



**SOMPO
HOLDINGS**

Innovation for Wellbeing

Highlights of FY2016 Results

May 19, 2017
Sompo Holdings, Inc.



- Hello. I'm Yukinori Kuroda, Head of Investor Relations at Sompo Holdings.
- Thank you for participating in our conference call today.
- I would like to go through our business results for FY2016 and our business forecasts for FY2017, which we have just disclosed.
- The presentation materials and a data book in Excel file format have also been posted to our corporate website. Please take a look at these materials at your convenience.
- Let's now turn to page 2.

Table of Contents

Highlights of FY2016 results	2	3. Domestic life insurance	
1. Trend of business results		Overview of FY2016 results – Himawari Life	27
Overview of FY2016 results – consolidated basis	4	Profit – J-GAAP	28
Main points of consolidated results – (1) underwriting profit	5	Adjusted profit and adjusted net assets – Himawari Life	29
Main points of consolidated results – (2) ordinary profit	6	(Reference) MCEV	30
Main points of consolidated results – (3) net income	7	4. Nursing care & healthcare, etc.	
Business forecasts for FY2017 – consolidated basis	8	Overview of FY2016 results – nursing care & healthcare, etc.	32
Main points of business forecasts for FY2017	9	(Reference) Residents and occupancy rate of nursing care business	33
(Reference) Breakdown of business forecasts for FY2017	10	5. Overseas insurance	
(Reference) Past progress of quarterly results	11	Overview of FY2016 results – overseas insurance	35
(Reference) Numerical management targets, etc.	12	Business results by region	36
2. Domestic P&C insurance		(Reference) Business results by company	37
Overview of FY2016 results – Sompo Japan Nipponkoa	14	(Reference) Overview of Business Results of SI (Endurance)	38
Net premiums written	15	6. ERM & asset management	
Loss ratio (W/P)	16	Financial soundness – ESR (99.5% VaR)	40
Loss ratio (E/I)	17	(Reference) ESR (99.95% VaR)	41
Net expense ratio	18	(Reference) Breakdown of adjusted capital and risk (99.5% VaR)	42
Combined ratio	19	Asset portfolio – group-wide	43
Investment profit	20	Asset portfolio – Sompo Japan Nipponkoa	44
(Reference) Breakdown of investment profit	21	Asset portfolio – Himawari Life	45
(Reference) Business forecasts for FY2017 – Sompo Japan Nipponkoa	22		
(Reference) Assumption of Business Forecasts for FY2017	23		
(Reference) Related indicators of automobile insurance	24		
(Reference) Domestic natural disasters	25		

Highlights of FY2016 Results



- ◆ As the reviewed business forecast for FY2016 announced on May 8, 2017, consolidated ordinary profit improved by ¥24.8 billion to ¥241.7 billion, and consolidated net income improved by ¥6.8 billion to ¥164.4 billion.

- Sampo Japan Nipponkoa saw underwriting profit improved by ¥34.1 billion to ¥112.4 billion due to improvement by 1.0 points of combined ratio (excluding CALI and household earthquake) in line with a improved loss ratio. Investment profit also rose by ¥23.8 billion to ¥132.3 billion mainly owing to greater than planned reduction of strategic-holding stocks (on fair value basis: ¥104.2 billion).
- Himawari Life generated net income of ¥8.3 billion, despite of the impact of upfront investments (¥4.7 billion), etc. *Adjusted profit achieved ¥29.1 billion surpassing initial plan (¥23.0 billion)
- In the nursing care business, the inflow of residents shifted to an increasing trend in step with progress and the impact of measures to strengthening internal management.
*Occupancy rate improved by 2.8 points to 83.7%*¹.
- The bottom-line of overseas business achieved ¥19.9 billion surpassing initial plan (¥15.0 billion).
- Management approved increase in dividend per share for the fourth consecutive year (including FY2017 forecast) and share buyback of ¥56.2 billion.
*Total payout ratio was 50%. Total shareholder return yield was 5.7%*².

*1 The sum of SOMPO Care Message and SOMPO Care Next
*2 Calculated with stock price as of the end of March 2017



- I'd like to begin with the highlights of our FY2016 results.
- Our FY2016 results were in line with our upwardly revised business forecasts disclosed on May 8. Consolidated ordinary profit rose by ¥24.8 billion to ¥241.7 billion. Net income attributable to shareholders of the parent increased by ¥6.8 billion to ¥166.4 billion, marking an all-time high.
- Sampo Japan Nipponkoa posted increases in both underwriting profit and investment profit. Himawari Life saw net income surpass the amount that it had factored into the initial business forecast. Overseas business outperformed initial plans primarily in Turkey and the United States, leading to strong results overall.
- Today, along with the foregoing, we have also disclosed information on shareholder returns. I'd like to provide a few more details. Management has increased the year-end dividend for FY2016 by ¥10 per share. It has also increased the annual dividend forecast for FY2017 by ¥20 per share. We now expect to increase the dividend per share for the fourth consecutive year. We have also set the upper limit for share buybacks at an all-time high of ¥56.2 billion. As a result, the total payout ratio stood at 50% of adjusted consolidated profit.
- Please turn to page 4.

1. Trend of business results

2. Domestic P&C insurance

3. Domestic life insurance

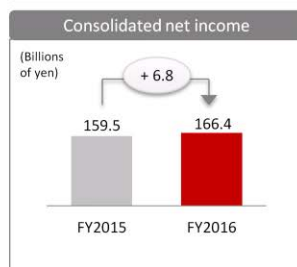
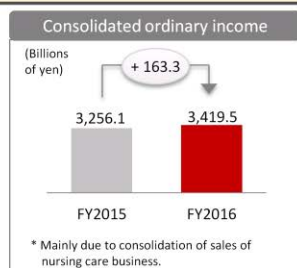
4. Nursing care & healthcare, etc.

5. Overseas insurance

6. ERM & asset management

Overview of FY2016 Results – Consolidated Basis

- ◆ Because of improvement of profitability in domestic P&C insurance business, consolidated ordinary profit increased by ¥24.8 billion to ¥241.7 billion, and consolidated net income increased by ¥6.8 billion to ¥166.4 billion.



(Billions of yen)	FY2015	FY2016	Change
Consolidated ordinary income	3,256.1	3,419.5	+ 163.3(+ 5.0%)
Net premiums written (P&C)	2,552.1	2,550.3	-1.8(- 0.1%)
Life insurance premiums	297.6	323.8	+ 26.1(+ 8.8%)
Consolidated ordinary profit	216.8	241.7	+ 24.8
Sompo Japan Nipponkoa	178.0	230.4	+ 52.3
Himawari Life	18.2	12.9	-5.3
Overseas insurance subsidiaries	23.7	22.7	-1.0
Consolidated adjustment ^{*1} /Others	-3.2	-24.4	-21.1
Consolidated net income ^{*2}	159.5	166.4	+ 6.8
Sompo Japan Nipponkoa	126.2	164.4	+ 38.1
Himawari Life	11.6	8.3	-3.2
Overseas insurance subsidiaries	20.5	19.5	-0.9
Consolidated adjustment ^{*1} /Others	1.1	-25.8	-27.0
(Reference) Adjusted profit (by business)	164.3	183.2	+ 18.9
Domestic P&C insurance	111.9	134.9	+ 22.9
Domestic life insurance	30.4	29.1	-1.2
Nursing care & healthcare, etc.	1.5	-0.7	-2.2
Overseas insurance	20.4	19.9	-0.4

*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."

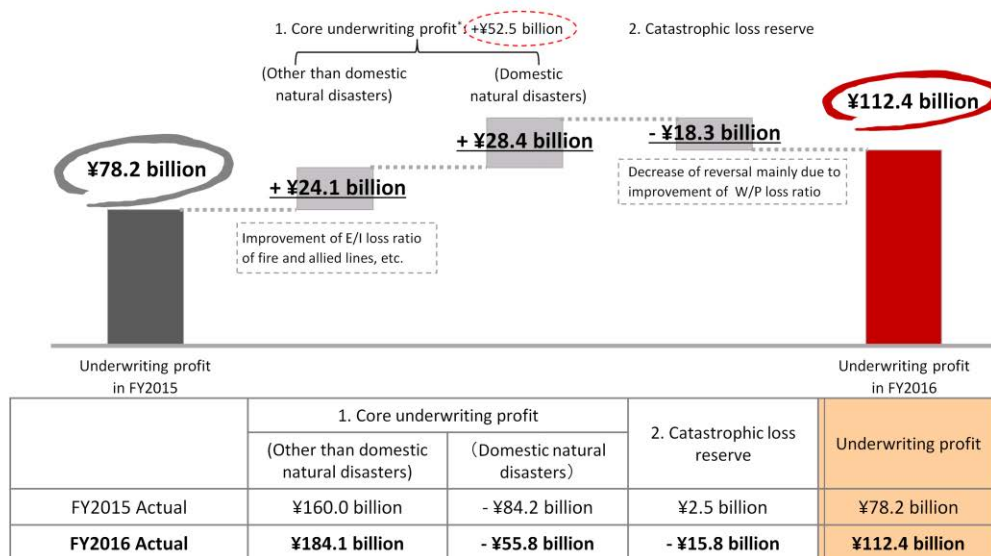
*2 Consolidated net income denotes net income (loss) attributable to shareholders of the parent. (The same shall apply hereafter.)

- Please refer to this page for an overview of our consolidated results for FY2016.
- As I mentioned earlier, consolidated ordinary profit and consolidated net income both increased mainly due to the improved profitability of Sompo Japan Nipponkoa. In the following pages, I will discuss the main factors behind these results.
- Please turn to page 5.

Main Points of Consolidated Results – (1) Underwriting Profit

- ◆ Underwriting profit increased by ¥34.1 billion to ¥112.4 billion mainly due to improvement of core underwriting profit.

Changing factors of underwriting profit (Sompo Japan Nipponkoa)



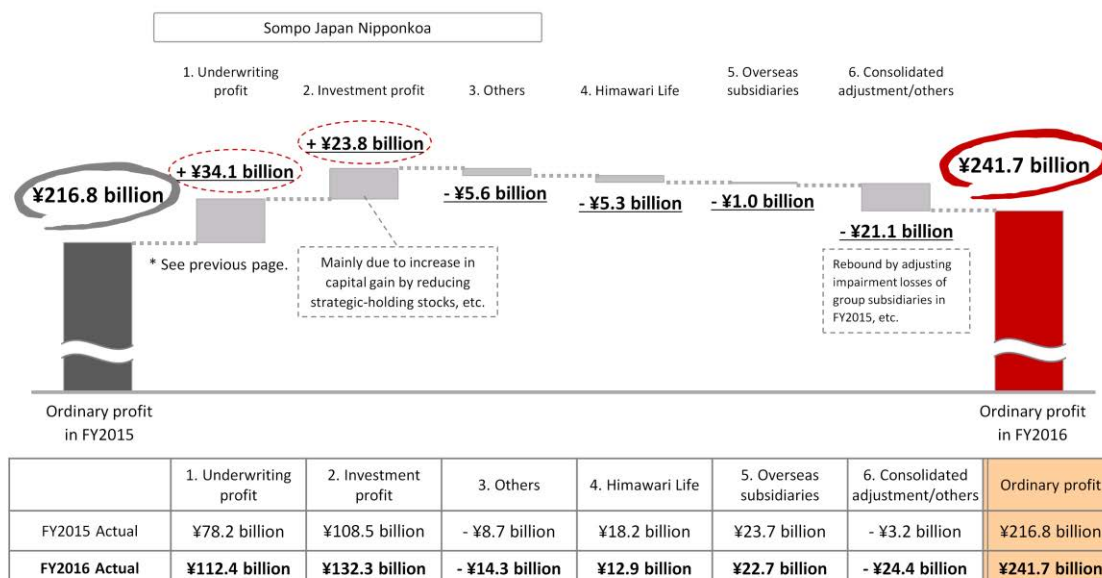
* Core underwriting profit is underwriting profit less the impact related to catastrophic loss reserve.

- This page shows the status of underwriting profit.
- Underwriting profit increased by ¥34.1 billion to ¥112.4 billion. The main reason for the increase was improved underwriting profit in fire and allied lines, mainly due to fewer domestic natural disasters.
- Please turn to page 6.

Main Points of Consolidated Results – (2) Ordinary Profit

- ◆ Consolidated ordinary profit increased by ¥24.8 billion to ¥241.7 billion mainly due to steady progress of both underwriting profit and investment profit.

Changing factors of consolidated ordinary profit



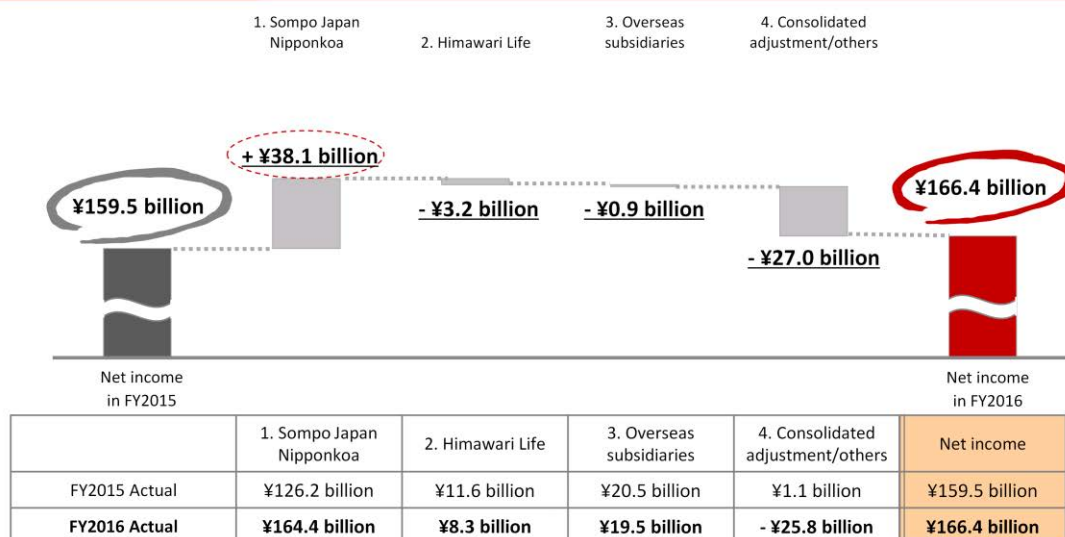
6

- This page shows consolidated ordinary profit.
- Consolidated ordinary profit increased by ¥24.8 billion to ¥241.7 billion. The main reason for the increase was a greater-than-planned reduction in strategic-holding stocks and an increase in interest and dividend income, mainly due to asset management operations backed by favorable financial market conditions, in addition to improvement in underwriting profit.
- The trend in consolidated net income is shown on page 7.
- Please turn to page 8.

Main Points of Consolidated Results – (3) Net Income

- ◆ Consolidated net income increased by ¥6.8 billion to ¥166.4 billion mainly due to growth of profit in Domestic P&C insurance business.

Changing factors of consolidated net income



Business Forecasts for FY2017 – Consolidated Basis

- ◆ Consolidated ordinary profit is expected to increase by ¥17.2 billion to ¥259.0 billion, and consolidated net income is expected to increase by ¥16.5 billion to ¥183.0 billion.

(Billions of yen)	FY2016 (Actual)	FY2017 (Forecast)	Change
Net premiums written (P&C)	2,550.3	2,908.0	+ 357.6(+ 14.0%)
Life insurance premiums	323.8	339.0	+ 15.1(+ 4.7%)
Consolidated ordinary profit	241.7	259.0	+ 17.2
Sompo Japan Nipponkoa	230.4	227.0	- 3.4
Himawari Life	12.9	10.0	- 2.9
Nursing care (SOMPO Care Message and Care Next)	-1.2	2.9	+ 4.1
Overseas subsidiaries	22.7	59.4	+ 36.7
Consolidated adjustment*/others	-23.1	-40.3	- 17.2
Consolidated net income	166.4	183.0	+ 16.5
Sompo Japan Nipponkoa	164.4	157.0	- 7.4
Himawari Life	8.3	6.0	- 2.3
Nursing care (SOMPO Care Message and Care Next)	-2.9	2.0	+ 4.9
Overseas subsidiaries	19.5	50.5	+31.0
Consolidated adjustment*/others	-22.9	-32.5	- 9.6
(Reference) Adjusted profit (by business)	183.2	205.0	+ 21.7
Domestic P&C insurance	134.9	114.9	- 20.0
Domestic life insurance	29.1	28.0	- 1.1
Nursing care & healthcare, etc.	-0.7	3.4	+ 4.1
Overseas insurance	19.9	58.4	+ 38.4

8

- This page presents an overview of business forecasts for FY2017.
- In the fiscal year that has just begun, we are once again forecasting increases in revenue and profit. As you can see, the main factor behind the projected increase in profit is growth in the profits of overseas subsidiaries. This growth reflects the profit contribution of Endurance. On a Group-wide basis, consolidated ordinary profit is expected to increase by ¥17.2 billion to ¥259.0 billion, and consolidated net income is expected to increase by ¥16.5 billion to ¥183.0 billion. In addition, we expect our nursing care subsidiaries to achieve profitability, with consolidated net income projected at ¥2.0 billion, an increase of ¥4.9 billion from a loss in the previous fiscal year.
- Please turn to page 9.

Main Points of Business Forecasts for FY2017

- ◆ Both sales and profit are expected to improve mainly due to Sompo International (Endurance)* profit contribution.
- ◆ Consolidated ordinary profit is expected to improve by ¥17.2 billion to ¥259.0 billion, and consolidated net income plans to improve by ¥16.5 billion to ¥183.0 billion.
- ◆ Adjusted consolidated profit as funds of shareholder return is expected to improve by ¥21.7 billion to ¥205.0 billion.

Domestic P&C insurance

(Sompo Japan Nipponkoa)

- Net premium written will grow centered on voluntary automobile and other line. (In all lines, increase by ¥39.8 billion.)
- Combined ratio (excluding CALI and household earthquake) will improve by 0.4 points to 93.1%.
- Strategic-holding stocks of around ¥100.0 billion on fair value basis will be reduced.

Domestic life insurance

- Net income is expected to be ¥6.0 billion (- ¥2.3 billion) while domestic life insurance business plans to grow steadily.
- Main reason is increase in provision of policy reserve in connection with the revision of standard yield rate (postponed to revise mainstay medical insurance, etc.).

Nursing care and healthcare

- Net income will improve by ¥4.9 billion to ¥2.0 billion and become profitable, reflecting an improved occupancy rate as well as the accomplishment of various measures.
- We keep accelerating measures to increase top-line and reduce costs further.

Overseas insurance

- Adjusted profit is projected to improve by ¥38.4 billion to ¥58.4 billion mainly due to the start of Sompo International (Endurance)* profit contribution.

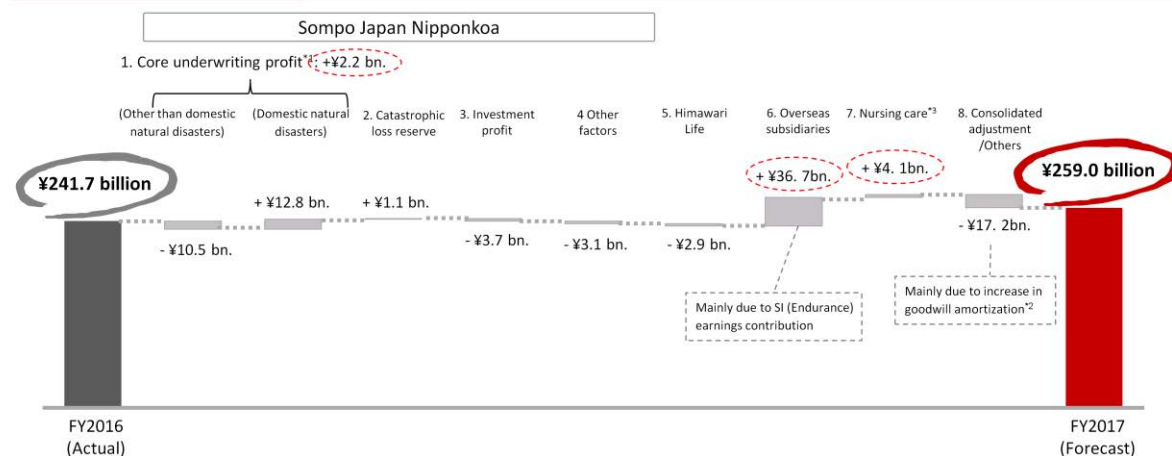


* After the acquisition completion on 28 March 2017, the brand name of Endurance was changed to Sompo International.
The name is shown as SI (Endurance) hereafter.

- On this page, we present the main points of our business forecasts for FY2017.
- The forecast figures are in line with what we have confirmed. At Sompo Japan Nipponkoa, the combined ratio is expected to continue improving based primarily on the contribution of the net expense ratio. A reduction of around ¥100.0 billion in strategic-holding stocks has been factored into the forecast. Himawari Life has recorded steady business performance. Meanwhile, as you know, the standard yield rate was revised this April. However, Himawari Life has postponed revising mainstay products such as medical insurance. For this reason, Himawari Life has reflected the impact of an increase in provision of policy reserve of approximately ¥3.0 billion in its forecast. In the nursing care field, we continue working to strengthen the internal management system and the entrenchment of that system. Based on an improvement trend in the occupancy rate, a core KPI, we expect the nursing care business to achieve profitability in FY2017. In the overseas insurance business, Endurance will start making a profit contribution on a full-year basis. We expect a contribution of ¥39.3 billion to adjusted profit. In addition, taking into consideration goodwill and other factors, we expect a contribution of ¥20.9 billion to profit on a J-GAAP basis, i.e., consolidated net income.
- Please turn to page 10.

(Reference) Breakdown of Business Forecasts for FY2017

Main components of consolidated ordinary profit



	1. Core underwriting profit		2.	3.	4.	5.	6.	7.	8.	
	(Other than domestic natural disasters)	(Domestic natural disasters)	Catastrophic loss reserve	Investment profit	Other factors	Himawari Life	Overseas subsidiaries	Nursing care	Consolidated adjustment /Others	Ordinary profit
FY2016 Actual	¥184.1 bn.	- ¥55.8 bn.	- ¥15.8 bn.	¥132.3 bn.	- ¥14.3 bn.	¥12.9 bn.	¥22.7 bn.	- ¥1.2 bn.	- ¥23.1 bn.	¥241.7 bn.
FY2017 Forecast	¥173.6 bn.	- ¥43.0 bn.	- ¥14.7 bn.	¥128.6 bn.	- ¥17.5 bn.	¥10.0 bn.	¥59.4 bn.	¥2.9 bn.	- ¥40.3 bn.	¥259.0 bn.

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

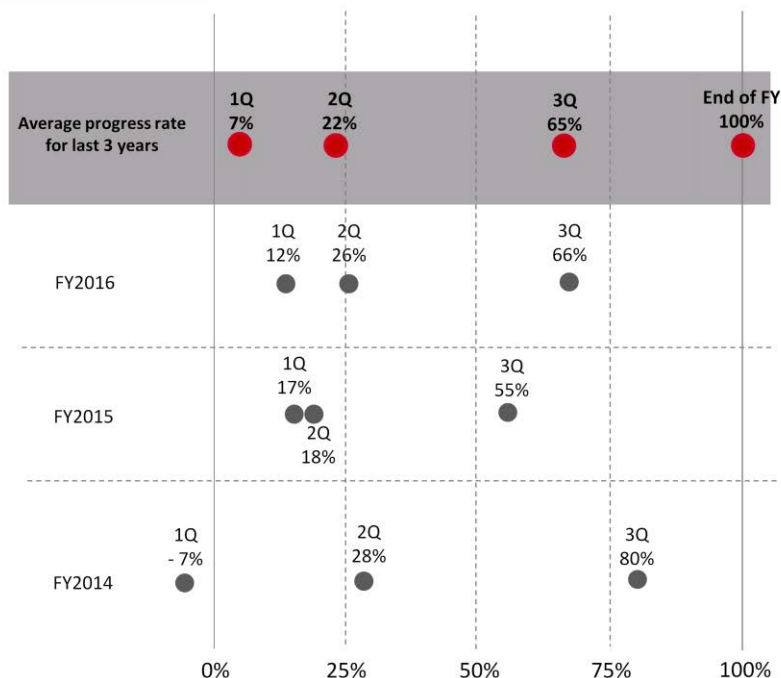
*2 The goodwill for the SI (Endurance) acquisition is ¥1,513 million. Combined with intangible assets, the net amortization amount is around \$2,000 million. The amortization period for the goodwill is 10 years, and the amortization period for Intangible asset has been set appropriately. The total annual amortization costs is around \$200 million. (Projected at \$164 million (¥18.4 billion) for FY2017).

*3 The sum of SOMPO Care Message and SOMPO Care Next

- For reference, we present a breakdown of consolidated ordinary profit in our business forecasts.
- With Sompo Japan Nipponkoa underwriting profit and investment profit both projected to remain mostly flat, I think you can see that earnings growth in the overseas insurance and nursing care & healthcare business segments will be the main earnings contributors. With regard to the amortization costs related to Endurance, the main component, goodwill, will be amortized over 10 years. Amortization periods for other intangible assets have been set appropriately. As a result, the amortization cost is projected at ¥18.4 billion for FY2017.
- Please turn to page 11.

(Reference) Past Progress of Quarterly Results

Progress in each quarter (consolidated net income)



11

- On this page, we present the progress rate for consolidated net income in each quarter. This information has been disclosed since the previous year. In FY2016, progress through the first half of the fiscal year tended to be slow. This pace was consistent with the trend up to that time. We hope that this page will serve as a useful reference.
- Please turn to page 12.

(Reference) Numerical Management Targets, etc.

Numerical management targets

(Billions of yen)	FY2015 (Actual)	FY2016 (Actual)	FY2017 (Forecast)	FY2018(Plan) Reviewed and Announced on November 2016
Domestic P&C insurance ^{*1}	111.9	134.9	114.9	Over 120.0
Domestic life insurance	30.4	29.1	28.0	Over 32.0
Nursing care & healthcare, etc.	1.5	-0.7	3.4	Over 8.0
Overseas insurance	20.4	19.9	58.4	Over 60.0
Total (Adjusted consolidated profit)	164.3	183.2	205.0	220.0 – 230.0
Adjusted consolidated ROE^{*2}	6.9%	7.6%	8.1%	Over 8%
(Reference) ROE (J-GAAP)	9.2%	9.7%	10.1%	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)
Adjusted profit of SI (Endurance) is operating income^{*3}

^{*1} Total of Sompo Japan Nipponkoa, Saison Automobile & Fire, Sonpo 24, Sompo Japan Nipponkoa Insurance Services, DC Securities and Sompo Risk Management & Healthcare (from FY2017)

^{*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 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)

^{*3} Adjusted profit of SI (Endurance) is defined as operating income, which excludes one-time factors (operating income = net income - net foreign exchange gains/losses - net realized and unrealized gains/ losses - net impairment losses recognized in earnings, etc.)

- For reference, this page presents adjusted consolidated profit, which represents the source of funds for shareholder returns, and adjusted consolidated ROE. We recognize that both of these indicators increased steadily. The CEO and CFO of Sompo Holdings will explain our management strategies, including progress against the mid-term management plan, at the IR meeting scheduled to be held next week.
- Next, we will discuss each business in more detail. Please turn to page 14.

1. Trend of business results

2. Domestic P&C insurance

3. Domestic life insurance

4. Nursing care & healthcare, etc.

5. Overseas insurance

6. ERM & asset management

Overview of FY2016 Results – Sompo Japan Nipponkoa

- ◆ Both Underwriting profit and investment profit improved.
Net income increased by ¥38.1 billion to ¥164.4 billion.

(Billions of yen)	FY2015	FY2016	Change	
Net premiums written	2,218.4	2,165.6	- 52.7 (- 2.4%)	Mainly due to rebound of front-loaded demand in fire and allied lines according to product revision in FY2015
(excl. CALI, household earthquake)	1,910.8	1,869.5	- 41.3 (- 2.2%)	
Loss ratio	63.7%	63.2%	- 0.5pt	
(excl. CALI, household earthquake)	61.1%	59.8%	- 1.3pt	
E/I loss ratio (excl. CALI, household earthquake)	61.6%	59.5%	- 2.1pt	
Net expense ratio	31.6%	32.0%	+ 0.4pt	
(excl. CALI, household earthquake)	33.4%	33.7%	+ 0.3pt	
Combined ratio	95.3%	95.2%	- 0.1pt	
(excl. CALI, household earthquake)	94.5%	93.5%	- 1.0pt	
Underwriting profit	78.2	112.4	+ 34.1	
Investment profit	108.5	132.3	+ 23.8	
Ordinary profit	178.0	230.4	+ 52.3	
Net income	126.2	164.4	+ 38.1	
(Reference) Adjusted profit				
+ Provisions for catastrophic loss reserve (after tax)	- 1.7	11.4	+ 13.1	
+ Provisions for reserve for price fluctuation (after tax)	5.7	7.5	+ 1.8	
- Gains/losses on sales of securities and impairment losses on securities (after tax)	22.6	49.8	+ 27.2	
- Special factors (after tax)*	- 8.5	- 5.0	+ 3.5	
Adjusted profit	116.1	138.5	+ 22.3	
* Special factors are gains /losses related to stock future, etc.				
				14

- Please refer to this slide for an overview of the results of Sompo Japan Nipponkoa. In the following pages, I will go through each line item in turn.
- Please turn to page 15.

Net Premiums Written

- ◆ Net premiums written decreased in fire and allied lines according to product revision in FY2015, but kept on increasing trend in mainstay voluntary automobile and other line.

Net premiums written by product line

(Billions of yen)	FY2015	FY2016	Change	FY2017 (Forecast)		(Reference) Year-on-Year comparison of voluntary automobile insurance (April 2016 - March 2017)
Fire and Allied Lines	330.6	285.3	- 45.2	(- 13.7%)	291.6	+ 6.2
Marine	51.2	43.9	- 7.2	(- 14.1%)	42.9	- 1.0
Personal Accident	184.2	181.7	- 2.4	(- 1.3%)	186.0	+ 4.2
Voluntary Automobile	1,070.1	1,077.7	+ 7.5	(+ 0.7%)	1,095.3	+ 17.6
CALI	306.5	295.2	- 11.3	(- 3.7%)	286.5	- 8.6
Other	275.6	281.5	+ 5.9	(+ 2.2%)	302.8	+ 21.2
of which, Liability	155.2	153.7	- 1.5	(- 1.0%)	162.0	+ 8.3
Total	2,218.4	2,165.6	- 52.7	(- 2.4%)	2,205.4	+ 39.8
Total (excl. CALI, household earthquake)	1,910.8	1,869.5	- 41.3	(- 2.2%)	1,917.9	+ 48.3

	# of vehicles	Unit premium	Total Premium
Non-Fleet	- 0.1%	+ 0.4%	+ 0.4%
Fleet	+ 0.8%	- 0.1%	+ 0.7%
Total	+ 0.1%	+ 0.3%	+ 0.4%

*Performance evaluation basis

< Trends of the number of Non-Fleet vehicles >

On increasing trend, after product revision in January 2017.



(Main changing factors of FY2016)

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.

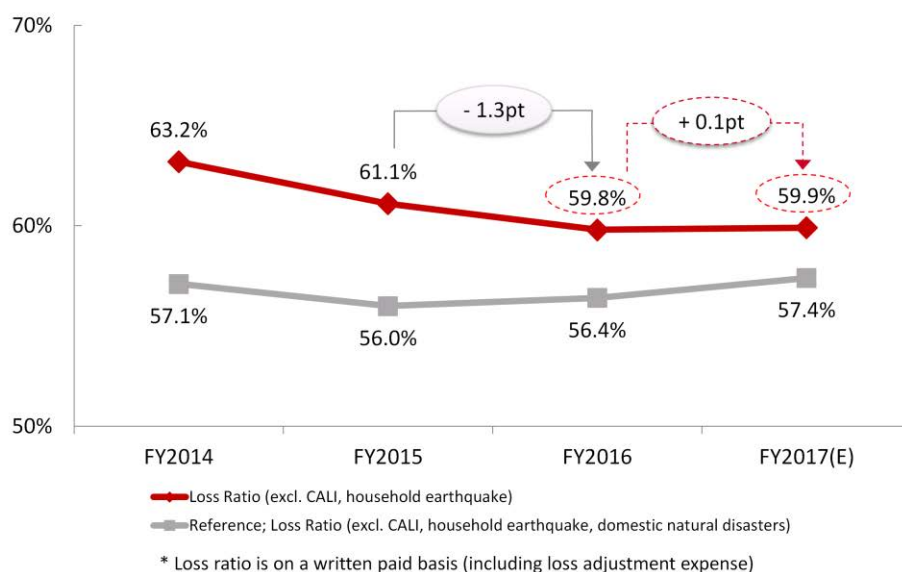
Other: Strong sales of packaged products to small and medium-sized enterprises.

- In FY2016, net premiums written decreased owing to a downturn following last-minute demand in fire and allied lines. However, in FY2017, net premiums written are forecast to increase by ¥39.8 billion mainly based on voluntary automobile insurance and new lines of insurance.
- Recently, voluntary automobile insurance had seen a continuing decrease in the number of vehicles, particularly in non-fleet policies. As a result of product revisions in January 2017, and due partly to the upgrading and expansion of discounts for owners of new vehicles or multiple vehicles, the number of vehicles has returned to an increasing trend. Sompo Japan Nipponkoa issues sales reports every month. The report for April shows continuing strong trends.
- Please turn to page 16.

Loss Ratio (W/P)

- ◆ In FY2016, loss ratio improved by 1.3 points due to decrease of domestic natural disasters, etc.
- ◆ In FY2017, loss ratio is expected to stay on lower level below 60%.

W/P loss ratio (excl. CALI, household earthquake)



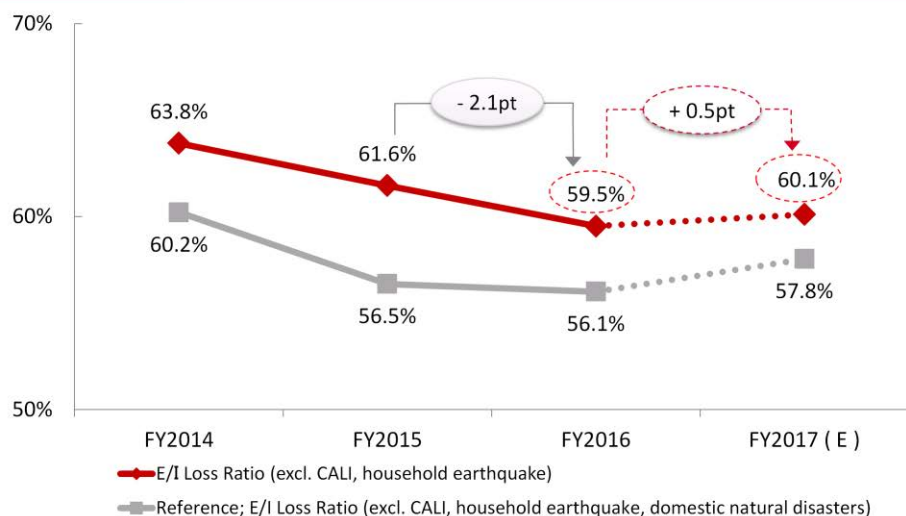
16

- This page shows the loss ratio on a written paid basis. In FY2016, the loss ratio improved by 1.3 points. In FY2017, the loss ratio is conservatively forecast to increase by 0.1 point. However, the loss ratio is expected to stay at a favorable level below 60%.
- Please turn to page 17.

Loss Ratio (E/I)

- ◆ In FY2016, loss ratio improved by 2.1 points mainly in fire and allied lines due to decrease of domestic natural disasters.
- ◆ In FY2017, loss ratio is expected to stay on lower level around 60%.

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



* Loss ratio includes loss adjustment expense.

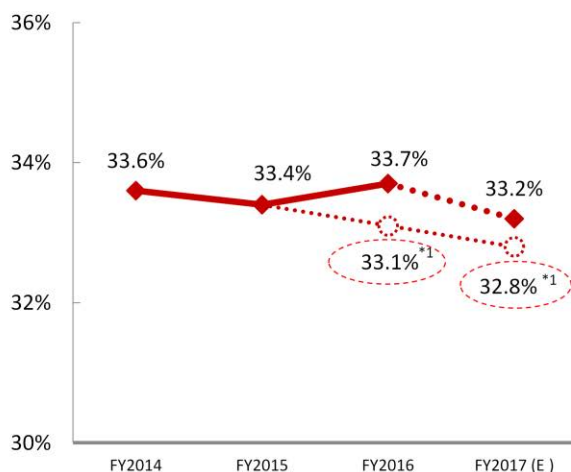
17

- This page shows the loss ratio on an earned incurred basis. In FY2016, the loss ratio improved by 2.1 points mainly due to a decrease in domestic natural disasters. In FY2017, the loss ratio estimate has been set slightly higher than usual in mainstay voluntary automobile insurance. The loss ratio is forecast to increase by 0.5 point mainly because a certain increase in incurred losses related to roadside assistance riders was factored into the forecast. In any case, the loss ratio is expected to stay at a favorable level of around 60%.
- Please turn to page 18.

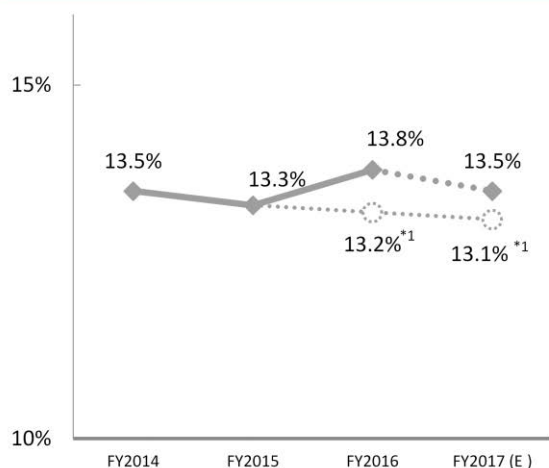
Net Expense Ratio

◆ Made upfront investments to achieve future growth as planned and controlled expense appropriately.

Net expense ratio (excl. CALI, household earthquake)



Company expense ratio^{*2} (excl. CALI, household earthquake)



*1 Excluding upfront investments (the amount of upfront investments for the entire line item : In FY2016, ¥14.7 billion. In FY2017(forecast), around ¥10.0 billion)

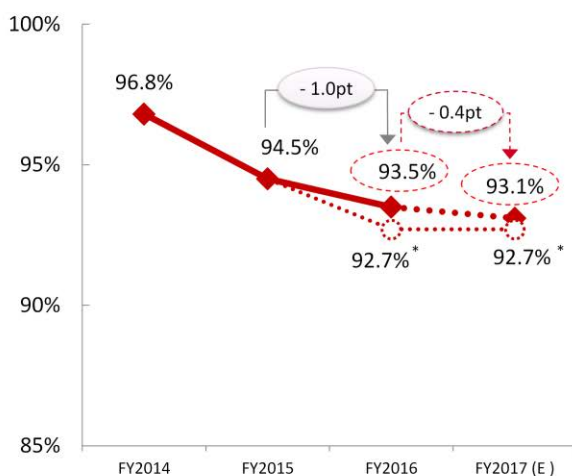
*2 Ratio of general administrative and selling expense related with underwriting to net premium written

- This page shows the net expense ratio.
- We made upfront investments centered on IT as planned to improve the overall net expense ratio by around 2 points in the future. The actual amount of upfront investments was ¥14.7 billion in FY2016 and is forecast at around ¥10.0 billion in FY2017. Existing personnel and property expenses are being properly controlled. Accordingly, the net expense ratio, excluding upfront investments, improved by 0.3 point in FY2016 and is expected to improve by around 0.3 point in FY2017 as well.
- Please turn to page 19.

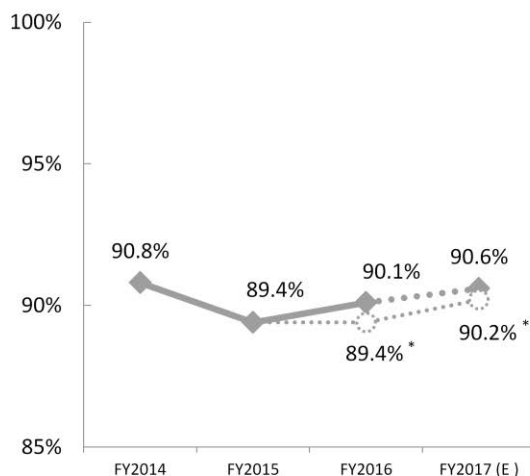
Combined Ratio

- ◆ In FY2016, combined ratio improved by 1.0 points to 93.5%.
- ◆ In FY2017, combined ratio will stay on favorable level with appropriate control of expense, etc.

Combined ratio (excl. CALI, household earthquake)



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



- This page shows the combined ratio, which is the sum of the loss ratio and the net expense ratio. The combined ratio has improved in the fiscal year just ended and is improving in the current fiscal year just started. For FY2017, the combined ratio is forecast at around 93%.
- Please turn to page 20.

Investment Profit

- ◆ In FY2016, investment profit improved mainly due to favorable market environment and exposure of strategic-holding stocks was also reduced surpassing initial plan (around ¥100.0 billion).
- ◆ In FY2017, investment income is expected to be ¥128.6 billion. We will steadily reduce strategic-holding stocks by around ¥100.0 billion.

Investment profit (Sompo Japan Nipponkoa, non-consolidated)

(Billions of yen)		FY2015	FY2016	Change	FY2017 (Forecast)	Change
Net interest and dividend income	1	64.0	73.1	+ 9.0	73.6	+ 0.5
Interest and dividend income ^{*1}		109.9	114.8	+ 4.9	113.4	- 1.4
of which, ones of dividend from overseas subsidiaries		0.7	0.9	+ 0.2	16.1	+ 15.2
Gains on sales of securities ^{*1}	2	60.5	71.0	+ 10.5	69.3	- 1.7
of which, ones of domestic stocks		50.7	74.9	+ 24.1	66.9	- 7.9
Impairment losses on securities ^{*1}	3	- 28.7	- 1.6	+ 27.1	- 13.9	- 12.2
of which, ones of domestic stocks		- 21.4	- 0.5	+ 20.8	- 13.9	- 13.3
Gains on derivatives	4	5.6	- 16.2	- 21.8	- 4.0	+ 12.1
Other investment income	5	6.9	5.9	- 0.9	3.5	- 2.4
Investment profit	1+2+3+4+5	108.5	132.3	+ 23.8	128.6	- 3.7

*1 See next page for breakdown

Mainly gains and losses on stock future and on forward exchange contract

dividend from SI (Endurance)

Reduction of strategic-holding stocks ^{*2} ¥104.2 bn.

*2 Net reduction on fair value basis

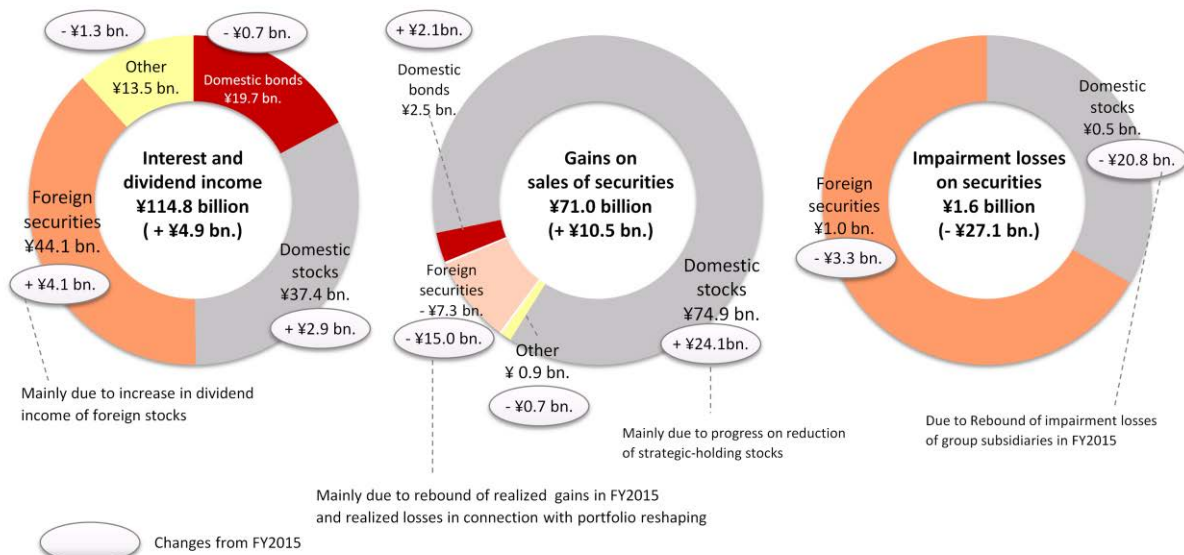
20

- This page shows investment profit.
- In FY2016, interest and dividend income surpassed the initial forecast, due to the positive impact of the well-timed cancellation of mainly overseas funds in light of the financial market environment. We successfully reduced exposure to strategic-holding stocks by ¥104.2 billion, which surpassed the initial plan. We thus significantly accelerated the pace of the reduction in strategic-holding stocks compared with a reduction of ¥75.7 billion in the previous fiscal year. Consequently, investment profit rose by ¥23.8 billion to ¥132.3 billion. Details of interest and dividend income, gain on sales of securities and impairment losses on securities are shown on the next page.
- In FY2017, we plan to continue reducing strategic-holding stocks by around ¥100.0 billion. Meanwhile, investment profit is forecast at ¥128.6 billion, mostly unchanged year on year, mainly based on the absence of the aforementioned gains on fund cancellation and certain other items recorded in FY2016. We have factored ¥16.1 billion into our guidance as dividends from Endurance, which will start contributing to profit from the current fiscal year. This item will be eliminated in the consolidation of financial results.
- Please turn to page 22.

(Reference) Breakdown of Investment Profit

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

(Billions of yen)



(Reference) Business Forecasts for FY2017– Sampo Japan Nipponkoa

(Billions of yen)	FY2016 (Actual)	FY2017 (Forecast)	Change
Net premiums written	2,165.6	2,205.4	+ 39.8 (+ 1.8%)
(excl. CALI, household earthquake)	1,869.5	1,917.9	+ 48.3 (+ 2.6%)
Loss ratio	63.2%	63.1%	- 0.1pt
(excl. CALI, household earthquake)	59.8%	59.9%	+ 0.1pt
E/I loss ratio (excl. CALI, household earthquake)	59.5%	60.1%	+ 0.5pt
Net expense ratio	32.0%	31.7%	- 0.2pt
(excl. CALI, household earthquake)	33.7%	33.2%	- 0.5pt
Combined ratio	95.2%	94.8%	- 0.3pt
(excl. CALI, household earthquake)	93.5%	93.1%	- 0.4pt
Underwriting profit	112.4	115.8	+ 3.3 (+ 3.0%)
Investment profit	132.3	128.6	- 3.7 (- 2.8%)
Ordinary profit	230.4	227.0	- 3.4 (- 1.5%)
Net income	164.4	157.0	- 7.4 (- 4.5%)
+Provisions for catastrophic loss reserve (after tax)	11.4	10.5	- 0.8
+Provisions for reserve for price fluctuation (after tax)	7.5	7.5	- 0.0
-Gains/losses on sales of securities and impairment losses on securities (after tax)	49.8	39.8	- 10.0
-Special factors (after tax)*	- 5.0	15.9	+ 21.0
Adjusted profit	138.5	119.3	- 19.2 (- 13.9%)

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

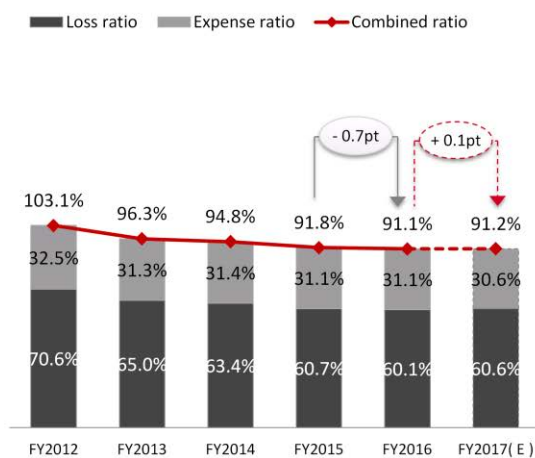
- Please take a look at this page for details of business forecasts for Sampo Japan Nipponkoa. In conjunction with these forecasts, please take a look at the assumptions for the business forecasts on page 23, and the automobile insurance-related data on page 24.
- Please turn to page 25.

(Reference) Assumption of Business Forecasts for FY2017

Losses from domestic natural disasters (occurring in the fiscal year)	¥43.0 billion
Catastrophic loss reserve	Net provision : ¥14.7 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 : ¥18,909 (Interest yield) 10y JGB : + 0.07% (Foreign exchange) 1US\$: ¥112.19, 1Euro : ¥119.79 <small>* Assumptions for market indicators are based on ones as of end of March 2017.</small>
Interest and dividend income	Gross : ¥113.4 billion Net : ¥73.6 billion
Realized gains on securities	Realized gains on security sales : ¥69.3 billion Impairment losses on securities : ¥13.9 billion
Reserve for price fluctuation	Net provision : ¥10.5 billion

(Reference) Related Indicators of Automobile Insurance

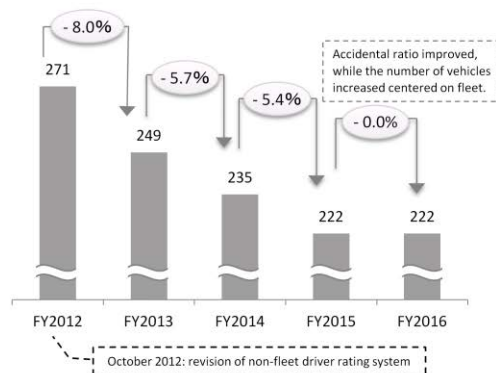
Combined ratio



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

The number of reported claims

(Ten Thousands)

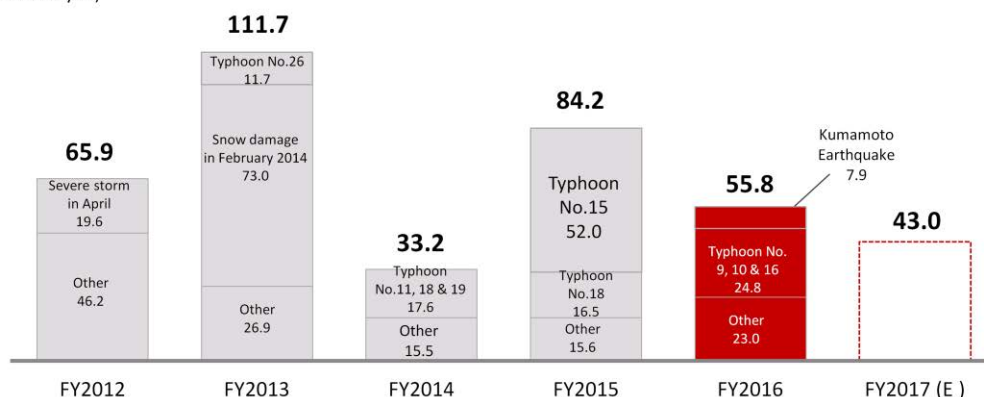


* Exclude certain natural disasters, whose incurred loss exceeds certain threshold.

(Reference) Domestic Natural Disasters

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

(Billions of yen)



* Excluding CALI, household earthquake.

- This page shows the status of domestic natural disasters.
- In FY2016, the net loss incurred from domestic natural disasters was ¥55.8 billion. In comparison with the ordinary natural disaster budget of ¥43.0 billion, the main factors for the higher net loss were the net loss of ¥7.9 billion due to the Kumamoto earthquakes, along with the impact of snowfall in the San-in region and other areas from the beginning of 2017, which was slightly higher than snow damage in ordinary years.
- The natural disaster budget for FY2017 is estimated to be ¥43.0 billion.
- Please turn to page 27.

1. Trend of business results

2. Domestic P&C insurance

3. Domestic life insurance

4. Nursing care & healthcare, etc.

5. Overseas insurance

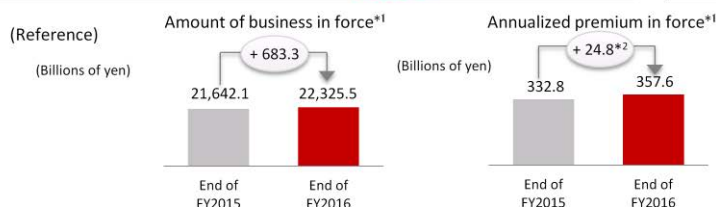
6. ERM & asset management

Overview of FY2016 Results – Himawari Life

- ◆ In FY2016, net income improved to ¥8.3 billion, which exceeded initial plan (¥6.5 billion).
- ◆ In FY2017, net income is expected to be ¥6.0 billion mainly due to increase in provision of policy reserve while premium and other income will grow.

Major indicators

(Billions of yen)	FY2015	FY2016	Change		FY2017 (Forecast)	Change	
Annualized new premium	40.3	50.2	+ 9.9	(+ 24.7%)	40.0	- 10.2	(- 20.4%)
Premium and other income	396.4	419.5	+ 23.0	(+ 5.8%)	439.3	+ 19.8	(+ 4.7%)
(excl. lump-sum payment)	392.5	419.4	+ 26.9	(+ 6.9%)	439.3	+ 19.8	(+ 4.7%)
Expense	94.7	104.3	+ 9.5	(+ 10.1%)	103.4	- 0.9	(- 0.9%)
Investment profit (general account)	42.2	43.3	+ 1.1	(+ 2.7%)	44.0	+ 0.6	(+ 1.6%)
Basic profit	21.9	16.5	- 5.3	(- 24.6%)	13.6	- 2.8	(- 17.3%)
Ordinary profit	22.5	16.8	- 5.6	(- 25.2%)	13.9	- 2.9	(- 17.4%)
Net income	11.6	8.3	- 3.2	(- 28.4%)	6.0	- 2.3	(- 27.9%)



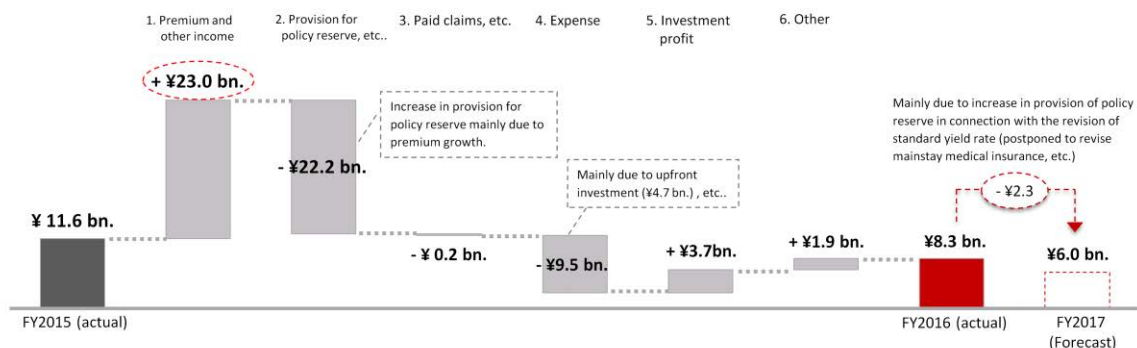
^{*1} The sum of individual insurance and individual annuities.

^{*2} Of which protection-type + ¥7.8 bn.

- This page presents an overview of the results of Himawari Life. The amount of business in force has been growing steadily, and premium and other income has been increasing. There has been no change in these trends.
- Net income in FY2016 was ¥8.3 billion, surpassing the initial plan by ¥6.5 billion. Net income decreased from the previous year. However, the main reason for the decrease was the execution of upfront investments of ¥4.7 billion as planned, with the view to attaining future growth.
- The guidance for FY2017 takes into account factors such as the impact of the increase in provision of policy reserve in connection with the aforementioned revision to the standard yield rate. Please note that this item will have no impact on adjusted profit because it is related to a reserve.
- Please refer to page 28 for an analysis of the main components of net income and to page 29 for the status of adjusted profit.
- Please turn to page 30.

- ◆ In FY2016, while top-line kept growing steadily, net income decreased due to upfront investment for future growth.

Main components of net income



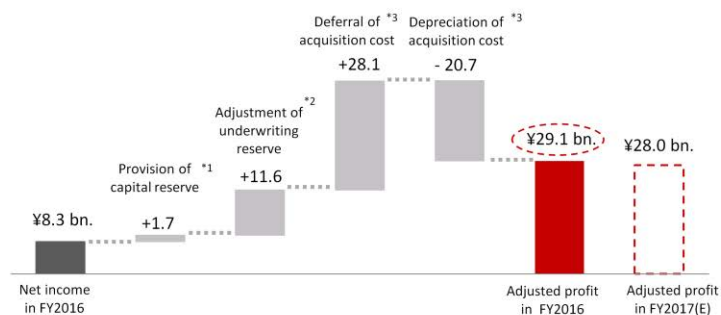
	1. Premium and other income	2. Provision for policy reserve, etc.	3. Paid claims, etc.	4. Expense	5. Investment profit	6. Other*	Net income
FY2015 (actual)	¥396.4 bn.	- ¥137.6 bn.	- ¥180.8 bn.	- ¥94.7 bn.	¥41.4 bn.	- ¥12.9 bn.	¥11.6 bn.
FY2016 (actual)	¥419.5 bn.	- ¥159.9 bn.	- ¥181.0 bn.	- ¥104.3 bn.	¥45.2 bn.	- ¥11.0 bn.	¥8.3 bn.
FY2017 (Forecast)	¥439.3 bn.	- ¥180.1 bn.	- ¥187.7 bn.	- ¥103.4 bn.	¥44.0 bn.	- ¥6.0 bn.	¥6.0 bn.

* The sum of other ordinary expense, special gains and losses, provision for reserve of policy holder dividend and corporate tax, etc.

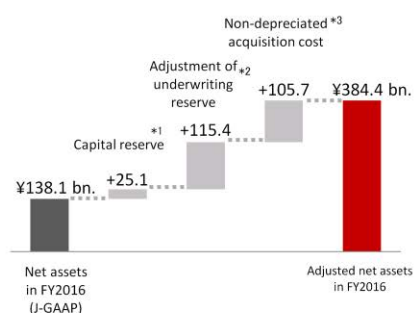
Adjusted Profit and Adjusted Net Assets – Himawari Life

- ◆ In FY2016, adjusted profit exceeded initial plan (¥23.0 billion) and amounted to ¥29.1 billion due to expansion of policies in force, etc.
- ◆ In FY2017, adjusted profit will be ¥28.0 billion because paid claims in FY2016 was less than usual year's level.

Conversion from net income to adjusted profit



(Reference) Adjusted net assets



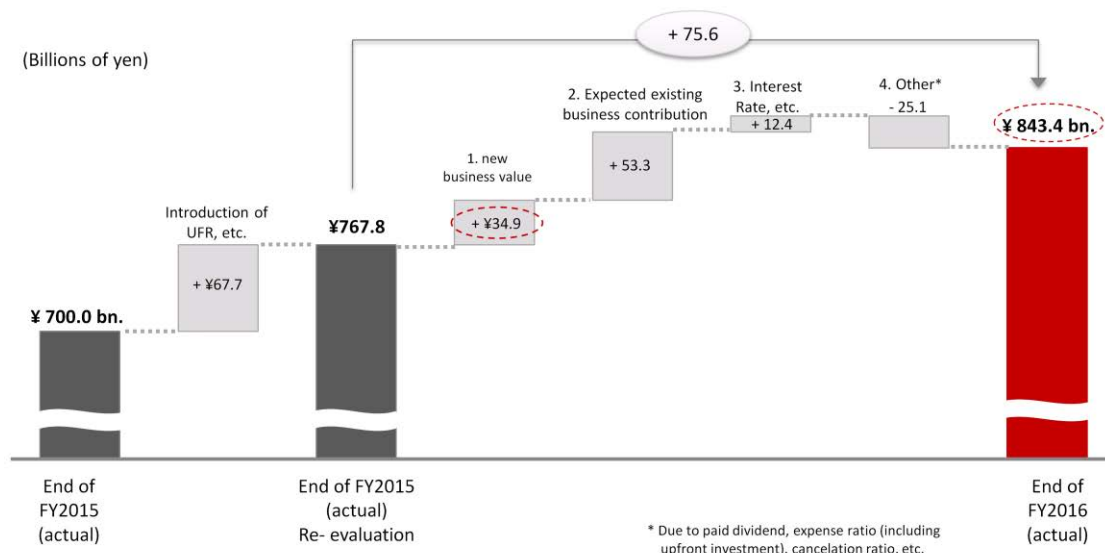
*1 Contingency reserve and reserve for price fluctuation (after tax).

*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).

(Reference) MCEV

- ◆ As of the end of FY2016, MCEV improved by ¥75.6 billion to ¥843.4 billion due to contribution of new business value (+ ¥34.9 billion).

Changing factors of MCEV

30

- For reference, we present the trend in the MCEV of Himawari Life as of the end of FY2016, which has already been officially disclosed.
- As of the end of FY2016, MCEV increased by ¥75.6 billion to ¥843.4 billion in line with the accumulation of business. This result shows that Himawari Life is steadily increasing its corporate value on an economic value basis.
- Please turn to page 32.

1. Trend of business results

2. Domestic P&C insurance

3. Domestic life insurance

4. Nursing care & healthcare, etc.

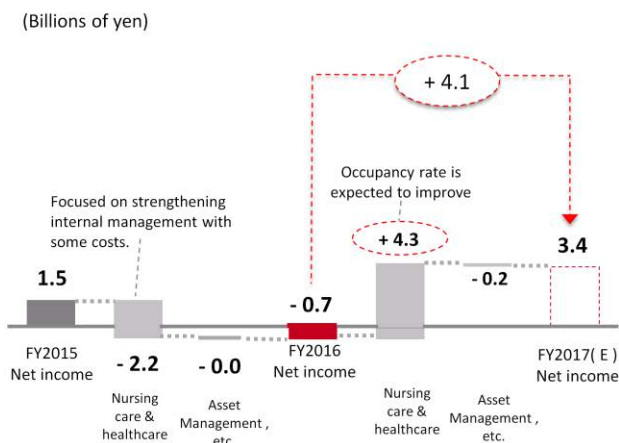
5. Overseas insurance

6. ERM & asset management

Overview of FY2016 results – nursing care & healthcare, etc.

- ◆ We focused on strengthening internal management and enhancing profitability in nursing care business. In FY2017, nursing care & healthcare is expected to become profitable.

Changing factors of net income



Main indicator of nursing care business

(Billions of yen)	FY2016		FY2017
		Change	(Forecast)
Sales	110.8	- 3.4	119.8
(SOMPO Care Message)	73.4	- 5.3	79.3
(SOMPO Care Next)	37.4	+ 1.9	40.5
Occupancy rate (SOMPO-no-le)	87.4%	+ 1.3pt	91.4%
(SOMPO-no-le S)	83.6%	- 0.1pt	89.0%
(La vie Re)	80.1%	+ 6.7pt	84.0%

* 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.

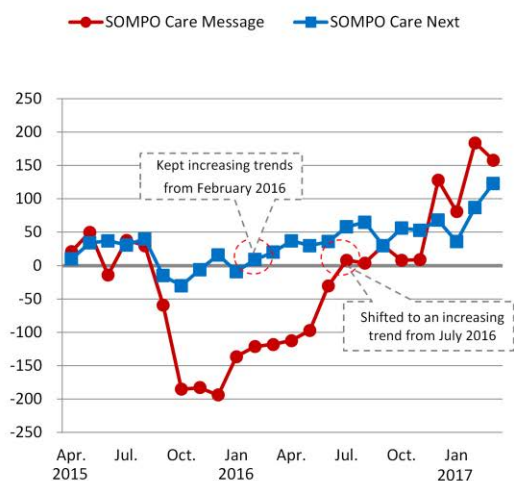
32

- This page presents an overview of the results of the nursing care & healthcare business.
- In the nursing care business, we have strengthened the internal management system by devoting a certain degree of cost to this end, as planned. In addition, we have strengthened our earnings capabilities through such means as improving the occupancy rate, which partly reflects the fact that we are now able to devote sufficient time to sales activities.
- In FY2016, we recorded a loss of ¥0.7 billion for the entire sector, including strategic businesses such as asset management. However, in FY2017, we expect profit for the entire sector to increase by ¥4.1 billion to a positive ¥3.4 billion, factoring in the increasing trend in the number of residents in the nursing care business. For reference, trends in the number of residents and the occupancy rate are shown on page 33.
- Please turn to page 35.

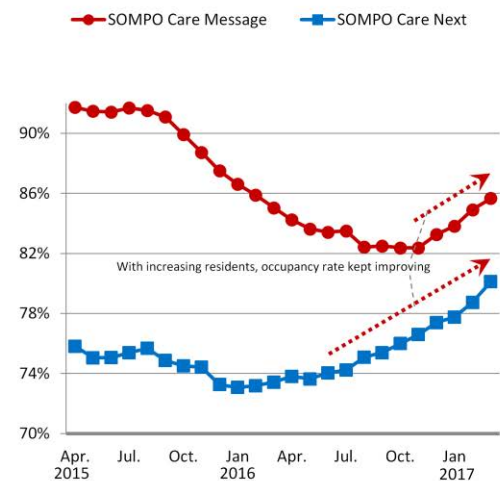
(Reference) Residents and occupancy rate of nursing care business

Inflow of residents progress

(Personnel)



Occupancy rate progress



1. Trend of business results

2. Domestic P&C insurance

3. Domestic life insurance

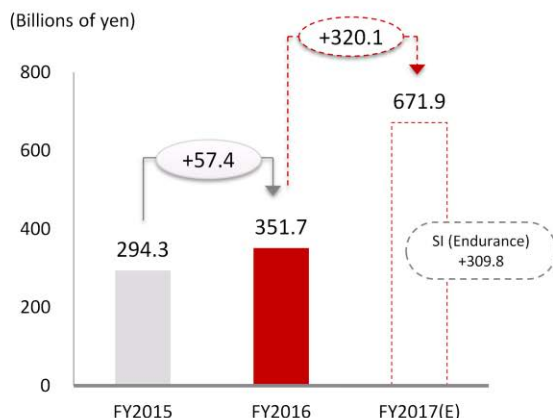
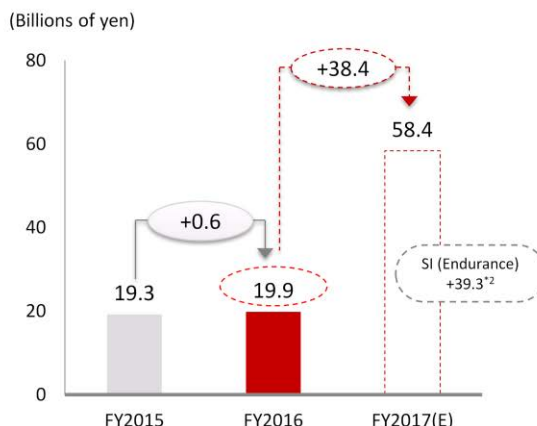
4. Nursing care & healthcare, etc.

5. Overseas insurance

6. ERM & asset management

Overview of FY2016 Results – Overseas Insurance

- ◆ In FY2016, net premiums steadily expanded. Net income increased by ¥0.6 billion to ¥19.9 billion.
- ◆ In FY2017, both top-line and bottom-line are expected to increase drastically due to consolidation of SI (Endurance).

Net premiums written*¹Net income*¹

*¹ 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).

*² SI (Endurance)'s profit is forecast Operating Income (US-GAAP, please refer to page 12).

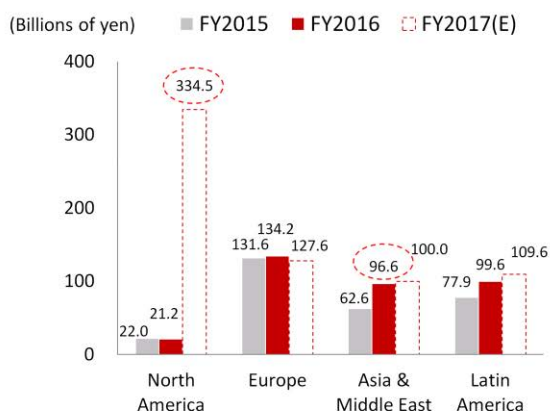
In 2017, one-time merger cost of \$62 million (about ¥7.0 billion) is excluded as a special factor from adjusted profit.

- This page presents an overview of results for the overseas insurance business.
- In FY2016, net premiums written steadily expanded by ¥57.4 billion, and net income increased by ¥0.6 billion to ¥19.9 billion. Net income was originally forecast at ¥15.0 billion. However, net income surpassed this forecast by approximately ¥5.0 billion, partly due to the higher-than-expected profits in the United States and Turkey, as well as the impact of the yen's depreciation.
- In FY2017, as noted earlier, both the top and bottom lines are expected to increase drastically due to the consolidation of Endurance. We expect Endurance to generate net premiums written of approximately ¥309.8 billion and make a profit contribution of ¥39.3 billion.
- We have adopted operating income as the adjusted profit indicator for Endurance. Operating income provides a better measure of Endurance's recurring level of profits by excluding the impairment of securities and other one-time items, which Endurance also discloses.
- Please turn to page 36.

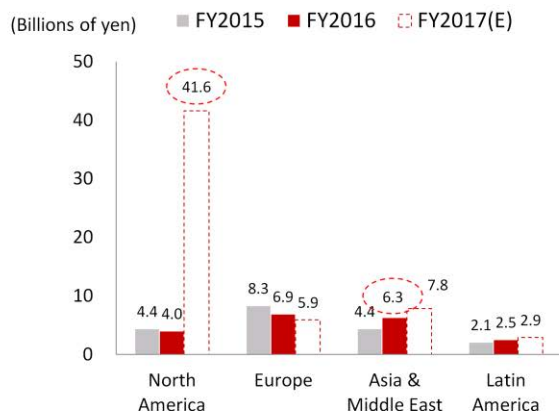
Business Results by Region

- ◆ In FY2016, Asia & Middle East took a lead in growth both in top-line and bottom-line.
- ◆ In FY2017, North America is expected to grow drastically due to consolidation of SI (Endurance).

Net premiums written (by region)



Net income (by region)



36

- This page shows our business results by region.
- SJ Sigorta of Turkey has been performing very well. Sales of Motor Third Party Liability Insurance and accompanying voluntary automobile insurance have been increasing substantially. In conjunction with this, there has been a contribution from higher investment gains in line with an increase in investment assets.
- In FY2017, we are expecting significant growth in North America based on the consolidation of Endurance.
- Page 37 shows business results by company, while page 38 provides supplementary information on Endurance. Please take a look at these pages later.
- Please turn to page 40.

(Reference) Business Results by Company

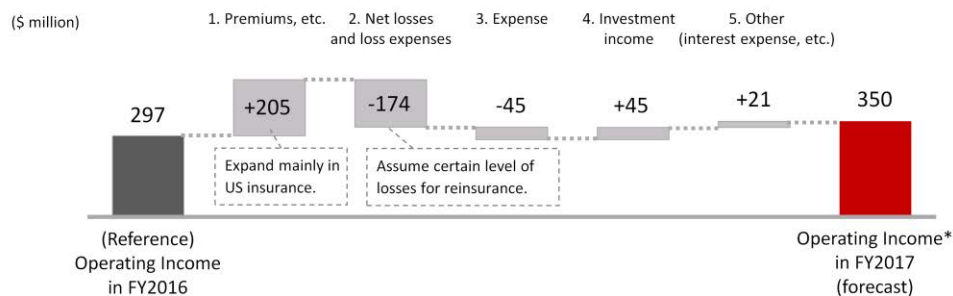
(Billions of yen)		Net premiums written			Net income			Key points	(Reference) Exchange rate	
		FY2016	Change	FY2017 (Forecast)	FY2016	Change	FY2017 (Forecast)		Dec. 2016 (YOY Change)	
North America	Sompo America	21.2	-0.8	24.7	4.0	-0.3	2.2	Loss ratio was favorable in workers compensation, etc. in FY2016. Conservative forecast has been adopted for FY2017.	116.49 JPY/USD	(3.4%)
	SI (Endurance)	-	-	309.8	-	-	39.3	Consolidated from FY2017. ¥39.3 billion of earnings contribution is expected.	-	-
Europe	SJNK Europe	0.9	-3.5	1.0	0.9	+0.3	0.0	Expanded reinsurance coverage in FY2016. Bottom-line increased due to one-time gain by reversal of reserves, etc.	143.00 JPY/GBP	(-20.0%)
	Sompo Canopus	133.2	+6.1	126.5	5.9	-1.6	5.9	In line with the plan despite the impact of softening market in FY2016.	116.49 JPY/USD	(3.4%)
Asia & Middle East	SJ Sigorta (Turkey)	58.7	+28.4	48.6	4.4	+2.8	6.2	Premiums of Motor Third-party Liability Insurance, etc. grew in FY2016, and has positive impact on profit in FY2017.	33.11 JPY/TRY	(-20.2%)
	Sompo Singapore* ¹	6.4	-2.0	7.6	1.0	+0.0	0.5	Loss ratio was favorable in FY2016.	80.63 JPY/SGD	(-5.6%)
	Berjaya Sompo* ¹ (Malaysia)	10.9	+0.2	13.1	1.0	-0.6	0.6	Despite the rebound of realized gain on stocks in FY2015, loss ratio stays favorable.	25.98 JPY/MYR	(-7.6%)
	SJNK China NK China	5.4	-1.1	5.6	-1.1	-0.5	-0.1	There was the impact of large losses in FY2016.	16.76 JPY/RMB	(-8.7%)
	Sompo Hong Kong	3.4	-0.6	3.6	0.4	+0.0	0.4	Loss ratio is on improving trend.	15.02 JPY/HKD	(-3.5%)
	Universal Sompo (India)	2.9	+0.4	4.5	0.2	+0.0	0.2	Basically in line with the plan.	1.73 JPY/INR	(+1.8%)
Latin America	Sompo Seguros (Brazil)	99.2	+21.3	109.1	2.2	+0.0	2.7	Loss ratio is on improving trend. Top-line is expected to increase gradually.	35.78 JPY/BRL	(+14.7%)
Other (non-consolidated)* ²		9.0	+9.0	17.3	0.6	+0.6	0.2	-	-	-
Total		351.7	+57.4	671.9	19.9	+0.6	58.4	-	-	-

*1 There is the impact of initial cost for CIMB bancassurance in FY2017.

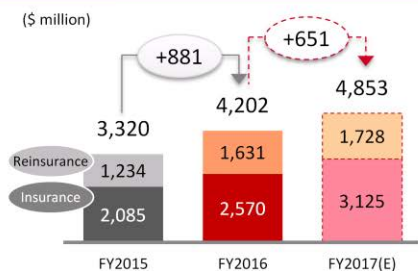
*2 Sum of Sompo Indonesia, Sompo Thailand, PGA Sompo (Philippines), United Insurance (Vietnam), and Sompo Mexico.

(Reference) Overview of Business Results of SI (Endurance)

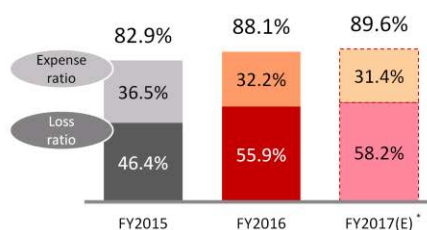
Changing factors of adjusted profit (Operating Income) (forecast for FY2017)



Trends of gross premiums



Trends of combined ratio



* In 2017(E), one-time merger cost of \$62 million is excluded as a special factor.
(If it is not excluded, operating income is \$288 million, and combined ratio is 92.0%.)

1. Trend of business results

2. Domestic P&C insurance

3. Domestic life insurance

4. Nursing care & healthcare, etc.

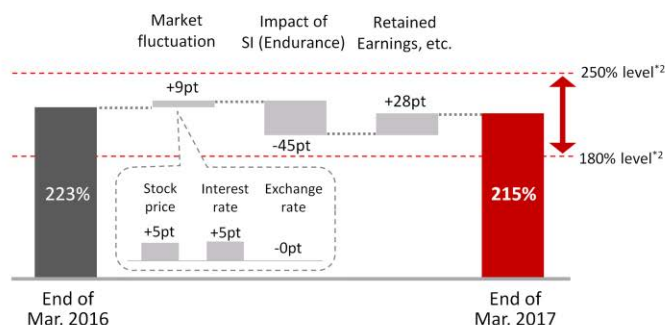
5. Overseas insurance

6. ERM & asset management

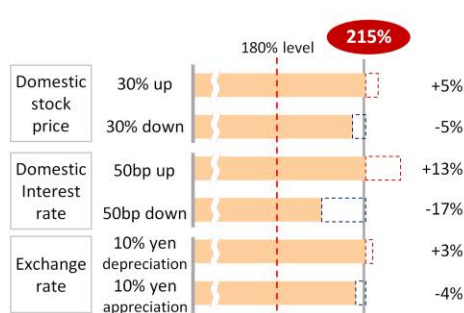
Financial Soundness: ESR (99.5%VaR)

- ◆ Started disclosing ESR (99.5%VaR) in accordance with Solvency II in earnest for the purpose of increasing international comparability.
- ◆ Our financial soundness stays robust after the acquisition of SI (Endurance).

Trend of ESR (99.5%VaR)*¹



Sensitivity of ESR (99.5%VaR)



*1 In accordance with international capital regulation, such as Solvency II

*2 Target range is around 180% to 250% (99.5%VaR).

250% level: The level set based on capital efficiency (ROE).

180% level: The level leading to stable financial soundness, based on the result of stress test, etc.

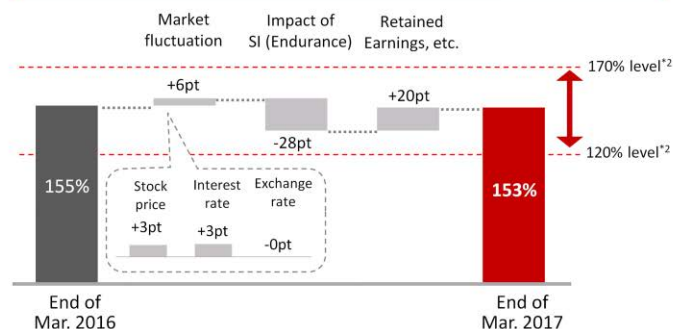
(Reference) Market indicators	End of Mar. 2016	End of Mar. 2017	
Domestic stock price (Nikkei 225)	¥16,758	¥18,909	(+12.8%)
Domestic interest rate (30y JGB)	0.56%	0.85%	(+29bp)
Exchange rate (JPY/USD)	¥112.68/USD	¥112.19/USD	(-0.4%)
Exchange rate (JPY/EUR)	¥127.70/EUR	¥119.79/EUR	(-6.2%)

40

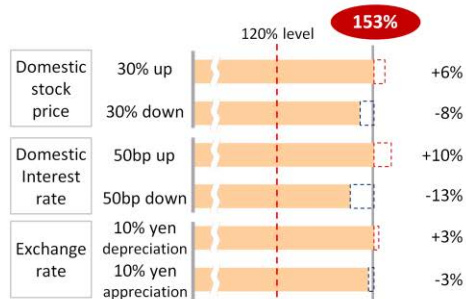
- Beginning with this presentation, we have started disclosing ESR in accordance with Solvency II in earnest, for the purpose of increasing international comparability. For this, risk is measured at a 99.5%VaR. Based on this standard, the target range is around 180% to 250%. Most recently, ESR stood at 215%, a level that does not present any problems. We have also disclosed the sensitivity of ESR. We believe that we have the sensitivity under control to a certain extent.
- Page 41 presents ESR based on the conventional 99.95%VaR. Page 42 presents a breakdown of adjusted capital and risk. Please take a look at these pages later.
- Please turn to page 43.

(Reference) ESR (99.95%VaR)

Trend of ESR (99.95%VaR)*¹



Sensitivity of ESR (99.95%VaR)



*1 In accordance with international capital regulation, such as Solvency II

*2 Target range is around 120% to 170% (99.95%VaR).

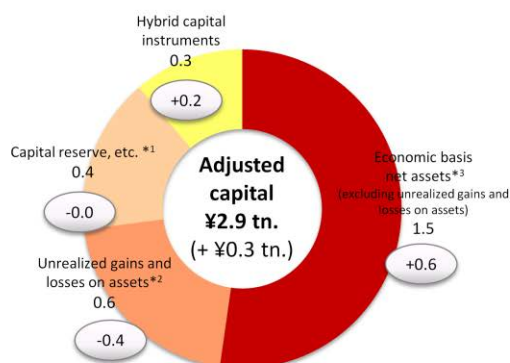
170% level: The level set based on capital efficiency (ROE).

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

(Reference) Breakdown of Adjusted Capital and Risk (99.5% VaR)

Adjusted capital (Trillions of yen)

(End of March 2017)



○ : Change from end of Mar. 2016

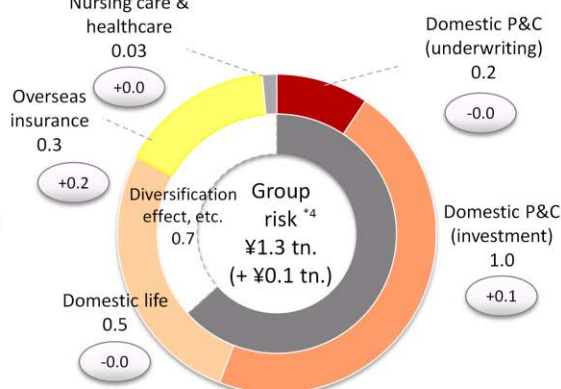
*1 Reserve for price fluctuation and catastrophic loss reserve, etc. (after tax)

*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.

Risk amount (Trillions of yen)

(End of March 2017)



*4 Risk : 1 year holding period, 99.5% VaR (AA equivalent confidence level)

• Risk amount of each business:

Before reflecting risk diversification effect among businesses and before-tax basis.

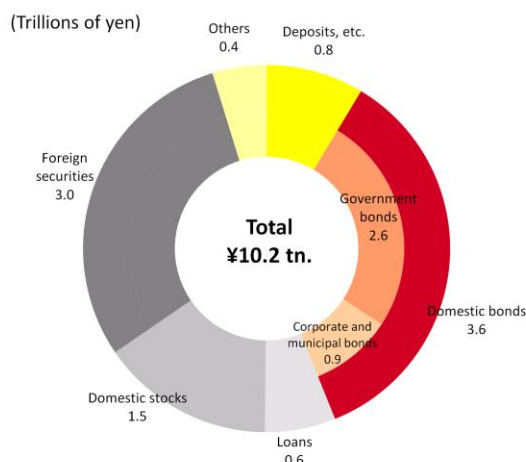
• Group total risk:

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

Asset Portfolio – Group-wide

- ◆ Keep thorough ALM, considering the character of liability and liquidity.
- ◆ Continue to reduce domestic stocks (around ¥100.0 billion in FY2017) steadily.

Amount of investment assets (Group consolidated base, as of end of March 2017)



By company (billions of yen)

	Amount of investment assets	Composition
Sompo Japan Nipponkoa	5,874.7	57.4%
Himawari Life	2,530.2	24.7%
Overseas group subsidiaries	1,701.3	16.6%
(Of which SI (Endurance))	(1,047.1)	(10.2%)
Saison Automobile & Fire	43.7	0.4%
Sonpo 24	22.3	0.2%
Other domestic subsidiaries	60.9	0.6%
Total	10,233.3	100.0%

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

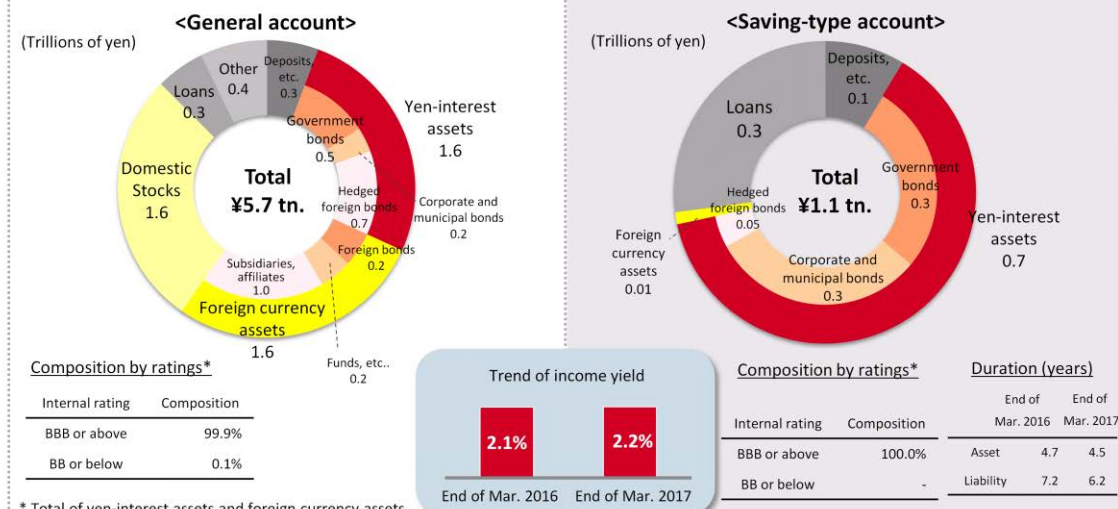
43

- In closing, we present our Group-wide asset portfolio. There have been no major notable movements in the asset portfolio. We have made no changes to the direction of our investment policy. We will continue to reduce strategic-holding stocks. In addition, against the backdrop of a low interest rate environment in Japan, we will generate returns through foreign bonds and related investments while giving the utmost consideration to any increases in risk.
- The asset portfolios of Sompo Japan Nipponkoa and Himawari Life are shown on pages 44 and 45, respectively.
- That brings my presentation to a close. Thank you for your attention.

Asset Portfolio – Sompo Japan Nipponkoa

- ◆ The general account is managed with diversified investments while the saving-type account utilizes portfolio management based on ALM.
- ◆ Diversify investment methods, considering the risk-return balance in light of the domestic low interest rate environment.

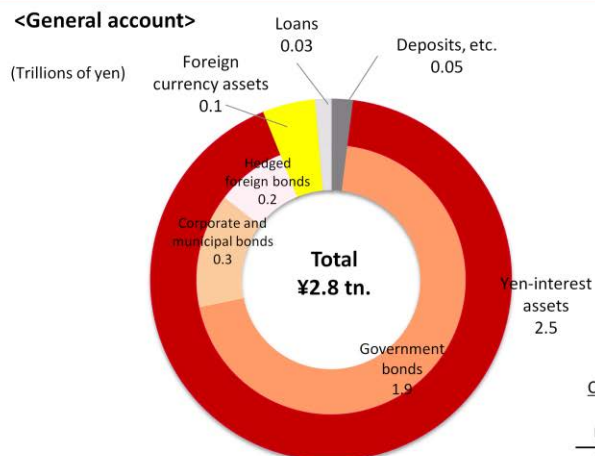
Amount of investment assets (end of March 2017, Sompo Japan Nipponkoa, non-consolidated)



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 domestic low interest rate.

Amount of investment assets (end of March 2017, Himawari Life, non-consolidated)



Trend of income yield

1.8%

1.7%

End of Mar. 2016 End of Mar. 2017

Composition by ratings*

Internal rating	Composition
BBB or above	99.9%
BB or below	0.1%

Duration (years)

	End of Mar. 2016	End of Mar. 2017
Asset	14	13
Liability	23	21

(Reference) Amount of separate account (End of Mar. 2017): ¥21.9 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.

Contacts



Sampo Holdings, Inc.

Investor Relations Team, Office of Group CEO

Telephone : +81-3-3349-3913

Fax : +81-3-3349-6545

E-Mail : ir@sampo-hd.com

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