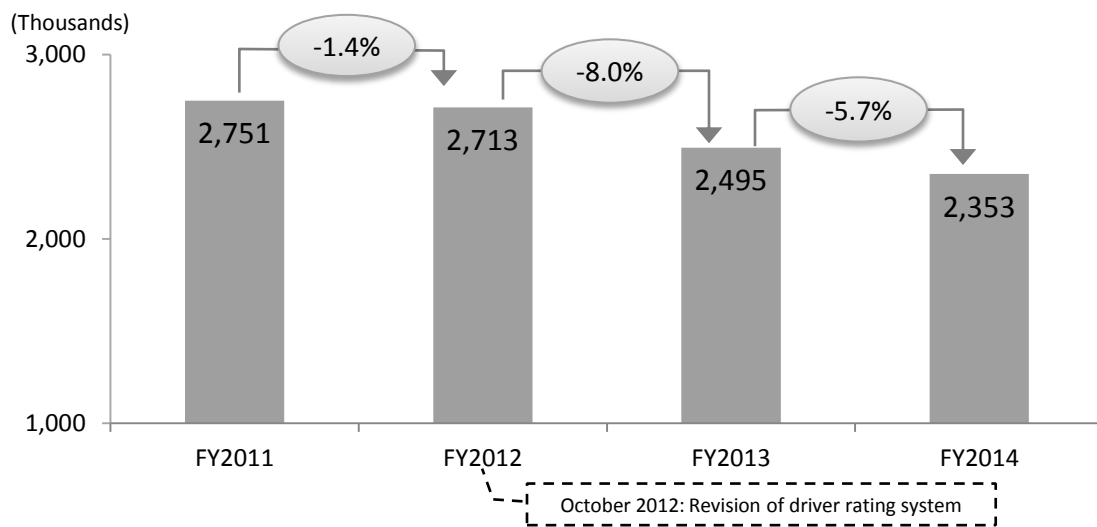
Losses from domestic natural disasters (occurring in the fiscal year)	¥66.0 billion
Snow damage in February 2014	Net claims paid : ¥7.6 billion
Catastrophic loss reserve	Net provision : ¥19.1 billion
Provision rate of catastrophic loss reserve	Provision rate of fire group : 10% Provision rate of automobile group : 3.2%
Market indicators	(Stock) Nikkei 225 : ¥17,388 (Interest yield) 10y JGB : 0.36% (Foreign exchange) 1US\$: ¥119.96 1Euro : ¥134.97 * Most assumptions for market indicators are based on ones as of end of September 2015.
Interest and dividend income	Gross : ¥107.8 billion Net : ¥65.4 billion
Realized gains on securities	Realized gains on security sales : ¥59.8 billion Impairment losses on securities : ¥17.5 billion
Reserve for price fluctuation	Net provision : ¥8.0 billion

(Reference) Related Indicators of Automobile Insurance

Trends of combined ratio



Trends of the number of reported claims



* The number of reported claims are excluded for certain natural disasters, whose incurred loss exceeds certain threshold.

(Reference) Domestic Natural Disasters

- ◆ Net claims paid by domestic natural disasters amounted to ¥62.8 billion in 3Q FY2015 due to increase of claims payment for typhoons.

Net claims paid

(Billions of yen)	3Q FY2014	3Q FY2015	Change
Fire and Allied lines	18.4	56.6	+38.1
Marine	-	-	-
Personal Accident	0.0	0.0	+0.0
Voluntary Automobile	2.9	5.0	+2.1
Other	0.8	1.1	+0.3
Total	22.2	62.8	+40.6

(Reference) Net claims paid by major natural disasters	(Billions of yen)
Typhoon No. 11 (July 2015)	2.5
Typhoon No. 15 (August 2015)	44.5
Typhoon No. 18 (September 2015)	11.9

* Progress of claims payment is over 80% for above typhoons in total.

Incurred loss
assumption of
full-year forecast
¥66.0 billion

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

* Above figures are net claims paid caused by domestic natural disasters incurred in the fiscal year. Net claims paid incurred in the previous year are not included.

1. Trend of business results

2. Domestic P&C insurance

3. Domestic life insurance

4. Overseas insurance

5. ERM & Asset management

Appendix

Overview of 3Q FY2015 Results – Himawari Life

- ◆ Annualized new premium increased, mainly in medical insurance. Net income steadily progressed to ¥10.1 billion.
- ◆ Policies in force steadily increased mainly in protection-type product.

(Billions of yen)	3Q FY2014	3Q FY2015	Change		FY2015 (Forecast)	Change	
Annualized new premium	25.7	29.9	+4.1	(+16.0%)	39.5	+3.9	(+11.0%)
Premium and other income	277.8	289.7	+11.9	(+4.3%)	390.8	+10.0	(+2.6%)
(excl. lump-sum payment)	275.4	287.0	+11.5	(+4.2%)	387.9	+10.3	(+2.7%)
Investment profit (general account)	29.8	31.0	+1.1	(+4.0%)	41.7	+2.0	(+5.3%)
Ordinary profit	22.0	18.6	-3.3	(-15.3%)	20.2	-2.3	(-10.4%)
Net income	11.9	10.1	-1.7*	(-14.6%)	10.2	+0.5	(+5.7%)
			Growth in adjusted EV		90.0	+42.6	(+89.9%)

* Net income decreased because temporary hike of reversal of policy reserve decreased (impact of increase in policy transfer due to launch of new medical insurance for the first time in 6 years).

(Billions of yen)	End of FY2014	End of 3Q FY2015	Change	
Amount of business in force	21,043.1	21,476.2	+429.5	
Annualized premium in force	317.4	329.0	+11.5	

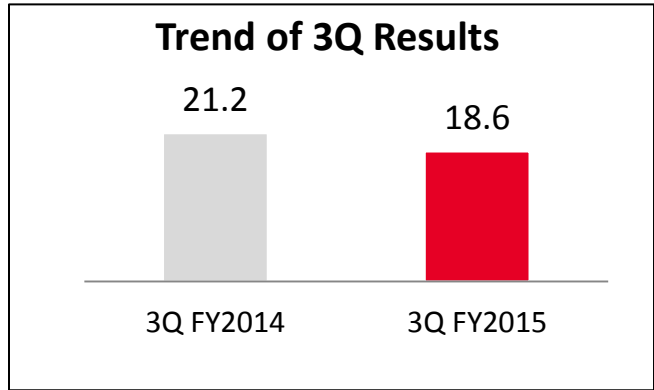
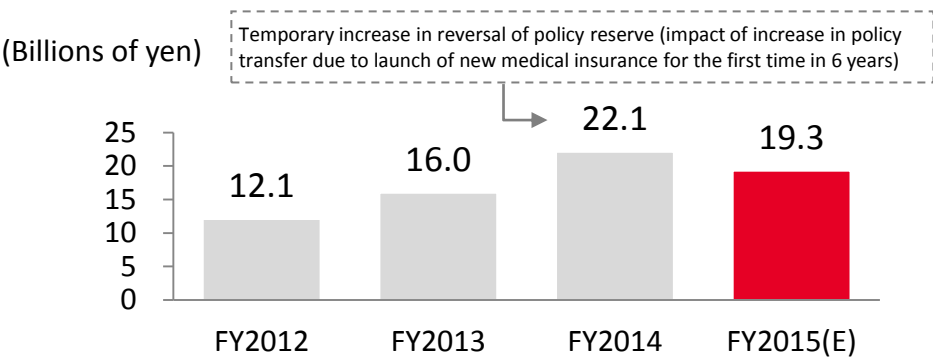
Breakdown		Change
Protection-type		+9.3
Saving-type		+2.2
Total		+11.5

* The sum of individual insurance and individual annuities.

Profit – J-GAAP

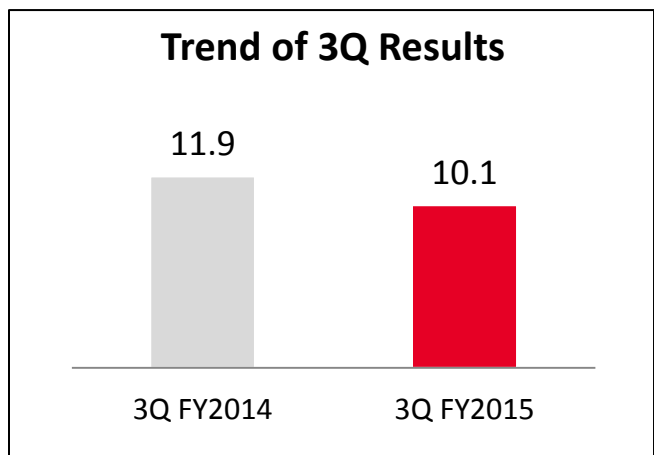
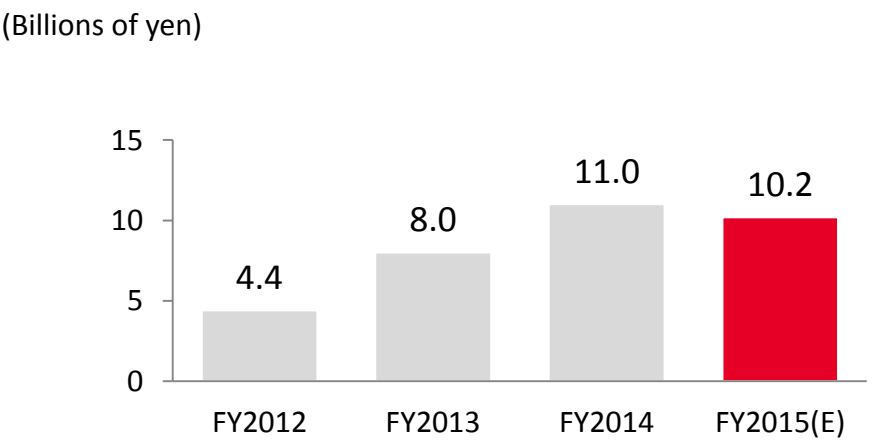
◆ Bottom-line in 3Q FY2015 steadily progressed against the full-year business forecast.

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.

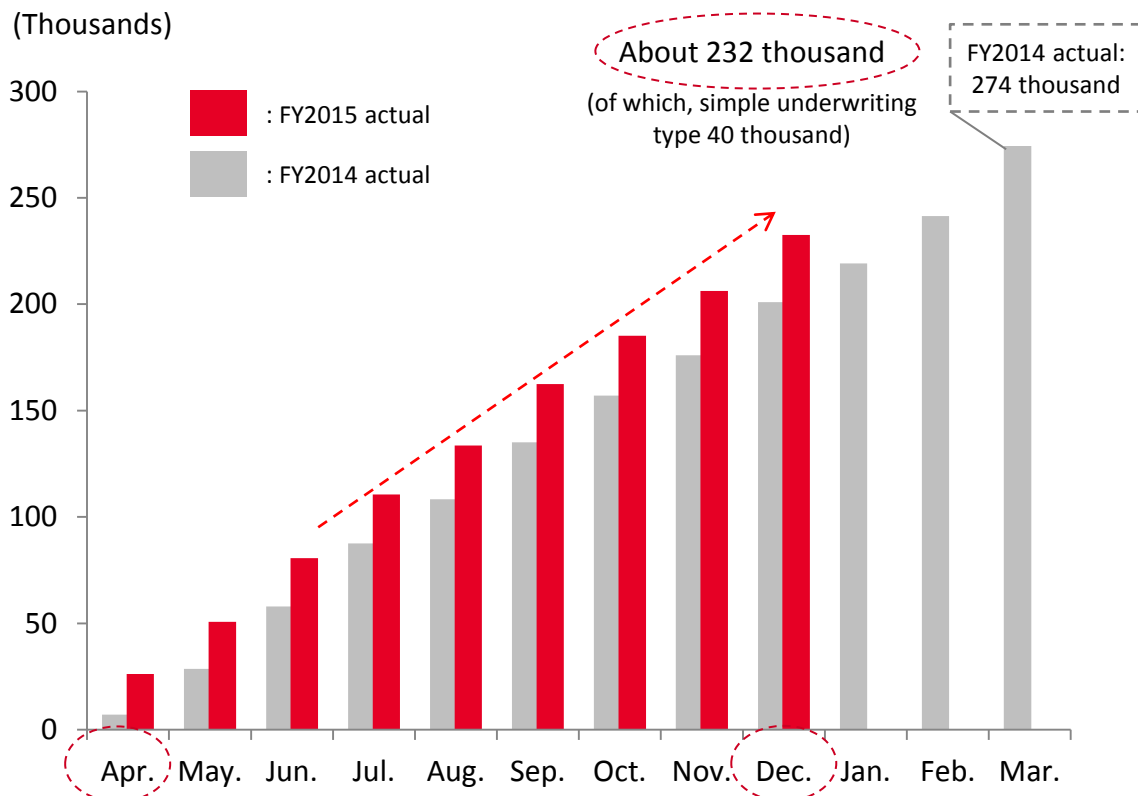
Net income



(Reference) Sales of Medical Insurance Products

◆ Sales of medical Insurance products was about 232 thousand in 3Q FY2015, and steadily progressed against the annual target of 300 thousand.

Number of sales of medical insurance



New simple underwriting medical insurance launched in April 2015

History of product development

		Key points
FY2008	Medical	Increased coverage & price appeal
FY2009	Income compensation	Discount for Non smoker & healthy people
FY2010	Cancer and rider	Coverage for outpatient treatment (1st in industry)
FY2014	Medical	Further increased coverage & price appeal
FY2015	Simple underwriting medical	Eased underwriting, keeping profitability

1. Trend of business results

2. Domestic P&C insurance

3. Domestic life insurance

4. Overseas insurance

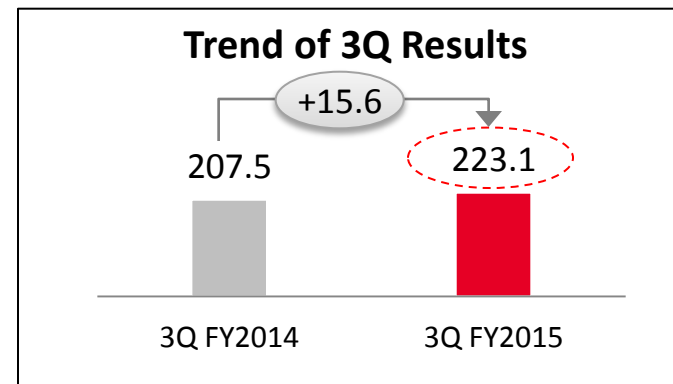
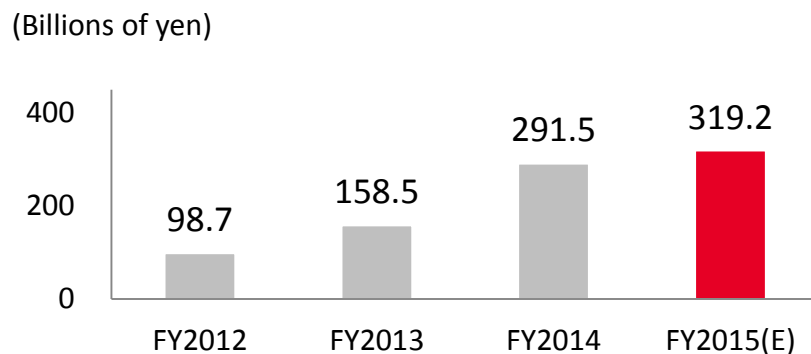
5. ERM & Asset management

Appendix

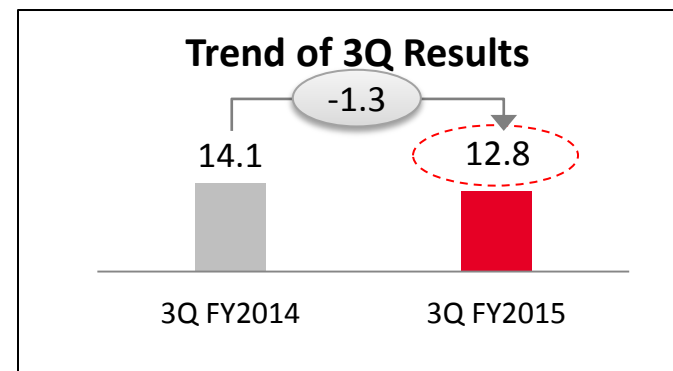
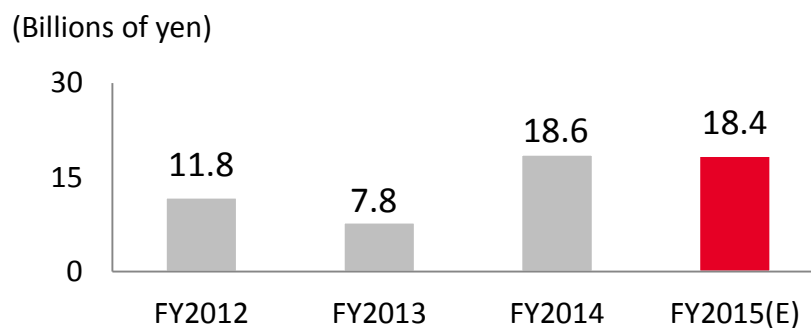
Overview of Business Results – Net Premiums Written, Net Income

◆ Top-line steadily increased, and bottom-line slightly decreased due to one-time large losses, etc.

Net premiums written



Net income



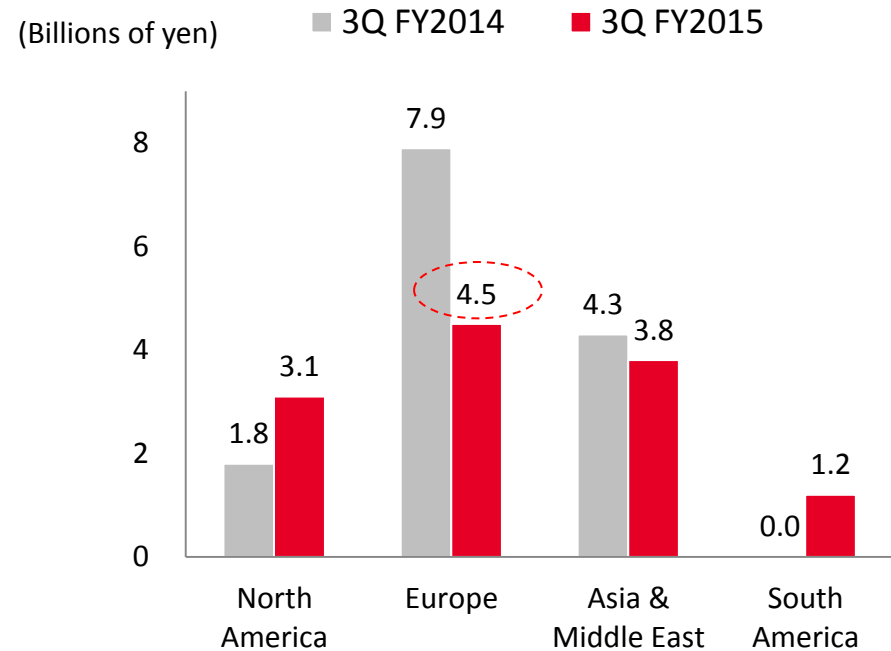
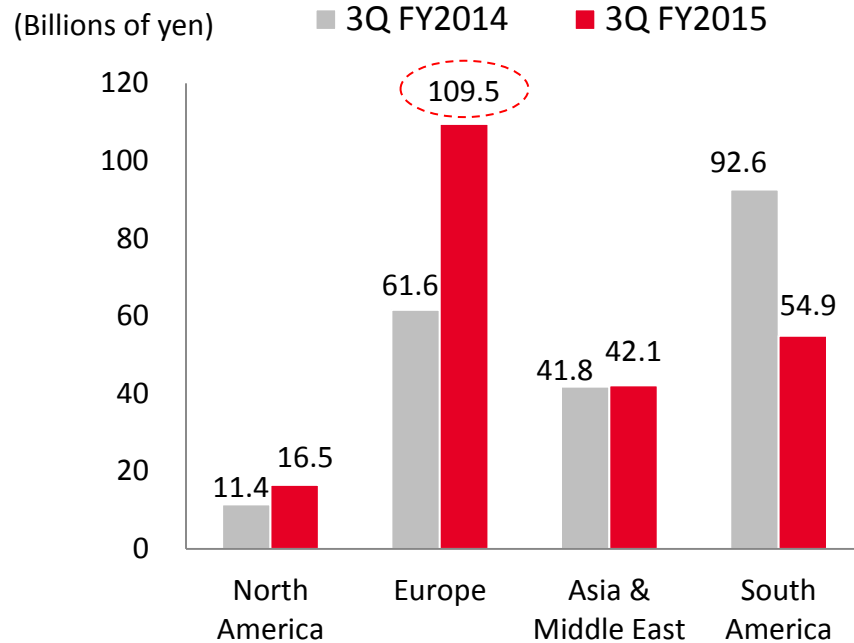
* Net premiums written of subsidiaries and affiliates reflect holding shares of each company. This treatment does not coincide with financial statements. The net income figures also have been adjusted to reflect shareholdings and other factors.

Business Results by Region

◆ Europe is the largest contributor due to consolidation of Sompo Canopus, etc.

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

Business Results by Company

Performance of overseas subsidiaries

(Billions of yen)		Net premiums written			Net income			Key points of 3Q FY2015 results	(Reference) Exchange rate	
		3Q FY2015	Change	FY2015 (Forecast)	3Q FY2015	Change	FY2015 (Forecast)		3Q FY2015	
North America	SJ America	16.5	+5.0	23.9	3.1	+1.3	2.6	Net income increased due to realized gain on equity sales, etc.	119.96 JPY/USD	(+9.6%)
Europe	SJNK Europe NK Europe	3.5	-0.0	5.4	0.2	-0.0	0.4	Loss ratio slightly increased.	181.86 JPY/GBP	(+2.3%)
	Sompo Canopus (UK)	106.0	+47.9	153.7	4.3	-3.2	9.2	Premium increased due to full-year contribution. There was impact of Tianjin explosion (¥2.6 bn.).	181.86 JPY/GBP	(+2.3%)
Asia & Middle East	SJ Sigorta (Turkey)	17.3	+1.9	19.2	1.2	-0.7	1.5	Premium increased in automobile insurance, etc. Net income steadily progressed.	39.50 JPY/TRY	(-17.7%)
	Tenet Sompo (Singapore)	6.5	-0.3	8.0	0.9	+0.5	0.8	Loss ratio steadily improved.	84.09 JPY/SGD	(-2.2%)
	Berjaya Sompo (Malaysia)	7.6	-0.9	10.4	1.1	-0.0	1.0	Progressed in line with the plan. Investment is favorable.	26.90 JPY/MYR	(-19.4%)
	SJNK China NK China	5.2	-0.9	7.4	-0.0	-0.3	0.0	Loss ratio is increasing. We aim to cut net expenses.	18.96 JPY/RMB	(+6.9%)
	SJNK Hong Kong	3.3	+0.3	4.3	0.3	-0.1	0.6	Underwriting profit slightly decreased.	15.48 JPY/HKD	(+9.8%)
	Universal Sompo (India)	1.9	+0.2	3.0	0.1	+0.0	0.1	Progressed in line with the plan.	1.82 JPY/INR	(-4.7%)
South America	Yasuda Maritima (Brazil)	54.9	-37.6	83.4	1.2	+1.2	1.7	Despite decreasing premiums due to exchange rate and tightened underwriting, loss ratio steadily improved.	29.52 JPY/BRL	(-34.0%)
Total		223.1	+15.6	319.2	12.8	-1.3	18.4	-	-	

* 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.

1. Trend of business results

2. Domestic P&C insurance

3. Domestic life insurance

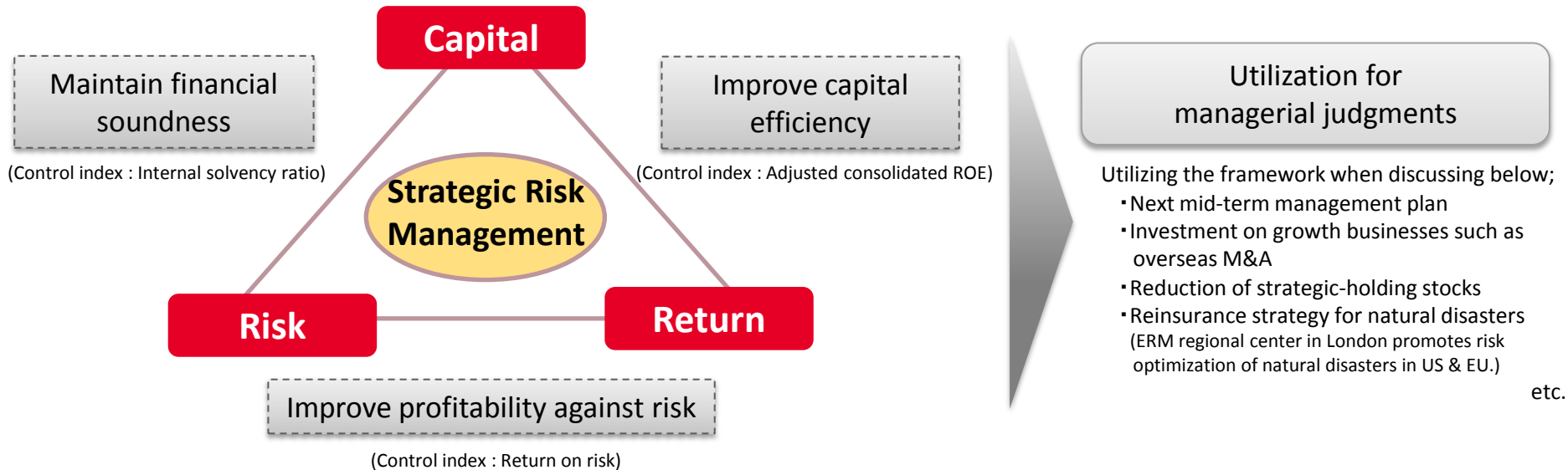
4. Overseas insurance

5. ERM & Asset management

Appendix

Strategic Risk Management (ERM)

- ◆ Promote Strategic Risk Management (ERM) which is mixture of business strategy and risk management.
- ◆ Aim to maximize the corporate value by controlling the balance among capital, return and risk appropriately based on risk appetite principles.



Risk Appetite Principles

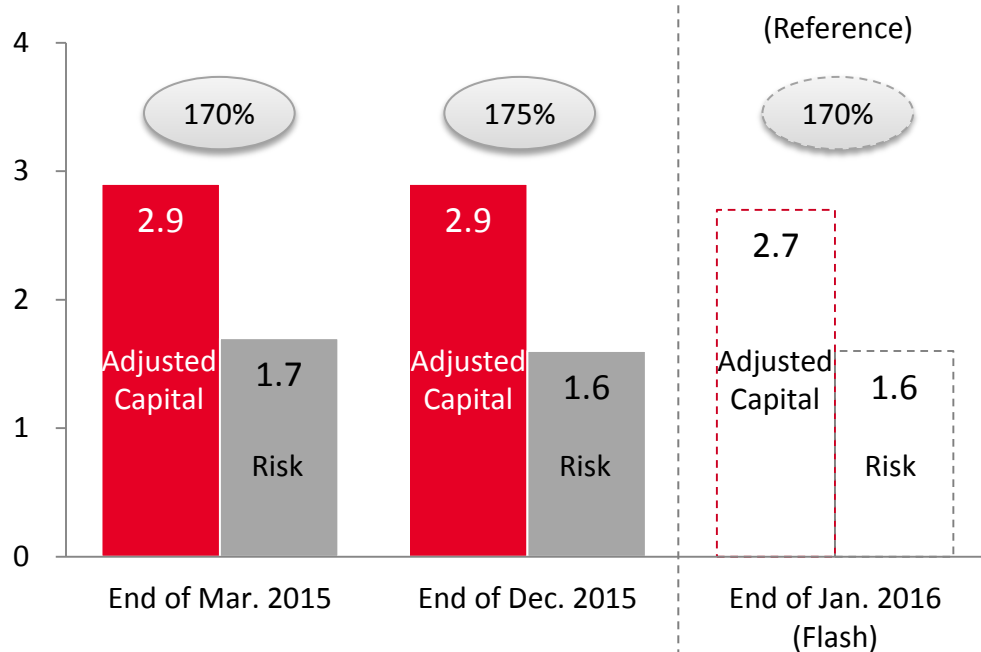
- (1) Become a globally competitive group while controlling the balance among capital, return and risk appropriately, and maximizing corporate value by improving capital efficiency.
- (2) Gain greater profit by taking risks via financial and other services in addition to insurance underwriting and investment.
- (3) Retain competitiveness among global insurers by maintaining financial soundness with a target credit rating of AA.
- (4) Maintain the stable return, and target adjusted consolidated ROE of over 7% in FY2015 to ensure group's sustainable growth.

Financial Soundness – Internal Solvency Ratio

- ◆ Maintain strong financial soundness based on disciplined risk control.

Trend of internal solvency ratio

(Trillions of yen)



Internal solvency ratio is the indicator of financial soundness on economic value basis calculated according to Solvency II.

Targeting roughly 120%-170%*

120%: The level leading to stable financial soundness, based on the result of stress test, etc.

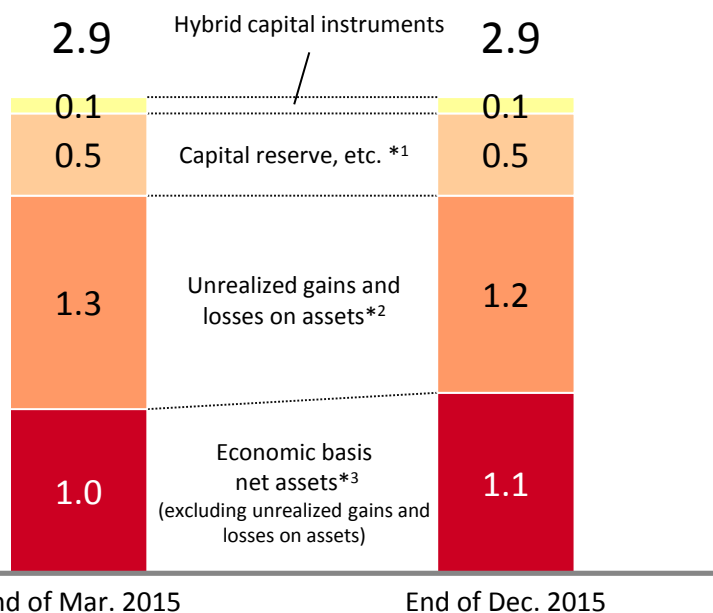
170%: The level set based on capital efficiency.

* To be verified annually in principle, based on situation of ROE target and risk.

(Reference) Breakdown of Adjusted Capital and Risk

Trend of adjusted capital

(Trillions of yen)

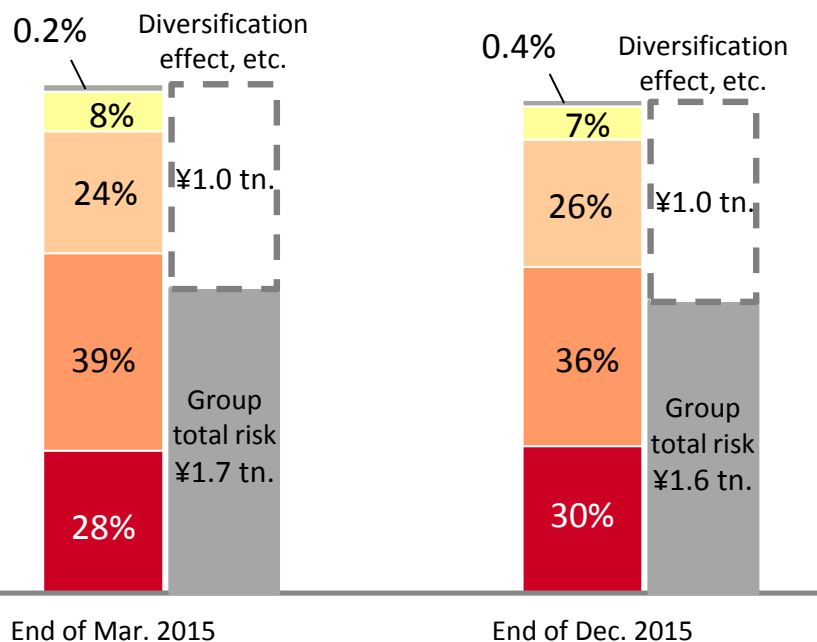


*1 Reserve for price fluctuation and catastrophic loss reserve, etc. (after tax)

*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



■ Financial & Other Services

■ Domestic Life

■ Domesti P&C (Underwriting)

■ Overseas Insurance

■ Domestic P&C (Investment)

*4 Risk : 1 year holding period, 99.95% VaR (AA equivalent confidence level)

• Risk amount of each business:

99.95% VaR before reflecting risk diversification effect among businesses and before-tax basis.

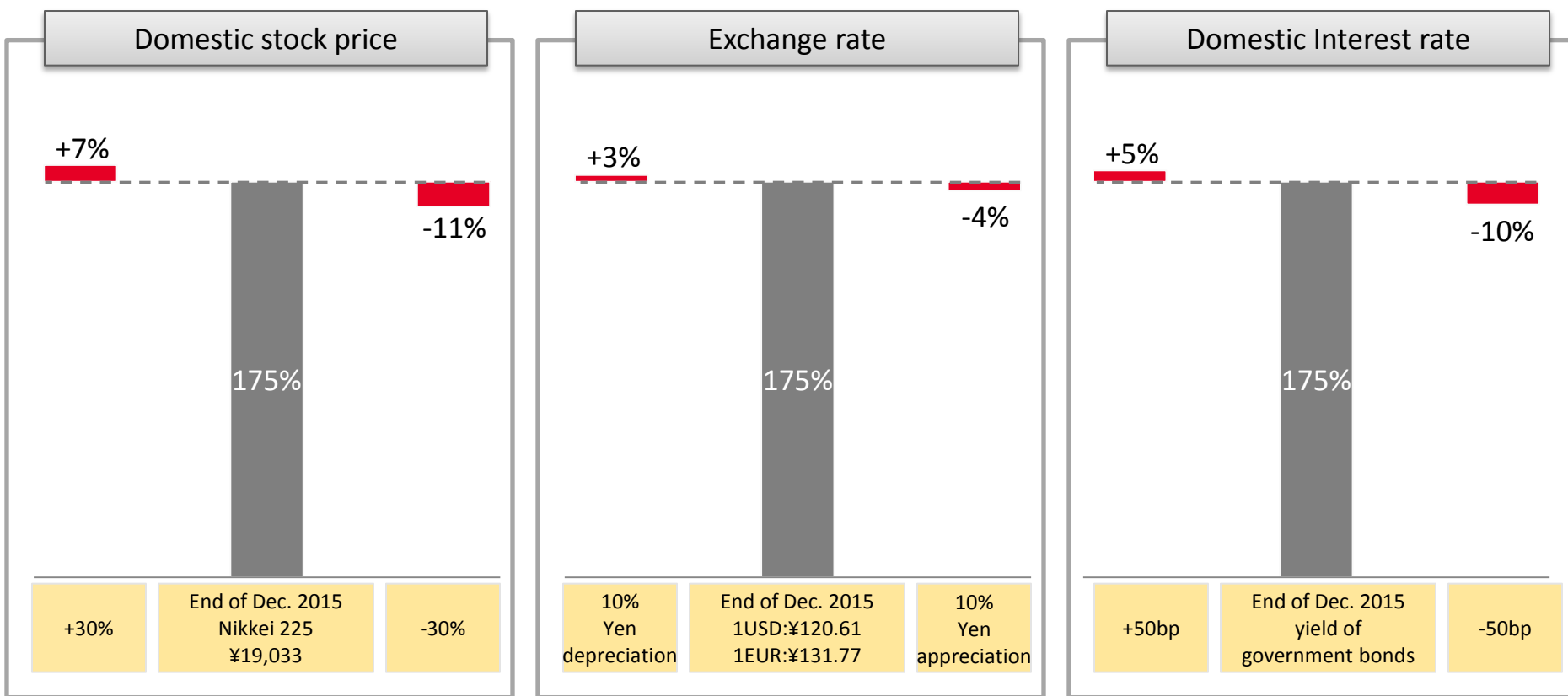
• Group total risk:

Sum of risk amount of each business less risk diversification effect among businesses and tax impact.

(Reference) Market Sensitivity

Market sensitivity of internal solvency ratio

■ : Internal solvency ratio ■ : Change

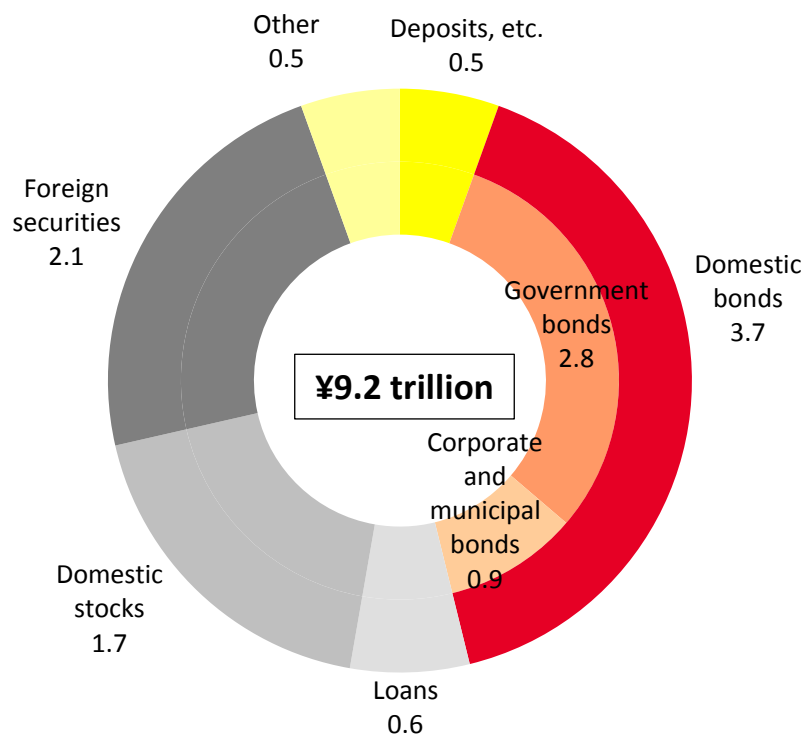


Asset Portfolio – Group-wide

- ◆ Aim at stable investment profit through the ALM, considering the character of liability and liquidity.
- ◆ Continue to sell the domestic stocks, almost of which are strategic-holding stocks.

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

By asset class (trillions of yen)



By company (billions of yen)

	Amount of investment assets	Composition
Sompo Japan Nipponkoa (consolidated)	6,221.3	67.2%
Himawari Life (consolidated)	2,322.0	25.1%
Overseas group subsidiaries	632.0	6.8%
Saison Automobile & Fire	42.7	0.5%
Sonpo 24	20.8	0.2%
Other domestic subsidiaries	25.4	0.3%
Total	9,264.5	100%

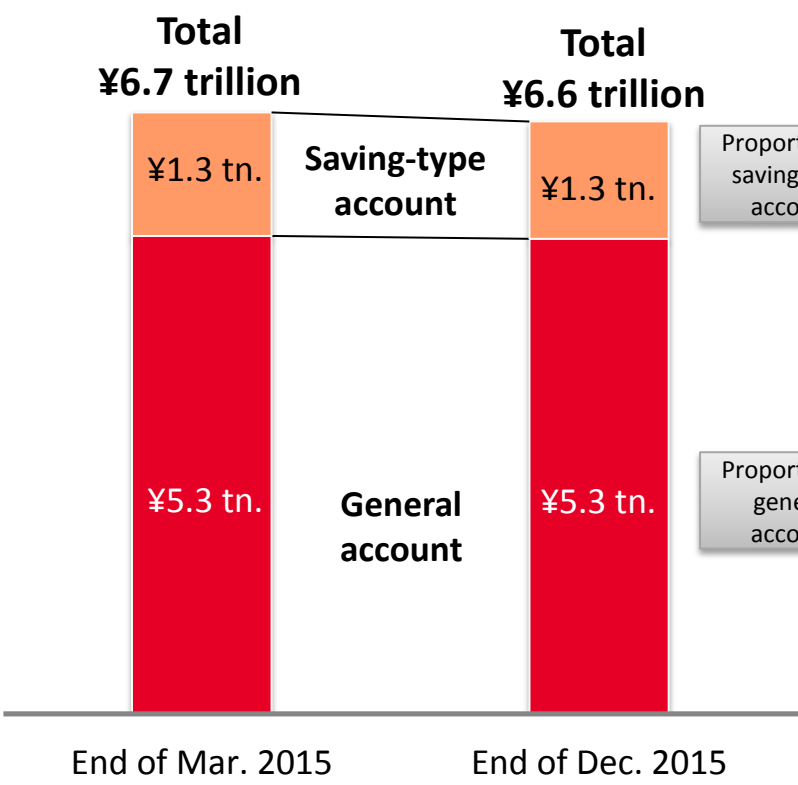
* Other includes lands, buildings and stocks of non-consolidated subsidiaries, etc.

Asset portfolio – Sompo Japan Nipponkoa

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

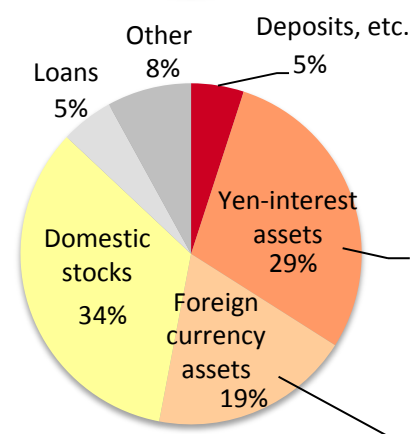
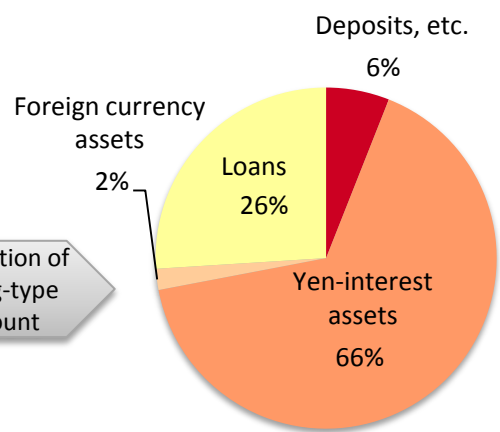
Amount of investment assets

(Sompo Japan Nipponkoa, non-consolidated)



Proportion of saving-type account

Proportion of general account



Duration of saving-type account

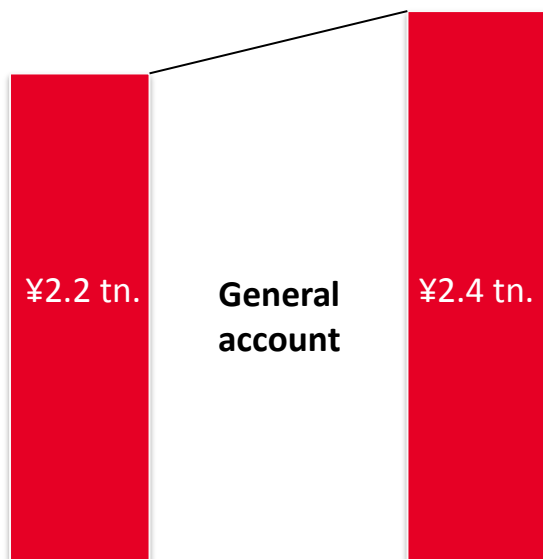
	End of Mar. 2015	End of Dec. 2015
Asset	4.5y	4.7y
Liability	6.2y	6.1y

	Government bonds	Corporate and municipal bonds	Hedged foreign bonds
Break down	13.9%	2.5%	12.1%
	Foreign bonds	Funds, etc.	Subsidiaries, affiliates
Break down	4.2%	8.1%	6.6%

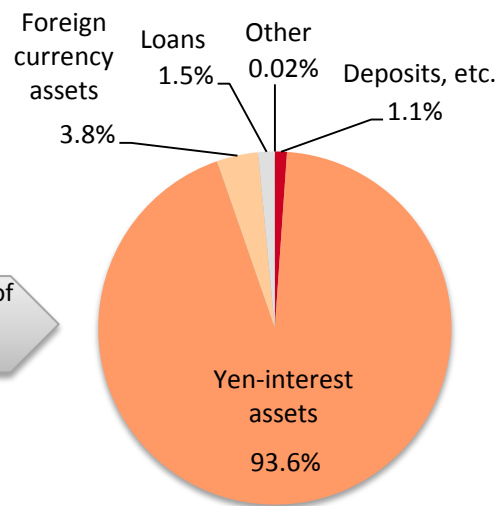
Asset portfolio – Himawari Life

- ◆ Manage the portfolio through disciplined ALM, which mainly consists of yen-denominated interest-bearing assets.

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



Proportion of
general
account



Duration of general account

	End of Mar. 2015	End of Dec. 2015
Asset	13.2y	13.2y
Liability	19.0y	19.8y

* Amount of separate account is about ¥20.0 billion.

1. Trend of business results

2. Domestic P&C insurance

3. Domestic life insurance

4. Overseas insurance

5. ERM & Asset management

Appendix

Group Governance

- ◆ Seek to adopt a hybrid governance model that combines the advantages of having an institutional design of company with committees with our existing structure of company with auditors.
- ◆ Proactively appoint outside directors and outside Audit & Supervisory Board members, and build a system that optimizes the functions of the Board of Directors and the Audit & Supervisory Board.

Key points for our initiatives

		(Reference) Major prerequisites		Our initiatives	
		company with auditors	company with committees		
Board of Directors		2 or more outside directors are recommended.	2 or more outside directors are required.	4 out of 12 directors are outside directors.	System to support outside directors <ul style="list-style-type: none"> • Diversity of outside directors Assign people from different nationality, gender, and background. • Sending materials in advance and conducting preliminary briefing sessions to facilitate Board of Directors operations Promote constructive and effective deliberations by convening preliminary briefing sessions for outside directors. • Meetings between outside directors and Group CEO Convene meetings enabling open exchange of opinions between outside directors, and with the chief executive. • Support for auditors' auditing Establish an office for staffs of Audit & Supervisory Board to enhance the effectiveness of auditors' auditing.
		-	Nominating and compensation committee are required.	Voluntarily established the Nomination and Compensation Committee chaired by an outside director. (4 out of 6 members are outside directors)	
		Basically decision are made by the Board of Directors.	Authority is drastically delegated to executive officers.	Drastically delegate authority to executions. (Ensure speedy management decisions.)	
Audit & Supervisory Board		At least 1 full-time auditors are required.	Members of the Audit Committee are not need to be full-time.	3 out of 5 auditors are full-time, and 2 auditors are outside auditors.	
		Auditors are NOT members of the Board of Directors.	Members of the Audit Committee are member of the Board of Directors.	Auditors provide supervision and checks and balances from a position independent of management.	
		Scope of audit covers legality only.	Scope of audit covers legality and validity.	Auditors participate in various internal committees, and get involved in decisions on the validity of business execution.	

Nursing Care Business

- ◆ Aim to establish differentiated position in nursing care sector, which is expected to grow fast.

Nursing care business of the Group

- Established Nursing Care Business Department in November 2015.
- Aim to structure system to provide a full range of nursing care services.

SOMPO Care Next	Message ^{*1}	Cedar ^{*2}
Run nursing care facilities mainly in Tokyo metropolitan area.	Provide at-home nursing care services in addition to facility-based services.	Run day service centers, etc. (strength in rehabilitation)

Net sales ranking of listed nursing care service providers in FY2014

1	A	¥144.3 bn.
2	B	¥87.2 bn.
3	Message	¥78.9 bn.
4	C	¥61.4 bn.
5	D	¥42.5 bn.
6	SOMPO Care Next	¥35.4 bn.
7	E	¥33.2 bn.
8	F	¥18.3 bn.
9	Cedar	¥10.7 bn.

*1 We are currently conducting a tender offer (TOB) with a tender offer period from January 29 to February 29, 2016.

*2 We acquired 34% stakes of Cedar in September 2012.

Numerical Management Targets

(Billions of yen)		FY2013 (Actual)	FY2014 (Actual)	FY2015		
				(3Q Actual)	(Forecast)	(Plan)
Domestic P&C insurance* ¹	Adjusted profit	6.5	69.9	70.3	112.7	70.0-80.0
Sompo Japan Nipponkoa	Net premiums written	2,082.1	2,181.3	1,685.9	2,220.9	2,040.0
	(excl. CALI)	1,783.9	1,876.0	1,452.4	1,918.6	1,740.0
	Loss ratio	65.7%	65.6%	62.9%	63.0%	65.6%
	(excl. CALI/Fin. Guarantee)	62.7%	63.2%	60.2%	60.1%	62.8%
	Net expense ratio	32.2%	31.8%	31.6%	31.4%	30.6%
	(excl. CALI)	34.2%	33.6%	33.3%	33.2%	32.6%
	Combined ratio	97.9%	97.4%	94.5%	94.4%	96.2%
	(excl. CALI/Fin. Guarantee)	96.9%	96.8%	93.5%	93.3%	95.3%
Domestic life insurance	Growth in embedded value (EV)	85.7	47.4	-	90.0	100.0-110.0
Overseas insurance	Net income	7.8	18.6	12.8	18.4	14.0-20.0
Financial & other services	Net income	1.5	2.3	1.7	2.2	2.0-3.0
Group total	Adjusted consolidated profit	101.5	138.3	-	223.0	180.0-210.0
Adjusted consolidated ROE* ²		4.3%	5.2%	-	7.6%	Over 7%

Definition of adjusted profit

Domestic P&C insurance*¹

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 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 (after tax) + Reserve for price fluctuation (after tax) + Life insurance subsidiary's EV

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

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