

Highlights of 1Q FY2017 Results

August 10, 2017
Sompo Holdings, Inc.



Table of Contents

Highlights of 1Q FY2017 results	2		
1. Trend of business results		3. Domestic life insurance	
Overview of 1Q FY2017 results – consolidated basis	4	Overview of 1Q FY2017 results – Himawari Life	27
Main points of consolidated results – (1) underwriting profit	5	Net income – J-GAAP	28
Main points of consolidated results – (2) ordinary profit	6	Adjusted profit and adjusted net assets	29
Main points of consolidated results – (3) net income	7	4. Nursing care & healthcare, etc.	
(Reference) Business forecasts for FY2017 – consolidated basis	8	Overview of 1Q FY2017 results – nursing care & healthcare, etc.	31
(Reference) Main points of business forecasts for FY2017	9	(Reference) Residents and occupancy rate of nursing care business	32
(Reference) Breakdown of business forecasts for FY2017	10	5. Overseas insurance	
(Reference) Progress of quarterly results	11	Overview of 1Q FY2017 results – overseas insurance	34
(Reference) Numerical management targets, etc.	12	Business results by region	35
2. Domestic P&C insurance		(Reference) Business results by company	36
Overview of 1Q FY2017 results – Sompo Japan Nipponkoa	14	(Reference) Overview of business results of SI (Endurance)	37
Net premiums written	15	6. ERM & asset management	
Loss ratio (W/P)	16	Financial soundness – ESR (99.5% VaR)	39
Net expense ratio	17	(Reference) Breakdown of adjusted capital and risk (99.5% VaR)	40
Combined ratio	18	Asset portfolio – group-wide	41
Investment profit	19	Asset portfolio – Sompo Japan Nipponkoa	42
(Reference) Breakdown of investment profit	20	Asset portfolio – Himawari Life	43
(Reference) Business forecasts for FY2017 – Sompo Japan Nipponkoa	21		
(Reference) Assumption of Business Forecasts for FY2017	22		
(Reference) Related indicators of automobile insurance	23		
(Reference) Domestic natural disasters	24		
(Reference) Fund and reserve	25		

Highlights of 1Q FY2017 Results

◆ Profitability in domestic P&C insurance business was steady. In overseas, SI (Endurance) started contributing to our earnings, and nursing care business became profitable. Due to these factors, our 1st quarter performance made steady start.

● **Progress rate of consolidated net income (¥27.0 billion) was 15% against the full year forecast (¥183.0 billion). Each business progressed as planned.**

● Sampo Japan Nipponkoa

Rigorous control of expenses maintained combined ratio at healthy level around lower 90%.

While progress on reducing strategic-holding stocks was slow in 1Q as in previous years, there are no concerns as the number of sellable stocks has increased.

● Himawari Life

Progress of bottom-line was steady due to solid growth of policies in force mainly in protection-type.

● Nursing care business

Profit increased due to improvement in occupancy rate by sales efforts and other factors.

Net income became profitable and amounted to ¥0.5 billion.

● Overseas insurance business

Top-line and adjusted profit, which is fund for shareholder return, significantly increased due to consolidation of SI (Endurance).

1. Trend of business results

2. Domestic P&C insurance

3. Domestic life insurance

4. Nursing care & healthcare, etc.

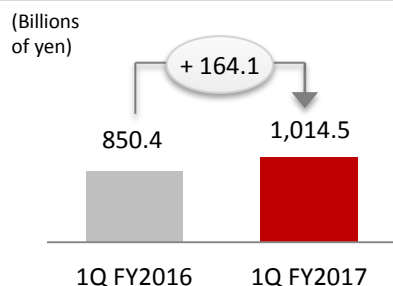
5. Overseas insurance

6. ERM & asset management

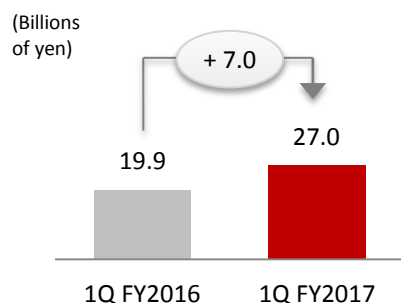
Overview of 1Q FY2017 Results – Consolidated Basis

- ◆ Top-line significantly increased due to consolidation of SI (Endurance). Consolidated ordinary profit increased by ¥5.5 billion to ¥36.9 billion, and consolidated net income increased by ¥7.0 billion to ¥27.0 billion mainly due to increased earnings of domestic P&C insurance business.

Consolidated ordinary income



Consolidated net income



(Billions of yen)	1Q FY2016	1Q FY2017	Change
Consolidated ordinary income	850.4	1,014.5	+164.1 (+19.3%)
Net premiums written (P&C)	654.7	777.7	+123.0 (+18.8%)
Life insurance premiums	72.9	81.6	+8.7 (+11.9%)
Consolidated ordinary profit	31.3	36.9	+5.5
Sompo Japan Nipponkoa	29.3	36.3	+6.9
Himawari Life	3.1	3.4	+0.2
Nursing care (SOMPO Care Message and Next)	-0.2	0.8	+1.1
Overseas insurance subsidiaries	4.7	3.9	-0.8
Consolidated adjustment ^{*1} /Others	-5.7	-7.6	-1.9
Consolidated net income ^{*2}	19.9	27.0	+7.0
Sompo Japan Nipponkoa	20.0	24.3	+4.3
Himawari Life	2.0	2.1	+0.1
Nursing care (SOMPO Care Message and Next)	-0.4	0.5	+1.0
Overseas insurance subsidiaries	4.3	4.8	+0.5
Consolidated adjustment ^{*1} /Others	-6.0	-4.9	+1.1
(Reference) Adjusted profit (by business)	37.7	52.7	+15.0
Domestic P&C insurance	27.2	33.7	+6.5
Domestic life insurance	6.4	6.9	+0.5
Nursing care & healthcare, etc.	-0.3	0.7	+1.0
Overseas insurance	4.4	11.3	+6.8

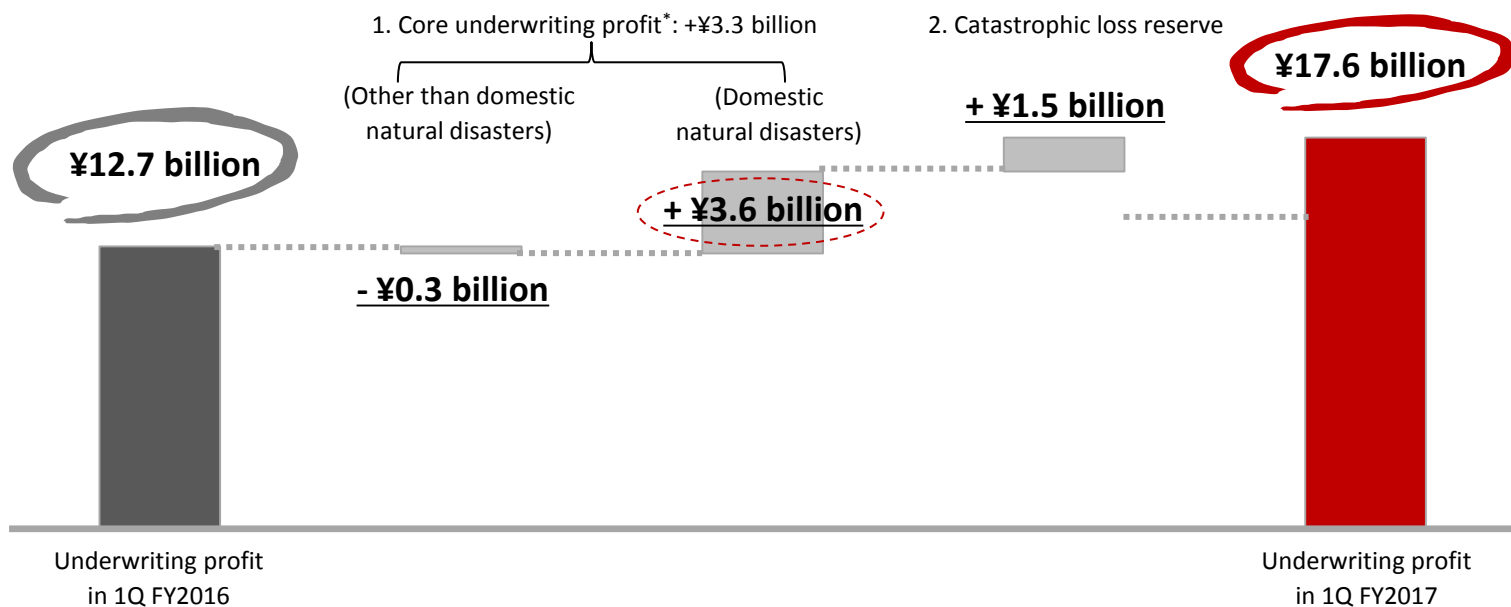
*1 "Purchase method" accounting was adopted upon the establishment of Sompo Holdings. The figures therefore include adjustments for gains/losses on sales, etc.

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

Main Points of Consolidated Results – (1) Underwriting Profit

◆ Underwriting profit increased by ¥4.9 billion to ¥17.6 billion mainly due to decline of domestic natural disasters.

Changing factors of underwriting profit (Sompo Japan Nipponkoa)



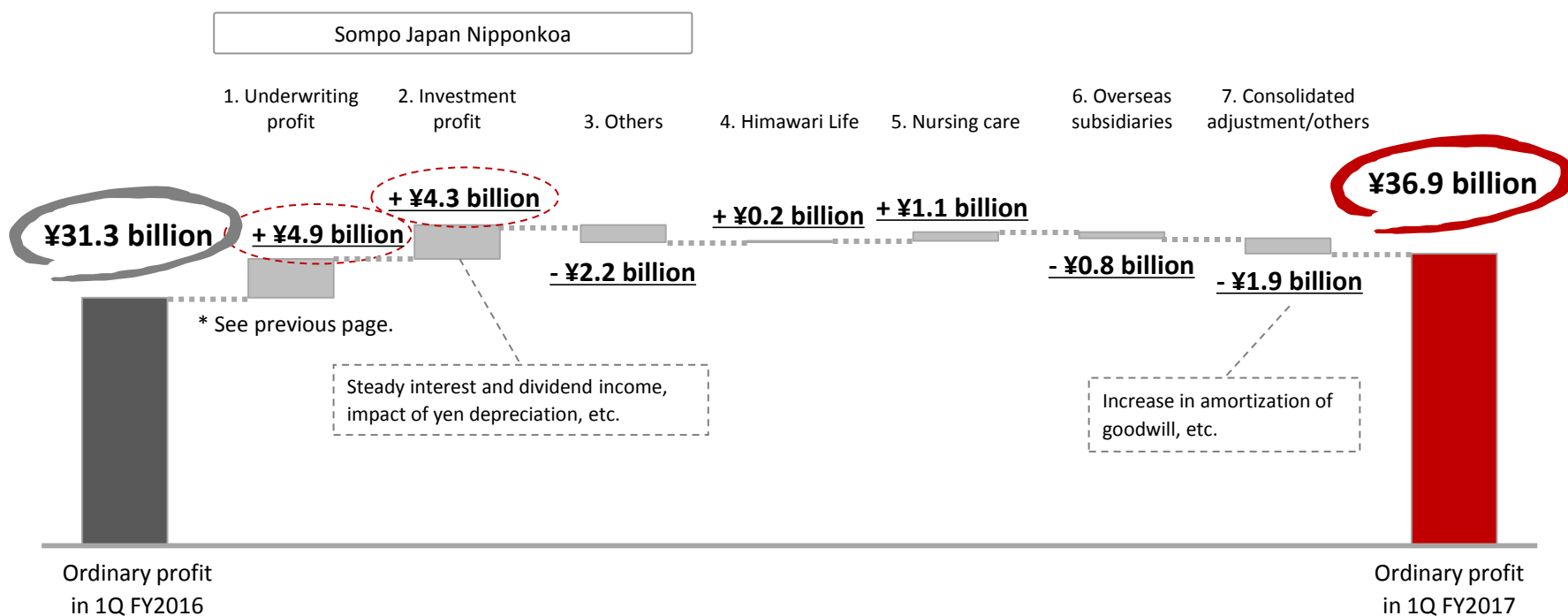
	1. Core underwriting profit		2. Catastrophic loss reserve	Underwriting profit
	(Other than domestic natural disasters)	(Domestic natural disasters)		
1Q FY2016 Actual	¥33.3 billion	- ¥4.6 billion	- ¥15.9 billion	¥12.7 billion
1Q FY2017 Actual	¥33.0 billion	- ¥0.9 billion	- ¥14.4 billion	¥17.6 billion

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

Main Points of Consolidated Results – (2) Ordinary Profit

- ◆ Consolidated ordinary profit increased by ¥5.5 billion to ¥36.9 billion mainly due to higher underwriting and investment profit.

Changing factors of consolidated ordinary profit

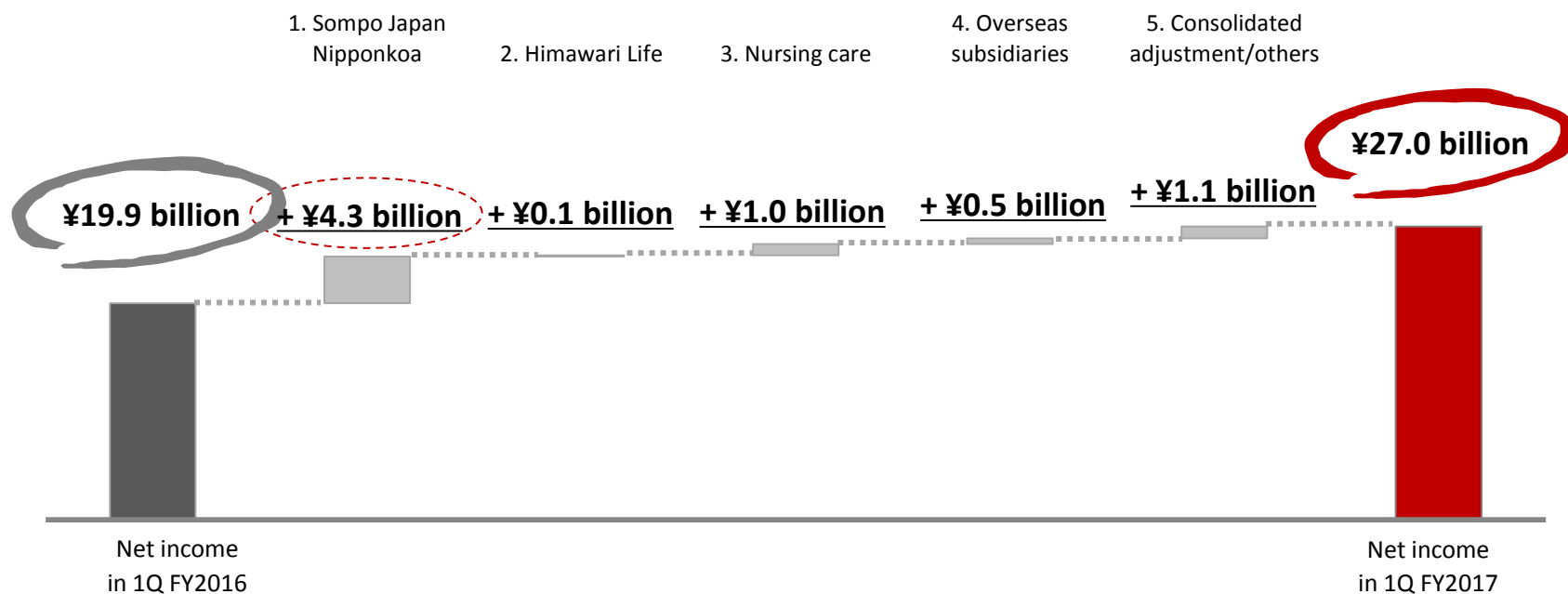


	1. Underwriting profit	2. Investment profit	3. Others	4. Himawari Life	5. Nursing care	6. Overseas subsidiaries	7. Consolidated adjustment/others	Ordinary profit
1Q FY2016 Actual	¥12.7 billion	¥20.7 billion	- ¥4.1 billion	¥3.1 billion	- ¥0.2 billion	¥4.7 billion	- ¥5.7 billion	¥31.3 billion
1Q FY2017 Actual	¥17.6 billion	¥25.0 billion	- ¥6.4 billion	¥3.4 billion	¥0.8 billion	¥3.9 billion	- ¥7.6 billion	¥36.9 billion

Main Points of Consolidated Results – (3) Net Income

- ◆ Net income increased in all business segments, mainly domestic P&C insurance business, and consolidated net income increased by ¥7.0 billion to ¥27.0 billion.

Changing factors of consolidated net income



	1. Sompo Japan Nipponkoa	2. Himawari Life	3. Nursing care	4. Overseas subsidiaries	5. Consolidated adjustment/others	Net income
1Q FY2016 Actual	¥20.0 billion	¥2.0 billion	- ¥0.4 billion	¥4.3 billion	- ¥6.0 billion	¥19.9 billion
1Q FY2017 Actual	¥24.3 billion	¥2.1 billion	¥0.5 billion	¥4.8 billion	- ¥4.9 billion	¥27.0 billion

(Reference) Business Forecasts for FY2017 – Consolidated Basis

(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 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 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

(Reference) Main Points of Business Forecasts for FY2017

Domestic P&C insurance

(Sompo Japan
Nipponkoa)

- Net premiums written will grow mainly in 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

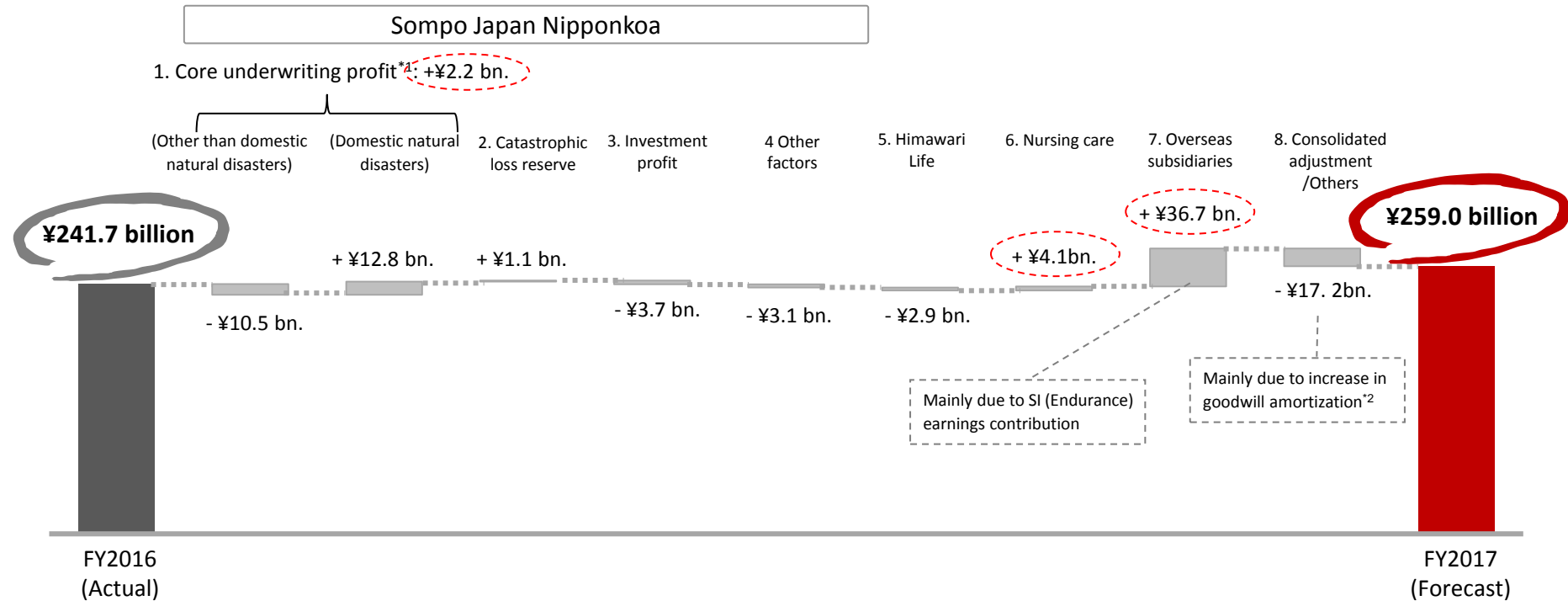
- Net income will improve by ¥4.9 billion to ¥2.0 billion and become profitable, reflecting an improved occupancy rate as well as the accomplishment of various initiatives.
- We keep accelerating initiatives to increase top-line and reduce costs further.

Overseas insurance

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

(Reference) Breakdown of Business Forecasts for FY2017

Main components of consolidated ordinary profit



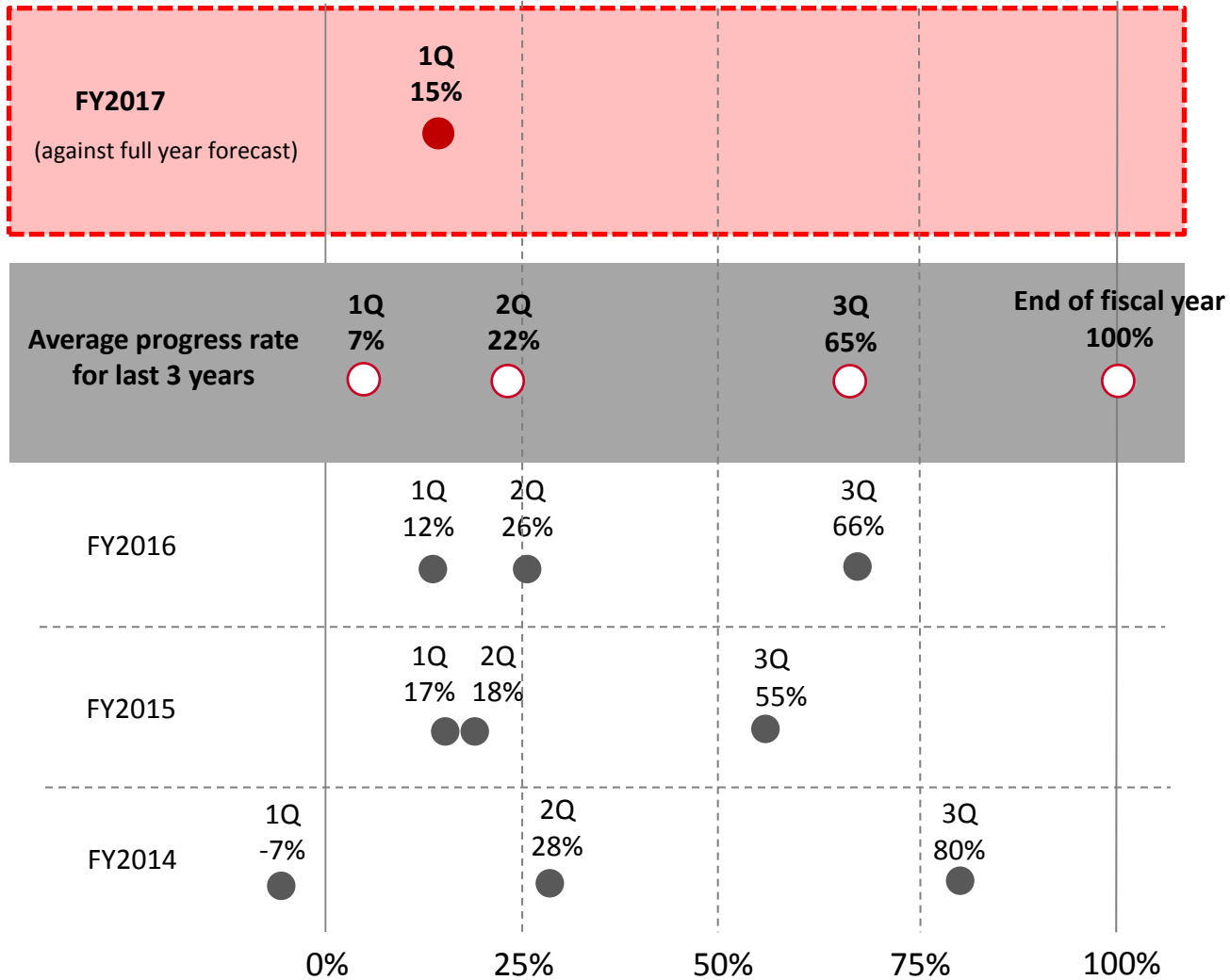
	1. Core underwriting profit		2. Catastrophic loss reserve	3. Investment profit	4. Other factors	5. Himawari Life	6. Nursing care	7. Overseas subsidiaries	8. Consolidated adjustment /Others	Ordinary profit
	(Other than domestic natural disasters)	(Domestic natural disasters)								
FY2016 Actual	¥184.1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

(Reference) Progress of Quarterly Results

Progress in each quarter (consolidated net income)



(Reference) Numerical Management Targets, etc.

Numerical management targets (adjusted profit)

(Billions of yen)	FY2016	FY2017		FY2018(Plan)
	(Actual)	(1Q actual)	(Full year forecast)	Reviewed and Announced on November 2016
Domestic P&C insurance*1	134.9	33.7	114.9	Over 120.0
Domestic life insurance	29.1	6.9	28.0	Over 32.0
Nursing care & healthcare, etc.	-0.7	0.7	3.4	Over 8.0
Overseas insurance	19.9	11.3	58.4	Over 60.0
Total (Adjusted consolidated profit)	183.2	52.7	205.0	220.0 – 230.0
Adjusted consolidated ROE*2	7.6%	-	8.1%	Over 8%
(Reference) ROE (J-GAAP)	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 Sampo Japan Nipponkoa, Saison Automobile & Fire, Sonpo 24, Sampo Japan Nipponkoa Insurance Services, DC Securities and Sampo 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 adjusted net assets = Net assets (J-GAAP) + 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.)

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 1Q FY2017 Results – Sompo Japan Nipponkoa

◆ Both underwriting and investment profit improved, and as a result net income increased by ¥4.3 billion to ¥24.3 billion.

(Billions of yen)	1Q FY2016	1Q FY2017	Change
Net premiums written	549.8	559.7	+9.9 (+1.8%)
(excl. CALI, household earthquake)	481.8	486.9	+5.0 (+1.0%)
Loss ratio	60.2%	60.3%	+0.1pt
(excl. CALI, household earthquake)	55.9%	57.4%	+1.5pt
E/I loss ratio (excl. CALI, household earthquake)	58.0%	58.3%	+0.3pt
Net expense ratio	32.6%	32.5%	-0.1pt
(excl. CALI, household earthquake)	33.8%	34.0%	+0.1pt
Combined ratio	92.8%	92.8%	-0.0pt
(excl. CALI, household earthquake)	89.8%	91.4%	+1.6pt
Underwriting profit	12.7	17.6	+4.9
Investment profit	20.7	25.0	+4.3
Ordinary profit	29.3	36.3	+6.9
Net income	20.0	24.3	+4.3
+ Provisions for catastrophic loss reserve (after tax)	11.4	10.3	-1.1
+ Provisions for reserve for price fluctuation (after tax)	1.4	1.9	+0.4
- Gains/losses on sales of securities and impairment losses on securities (after tax)	2.9	2.6	-0.3
- Special factors (after tax)*	1.9	-0.8	-2.7
Adjusted profit	28.0	34.8	+6.7

Maintained stable profitability

Mainly due to strong Interest and dividend income and impact of yen depreciation

(Reference)
Adjusted
profit

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

Net Premiums Written

- ◆ Net premiums written increased in other line as well as voluntary automobile and marine lines, and as a result increased by 1.0% in total (excluding CALI, household earthquake).

Net premiums written by product line

(Billions of yen)	1Q FY2016	1Q FY2017	Change		FY2017 (Forecast)
Fire and Allied Lines	61.4	61.0	-0.4	(-0.7%)	291.6
Marine	10.3	11.4	+1.0	(+10.2%)	42.9
Personal Accident	53.4	53.9	+0.4	(+0.8%)	186.0
Voluntary Automobile	274.3	275.6	+1.3	(+0.5%)	1,095.3
CALI	67.6	72.6	+4.9	(+7.4%)	286.5
Other	82.4	85.0	+2.6	(+3.2%)	302.8
of which, Liability	49.4	50.3	+0.8	(+1.8%)	162.0
Total	549.8	559.7	+9.9	(+1.8%)	2,205.4
Total (excl. CALI, household earthquake)	481.8	486.9	+5.0	(+1.0%)	1,917.9

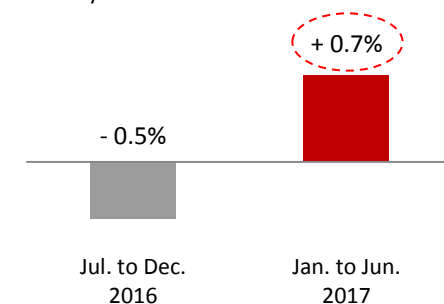
(Reference) Year-on-Year comparison of voluntary automobile insurance (April - June 2017)

	# of vehicles	Unit premium	Total Premium
Non-fleet	+0.5%	-0.1%	+0.5%
Fleet	+2.0%	+3.2%	+5.3%
Total	+0.9%	+0.4%	+1.2%

(Performance evaluation basis)

<Trends of the number of non-fleet vehicles>

On increasing trend after product revision in January 2017.



(Main changing factors)

Marine: Mainly due to foreign exchange effect (102.91 JPY/USD at end of June 2016, 112.00 JPY/USD at end of June 2017)

Voluntary Automobile: The number of vehicles increased mainly due to the impact of product and rate revisions.

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

Loss Ratio (W/P)

- ◆ W/P loss ratio increased mainly due to progress of claims paid in fire and allied lines.
- ◆ E/I loss ratio stayed on lower level centered in voluntary automobile line.

Loss ratio by product line

(Billions of yen)

1Q FY2017

	Net claims paid	Change	Loss ratio	Change
Fire and Allied lines	50.5	+3.3	85.0%	+6.3pt
Marine	5.4	-1.0	51.2%	-15.6pt
Personal Accident	23.4	-0.5	47.2%	-0.9pt
Voluntary Automobile	138.4	+6.2	57.9%	+2.0pt
CALI	52.7	-3.6	79.6%	-11.5pt
Other	34.3	+1.8	43.4%	+0.8pt
of which, Liability	18.3	+0.7	39.5%	+0.8pt
Total	305.1	+6.2	60.3%	+0.1pt
Total (excl. CALI, household earthquake)	252.3	+9.8	57.4%	+1.5pt
Total (excl. CALI, household earthquake, domestic natural disasters)	240.3	+10.8	55.0%	+1.7pt

(Reference) E/I Loss ratio

1Q FY2017

	E/I loss ratio	change
Fire and Allied lines (excl. household earthquake)	48.5%	+1.4pt
Marine	65.5%	+6.4pt
Personal Accident	58.6%	-0.7pt
Voluntary Automobile	61.2%	-0.1pt
Other	55.2%	-0.6pt
Total (excl. CALI, household earthquake)	58.3%	+0.3pt

Mainly due to return to ordinary progress on claims paid in 1Q FY2017, after slowing in 1Q FY2016 because of impact of Kumamoto earthquake, etc.

Net Expense Ratio

◆ Net expense ratio progressed in line with the plan, mainly in non-personnel expenses.

Net expense ratio

(Billions of yen)	1Q FY2017			
	Amount	Change	Net expense ratio	Change
Net commissions and brokerage fees	103.0	+3.5	18.4%	+0.3pt
Operating, general and administrative expenses *1	78.8	-0.6	14.1%	-0.4pt
Total	181.8	+2.8	32.5%	-0.1pt
Total (excl. CALI, household earthquake)	165.3	+2.3	34.0%	+0.1pt
Total (excl. CALI, household earthquake, upfront investment *2)	164.0	+5.4	33.7%	+0.8pt

*1 Only for underwriting (company expense)

*2 The amount of upfront investments for the entire line item was ¥2.1 billion in 1Q FY2017. (FY2017 (forecast) is around ¥10.0 billion.)

Company expense ratio

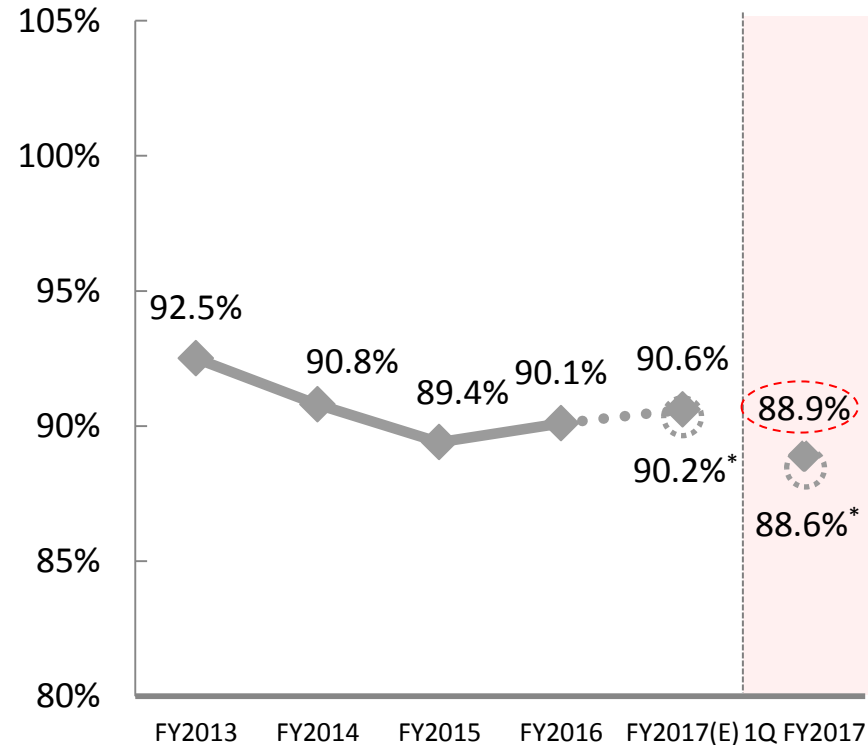
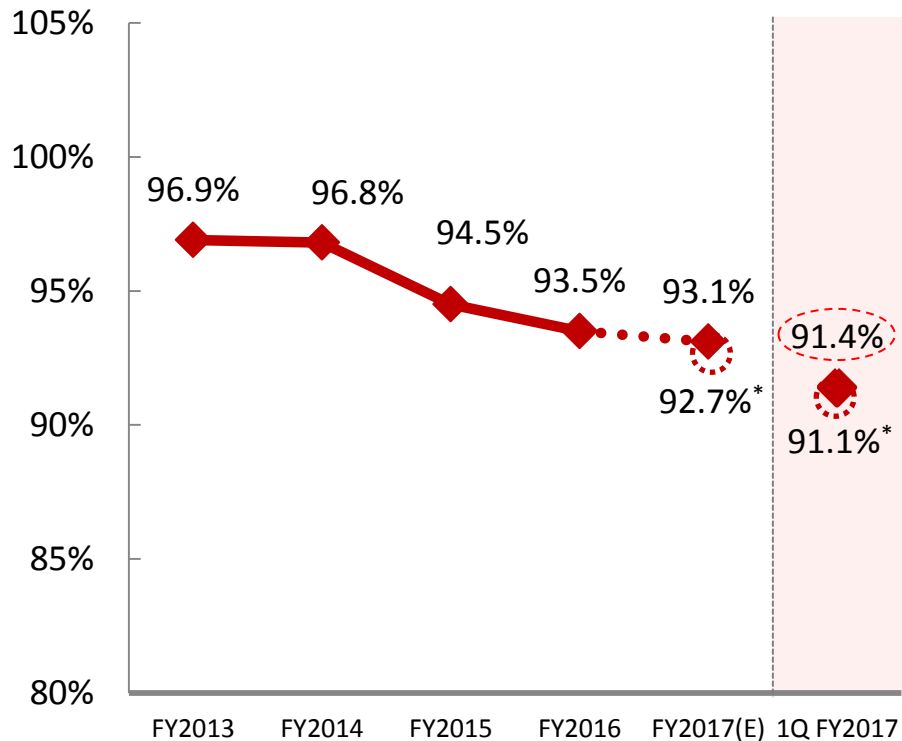
(Billions of yen)	1Q FY2017			
	Amount	Change	Company expense ratio	Change
Personnel expenses	35.3	+0.6	6.3%	-0.0pt
Non-personnel expenses	38.1	-1.3	6.8%	-0.4pt
Tax and contributions	5.3	+0.0	1.0%	-0.0pt
Total	78.8	-0.6	14.1%	-0.4pt
Total (excl. upfront investment)	77.5	+2.4	13.8%	+0.2pt

Combined Ratio

◆ Progressed favorably against full year forecast due to appropriate control of expense, etc.

Combined ratio (excl. CALI, household earthquake)

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



* Excluding upfront investments.

Investment Profit

◆ Investment profit progressed in line with the plan due to growth of interest and dividend income, etc.

Investment profit (Sompo Japan Nipponkoa, non-consolidated)

(Billions of yen)		1Q FY2016	1Q FY2017	Change	FY2017 (Forecast)
Net interest and dividend income	1	18.5	21.0	+2.5	73.6
Interest and dividend income* ¹		29.7	31.0	+1.3	113.4
of which, dividends from overseas subsidiaries		0.0	0.0	-0.0	16.1
Gains on sales of securities* ¹	2	6.9	3.9	-3.0	69.3
of which, domestic stocks		2.2	3.7	+1.5	66.9
Impairment losses on securities* ¹	3	-2.8	-0.2	+2.6	-13.9
of which, domestic stocks		-2.8	-0.0	+2.8	-13.9
Gains on derivatives	4	4.8	-2.1	-6.9	-4.0
Other investment income	5	-6.6	2.5	+9.1	3.5
Investment profit	1+2+3+4+5	20.7	25.0	+4.3	128.6

Progress against the full-year forecast: 29%

(Reference)
Reduction of strategic-holding stocks

Actual* ²	¥5.1 billion
Stock future* ³	¥22.8 billion
Total	¥27.9 billion

*² Net reduction on fair value basis.
(market value of sales minus market value of purchase)

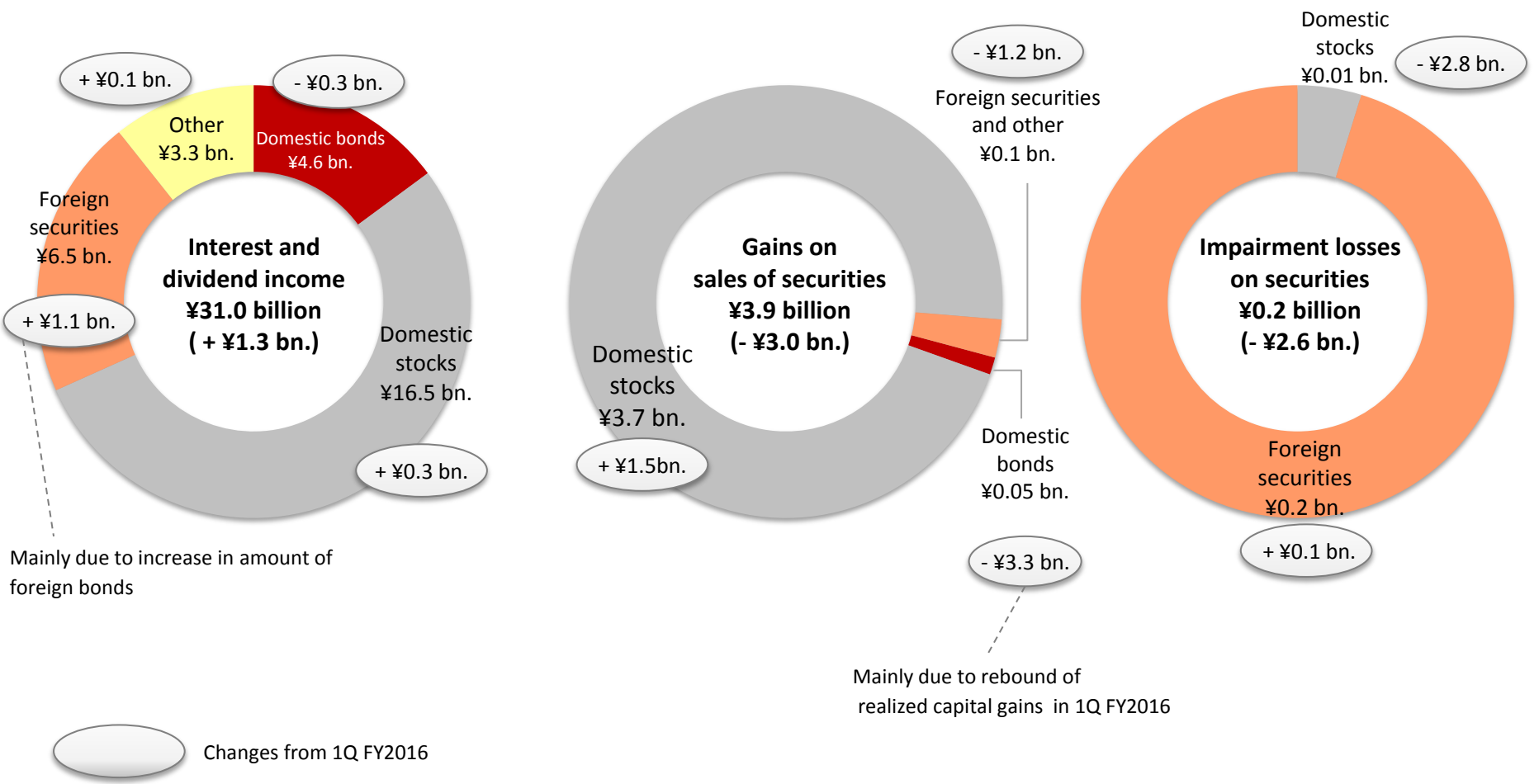
*³ Short position of Nikkei 225 Futures.

*1 See next page for breakdown

Mainly due to rebound of foreign exchange loss because of yen appreciation in 1Q FY2016

(Reference) Breakdown of Investment Profit

Breakdown of interest and dividend income, gains on sales of securities, and impairment losses on securities (1Q FY2017)



(Reference) Business Forecasts for FY2017– Sompo 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%)

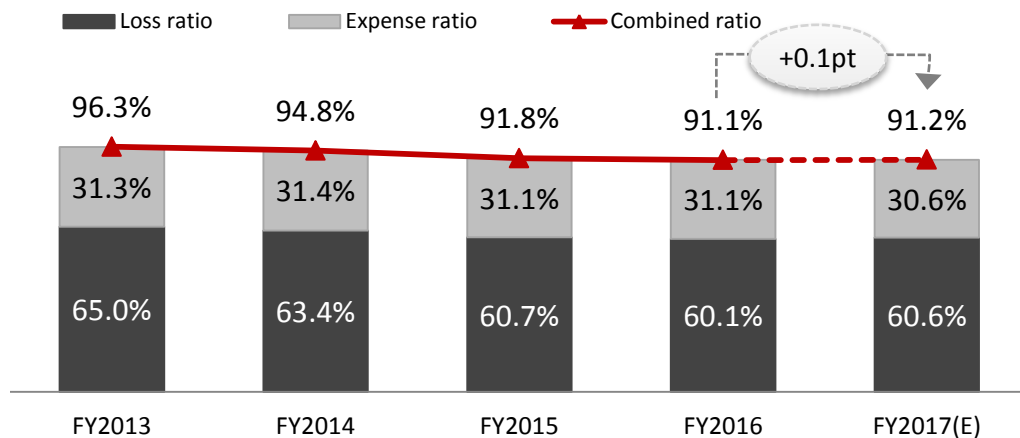
* Special factors are gains /losses related to stock future, etc.

(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 * Assumptions for market indicators are based on ones as of end of March 2017.
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

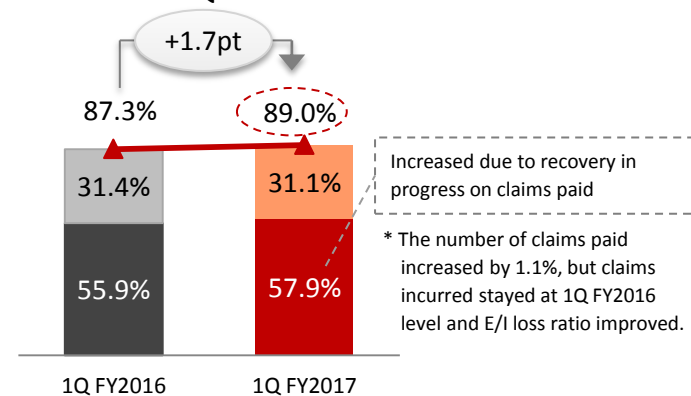
(Reference) Related Indicators of Automobile Insurance

Combined ratio

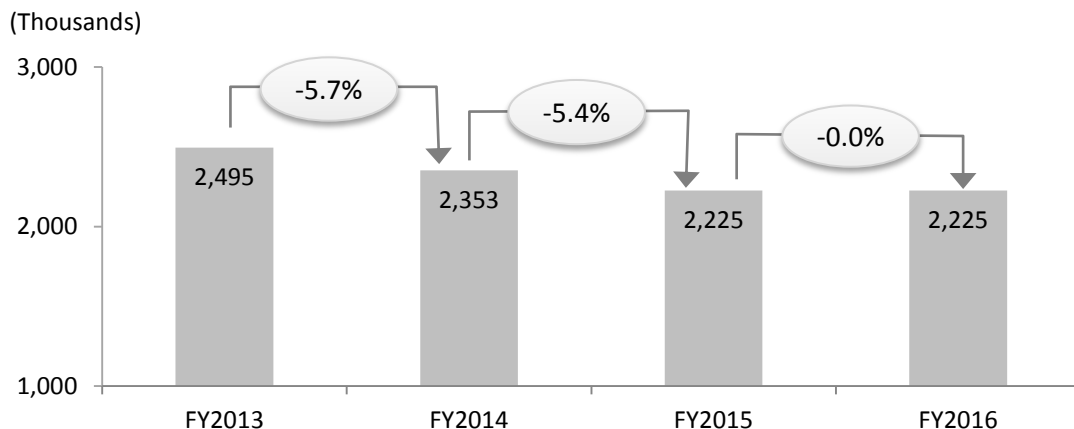


* Loss ratio is on a written paid basis (including loss adjustment expense).

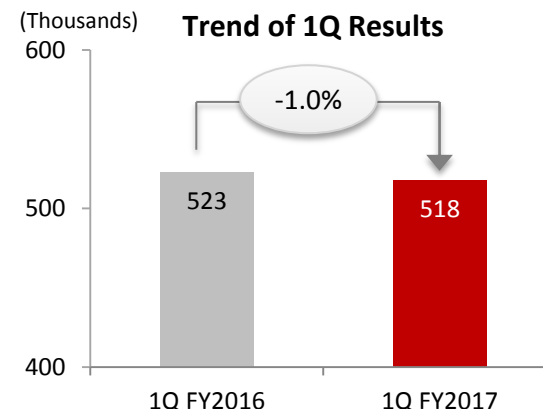
Trend of 1Q Results



The number of reported claims



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



(Reference) Domestic Natural Disasters

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

(Billions of yen)	1Q FY2016	1Q FY2017	Change
Fire and Allied lines	4.0	0.8	- 3.1
Marine	0.0	-	- 0.0
Personal Accident	0.0	-	- 0.0
Voluntary Automobile	0.3	0.0	- 0.2
Other	0.2	0.0	- 0.2
Total	4.6	0.9	-3.6

* Since outstanding loss reserve is worked out by compendium method in 1Q results, incurred losses related to natural disasters were not aggregated.

(Reference) Fund and Reserve

Underwriting reserves and reserve for outstanding losses and claims (at the end of 1Q FY2017)

(Billions of yen)	Ordinary underwriting reserve* ¹		Catastrophic loss reserve		Reserve for outstanding losses and claims* ²	
	Amount	Change	Amount	Change	Amount	Change
Fire and allied lines* ³	739.1	-7.9	174.6	-0.6	106.5	-18.3
Marine	16.9	-2.0	48.7	+0.6	27.3	+1.4
Personal accident	133.8	+10.4	72.5	+1.7	66.3	+0.0
Voluntary automobile	318.1	+7.4	77.7	+8.8	414.7	+4.6
CALI* ³	420.1	+1.0	-	-	84.7	-
Other	329.8	+14.8	204.9	+3.9	201.3	+0.5
Total	1,958.2	+23.7	578.6	+14.4	901.0	-11.7
Total (excluding CALI and household earthquake)	1,529.2	+22.5	578.6	+14.4	816.2	-11.7
	Amount	Change				
Reserve for saving-type products* ⁴	1,440.4	-9.0				

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

*2 Applied compendium method in 1Q.

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

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

1. Trend of business results

2. Domestic P&C insurance

3. Domestic life insurance

4. Nursing care & healthcare, etc.

5. Overseas insurance

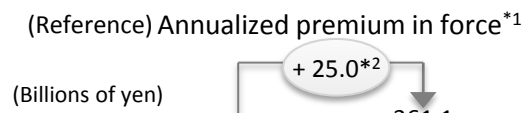
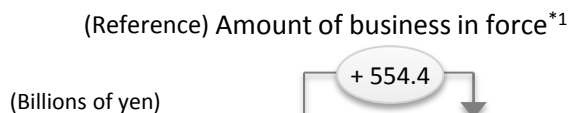
6. ERM & asset management

Overview of 1Q FY2017 Results – Himawari Life

- ◆ Policies in force kept growing. Net income was ¥2.1 billion and steadily progressed against the full year forecast of ¥6.0 billion.

Major indicators

(Billions of yen)	1Q FY2016	1Q FY2017	Change		FY2017 (Forecast)
Annualized new premium	9.6	9.1	-0.4	(-4.5%)	40.0
Premium and other income	98.2	104.6	+6.3	(+6.5%)	439.3
Expense	23.7	22.6	-1.0	(-4.5%)	103.4
Investment profit	9.5	10.7	+1.2	(+13.3%)	44.0
of which, general account	10.4	10.1	-0.3	(-3.2%)	44.0
Basic profit	4.2	5.3	+1.1	(+27.6%)	13.6
Ordinary profit	4.4	4.5	+0.0	(+1.4%)	13.9
Net income	2.0	2.1	+0.1	(+5.7%)	6.0



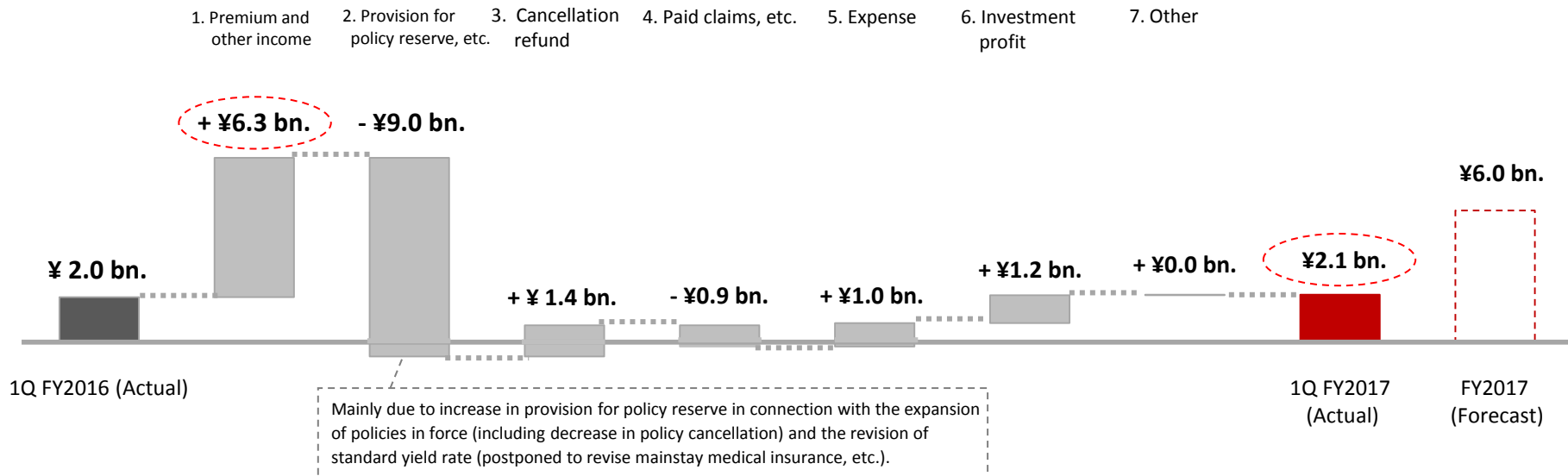
*1 The sum of individual insurance and individual annuities.

*2 Of which protection-type + ¥7.3 bn.

Net Income – J-GAAP

- ◆ While provision for policy reserve increased, net income slightly increased due to steady expansion of policies in force.

Changing factors of net income



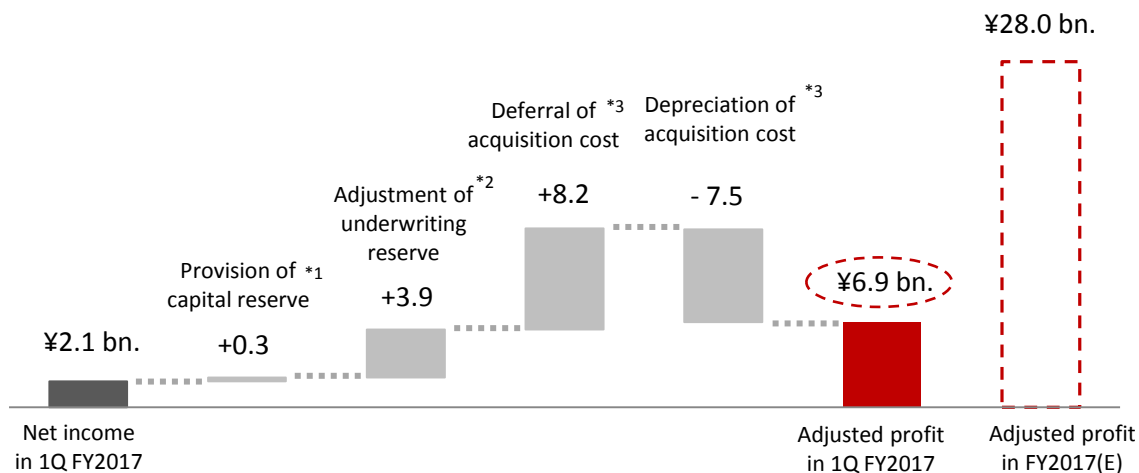
	1. Premium and other income	2. Provision for policy reserve, etc.	3. Cancellation refund	4. Paid claims, etc.	5. Expense	6. Investment Profit	7. Other*	Net income
1Q FY2016 (Actual)	¥98.2 bn.	- ¥33.3 bn.	- ¥23.4 bn.	- ¥22.1 bn.	- ¥23.7 bn.	¥9.5 bn.	- ¥3.1 bn.	¥2.0 bn.
1Q FY2017 (Actual)	¥104.6 bn.	- ¥42.3 bn.	- ¥21.9 bn.	- ¥23.0 bn.	- ¥22.6 bn.	¥10.7 bn.	- ¥3.1 bn.	¥2.1 bn.
(Reference) FY2017 (Forecast)	¥439.3 bn.	- ¥180.1 bn.	- ¥100.7 bn.	- ¥87.0 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, corporate tax, etc.

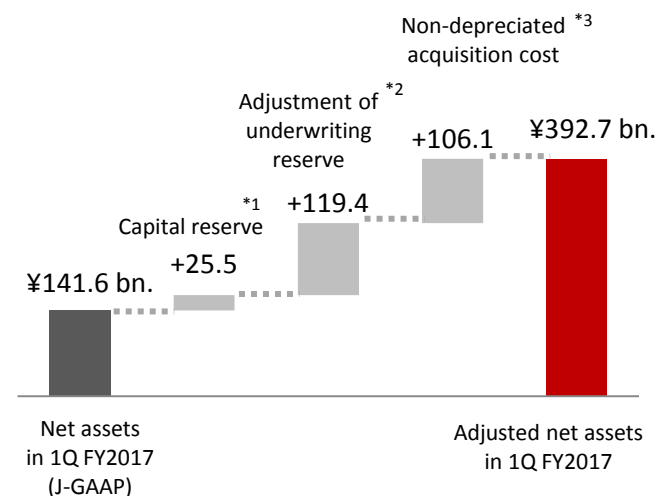
Adjusted Profit and Adjusted Net Assets

◆ Adjusted profit (1Q FY2017: ¥6.9 billion) progressed 25% against the full year forecast (¥28.0 billion).

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).

1. Trend of business results

2. Domestic P&C insurance

3. Domestic life insurance

4. Nursing care & healthcare, etc.

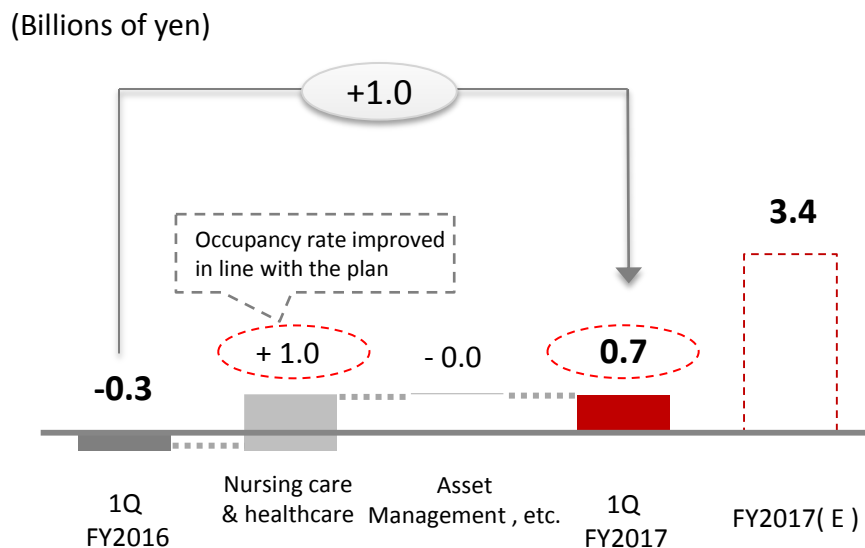
5. Overseas insurance

6. ERM & asset management

Overview of 1Q FY2017 Results – Nursing Care & Healthcare, etc.

◆ Mainly due to steady improvement in occupancy rate, net income in nursing care & healthcare, etc. became profitable and amounted to ¥0.7 billion.

Changing factors of net income



* Nursing care & healthcare business is the sum of SOMPO Care Message, SOMPO Care Next and Cedar (non-consolidated) (from FY2017).

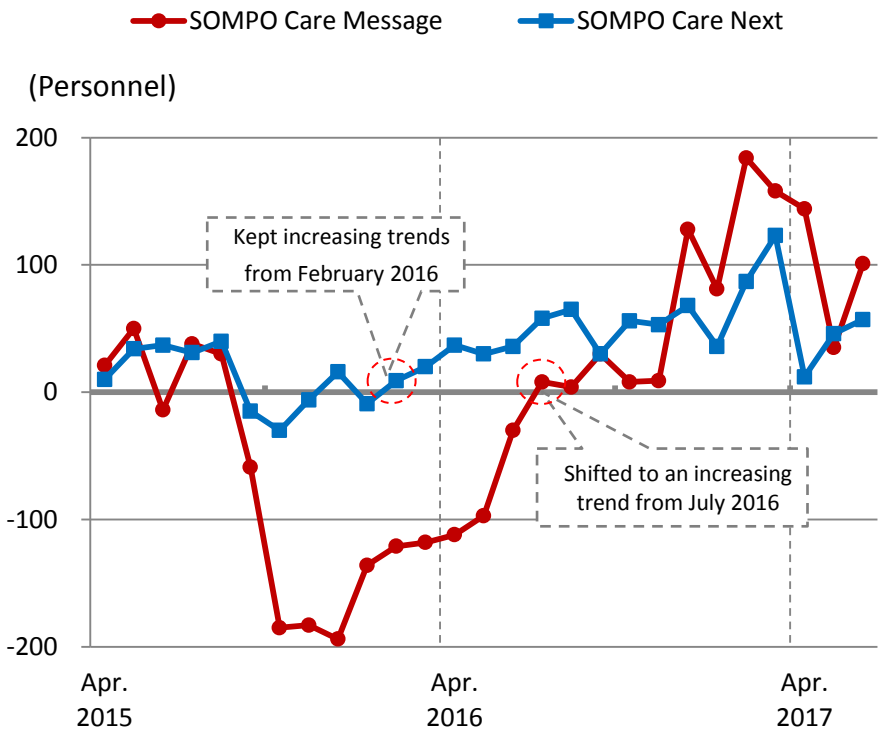
Main indicator of nursing care business

(Billions of yen)	1Q FY2017	Change	FY2017 (Forecast)
Sales	29.3	+1.8	119.8
(SOMPO Care Message)	19.2	+0.7	79.3
(SOMPO Care Next)	10.1	+1.0	40.5
Net income	0.5	+1.0	2.0
(SOMPO Care Message)	0.3	+0.3	1.8
(SOMPO Care Next)	0.2	+0.6	0.2
Occupancy rate (SOMPO-no-le)	88.2%	+3.6pt	91.4%
(SOMPO-no-le S)	86.0%	+4.0pt	89.0%
(La vie Re)	81.4%	+7.4pt	84.0%

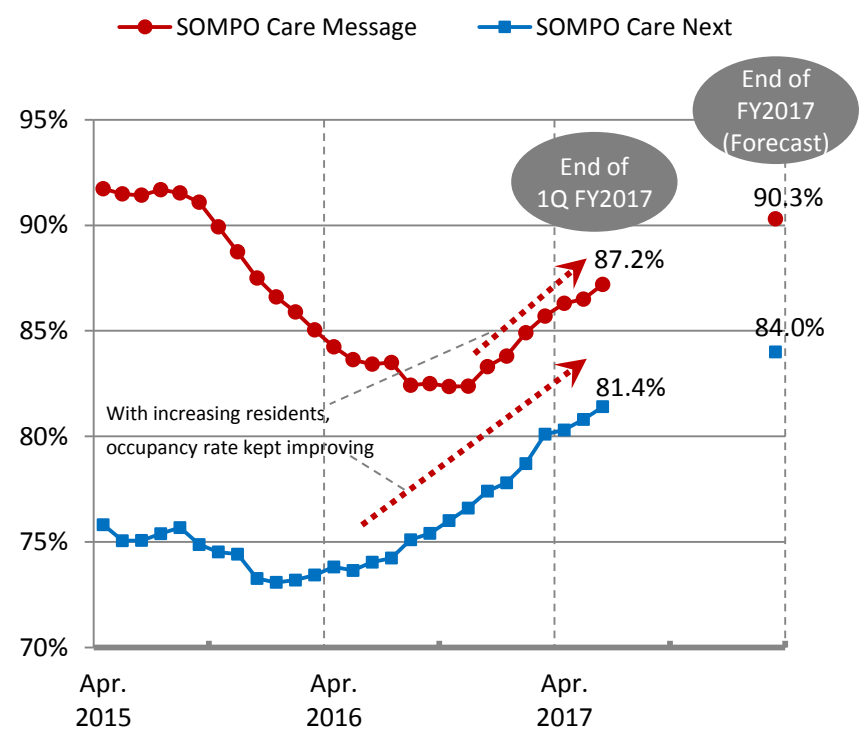
* SOMPO-no-le, SOMPO-no-le S, and La vie Re are brands of SOMPO Care Message's nursing homes, SOMPO Care Message's serviced residential complexes for elderly, and SOMPO Care Next's nursing facilities respectively.

(Reference) Residents and Occupancy Rate of Nursing Care Business

Inflow of residents*1



Occupancy rate*2



*1 Inflow of residents = the number of new residents – the number of departing residents

*2 Occupancy rate = the number of residents / capacity of facilities

1. Trend of business results

2. Domestic P&C insurance

3. Domestic life insurance

4. Nursing care & healthcare, etc.

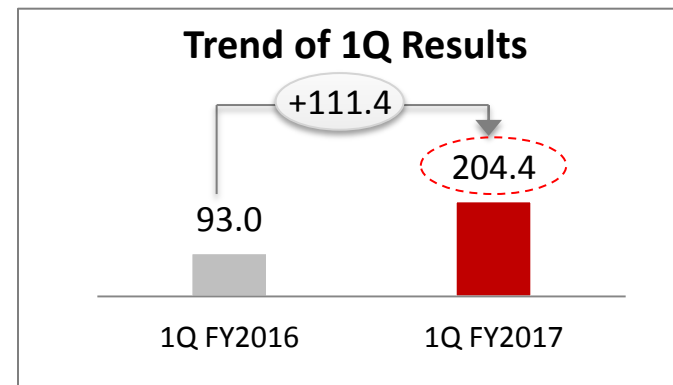
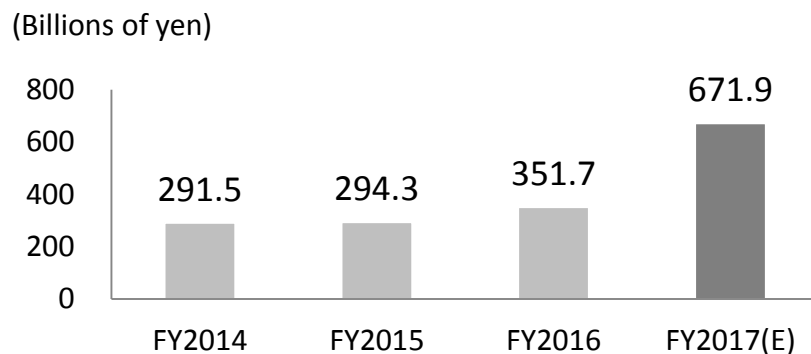
5. Overseas insurance

6. ERM & asset management

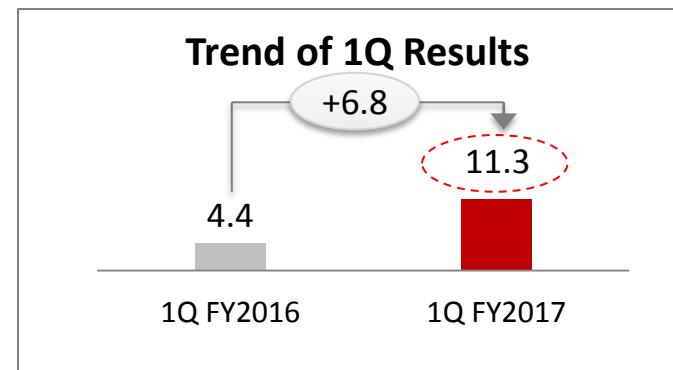
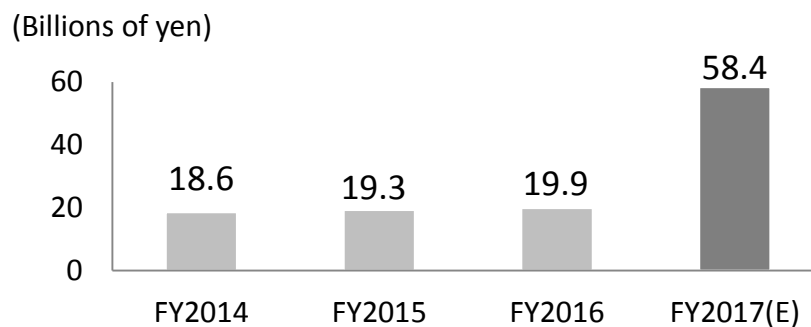
Overview of 1Q FY2017 Results – Overseas Insurance

◆ Both top-line and bottom-line drastically increased due to consolidation of SI (Endurance).

Net premiums written



Adjusted profit



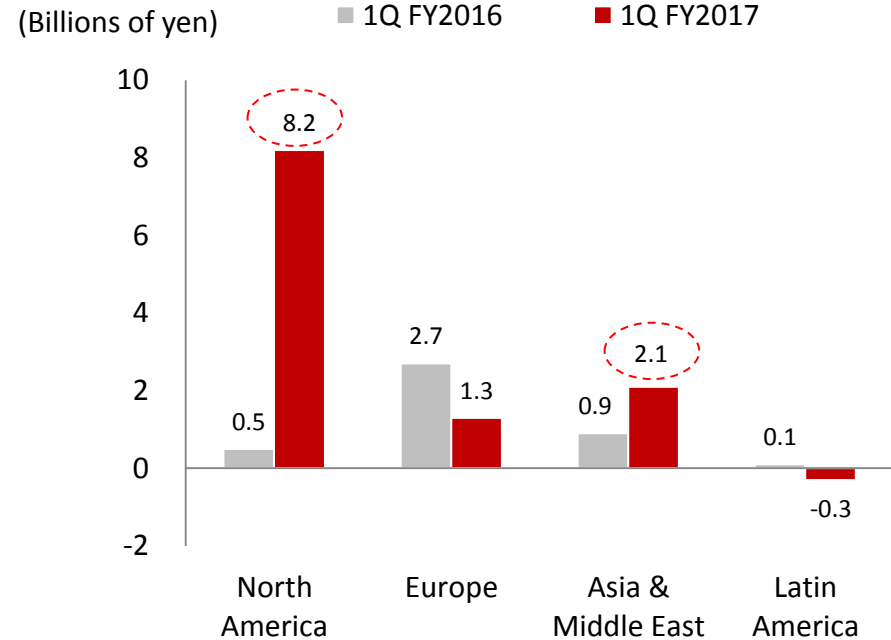
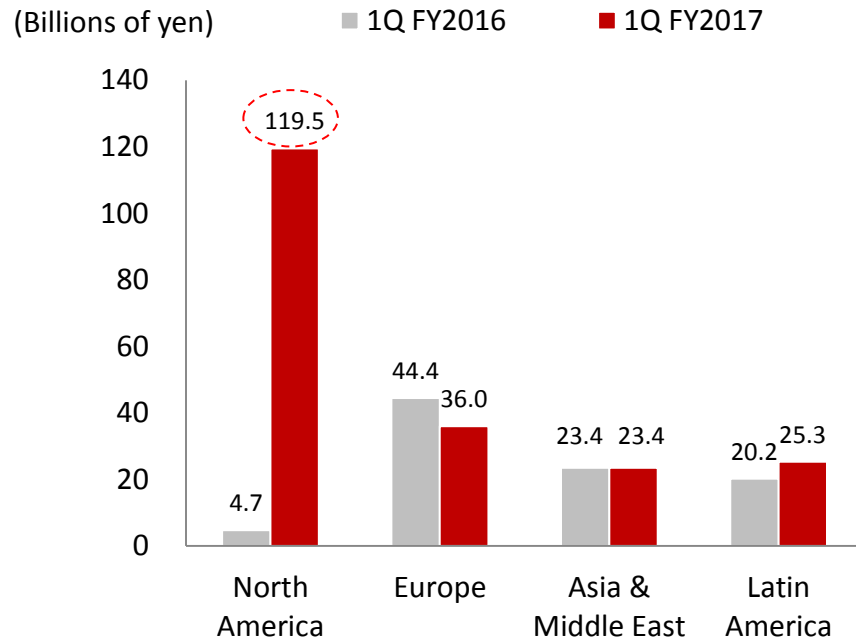
* Net premiums written of subsidiaries and affiliates reflect holding shares of each company. This treatment does not coincide with financial statements. Adjusted profits have been adjusted to reflect shareholdings and other factors.
From FY2016, figures include Sampo Indonesia, Sampo Thailand, PGA Sampo (Philippines), United Insurance (Vietnam), and Sampo Mexico (The same shall apply hereafter).

Business Results by Region

- ◆ In addition to growth of both top-line and bottom-line in North America thanks to SI (Endurance), bottom-line was favorable in Asia & Middle East.

Net premiums written (by region)

Adjusted profit (by region)

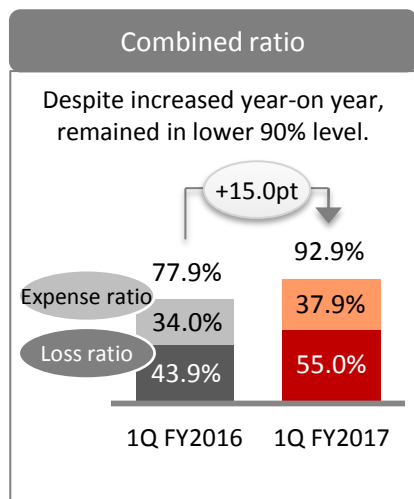
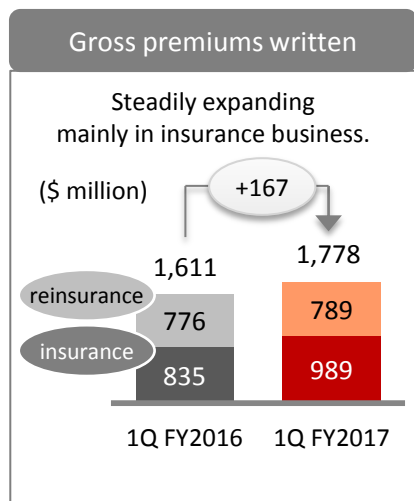


(Reference) Business Results by Company

(Billions of yen)		Net premiums written			Net income			Key points	(Reference)	
		1Q		FY2017 (Forecast)	1Q		FY2017 (Forecast)		Exchange rate	
		FY2017	Change		FY2017	Change			Mar. 2017 (YOY Change)	
North America	Sompo America	5.1	+0.3	24.7	0.5	+0.0	2.2	Loss ratio is in line with the plan, and performance is favorable.	112.19 JPY/USD	(-0.4%)
	SI (Endurance)	114.3	+114.3	309.8	7.6	+7.6	39.3	Despite hike of loss ratio, full year forecast is achievable (see next page for detail).	112.19 JPY/USD	(-0.4%)
Europe	SJNK Europe	0.2	+0.3	1.0	0.1	-0.2	0.0	Both top-line and bottom-line progressed faster than planned.	140.08 JPY/GBP	(-13.5%)
	Sompo Canopus	35.7	-8.7	126.5	1.2	-1.1	5.9	Despite ceasing to underwrite unprofitable policies, progress is steady against the plan.	112.19 JPY/USD	(-0.4%)
Asia & Middle East	SJ Sigorta (Turkey)	13.2	-0.8	48.6	1.5	+0.9	6.2	Despite the impact of foreign exchange, both underwriting and investment are steady.	30.72 JPY/TRY	(-22.7%)
	Sompo Singapore	1.9	+0.2	7.6	0.3	+0.1	0.5	Both top-line and bottom-line are steady.	80.27 JPY/SGD	(-3.6%)
	Berjaya Sompo (Malaysia)	3.0	-0.2	13.1	0.1	-0.0	0.6	Basically in line with the plan.	25.38 JPY/MYR	(-11.3%)
	Sompo Indonesia	1.0	+0.3	10.2	-0.0	-0.1	-0.0	Basically in line with the plan.	0.0084 JPY/IDR	(-1.2%)
	Sompo China NK China	1.1	-0.4	5.6	0.2	+0.2	-0.1	Basically in line with the plan.	16.29 JPY/RMB	(-6.3%)
	Sompo Hong Kong	0.9	+0.0	3.6	0.0	+0.0	0.4	Basically in line with the plan.	14.44 JPY/HKD	(-0.6%)
	Universal Sompo (India)	0.9	+0.3	4.5	0.0	+0.1	0.2	Basically in line with the plan.	1.75 JPY/INR	(+14.4%)
Latin America	Sompo Seguros (Brazil)	25.1	+5.0	109.1	-0.4	-0.5	2.7	Premiums increased in automobile insurance, etc. Implemented changes in underwriting conditions in response to L/R deterioration.	35.61 JPY/BRL	(+13.7%)
Other (non-consolidated)*		1.4	+0.5	7.0	-0.2	-0.2	0.2	-	-	-
Total		204.4	+111.4	671.9	11.3	+6.8	58.4	-	-	-

* Sum of Sompo Thailand, PGA Sompo (Philippines), United Insurance (Vietnam), and Sompo Mexico. Sompo Indonesia was consolidated from 1Q FY2017.

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



(\$ million)	1Q FY2016	1Q FY2017	Change	(Reference) FY2017 (Forecast)
Gross premiums written	1,611	1,778	+167	4,853
Net premiums written	938	1,019	+80	2,761
Net premiums earned	553	547	-6	2,568
Net losses and loss expenses	243	301	+57	1,495
Expense	187	207	+19	805
Loss ratio	43.9%	55.0%	+11.1pt	58.2%
Expense ratio	34.0%	37.9%	+3.9pt	31.4%
Combined ratio	77.9%	92.9%	+15.0pt	89.6%
Underwriting income	122	-17	-139	205
Net investment income	11	52	+41	221
Net income	106	15	-90	288
+) Net foreign exchange gains	-9	-1	+8	-
+) Net realized and unrealized gains	-12	-4	+8	-
+) Net impairment losses	0	0	-0	-
+) Income tax expense	-	0	+0	-
+) One-time merger cost	-	56	+56	62
Adjusted profit (Operating Income)	84	67	-16	350

Progress is slow due to timing of recognizing net premiums earned in crop insurance, but steady against the plan.

Rose against the last fiscal year, when there were few losses, but basically in line with the plan.

* One-time merger cost is excluded as a special factor in expense, expense ratio, and combined ratio.

While combined ratio rose against the last fiscal year, full year forecast is achievable because gross premiums are increasing as planned.

1. Trend of business results

2. Domestic P&C insurance

3. Domestic life insurance

4. Nursing care & healthcare, etc.

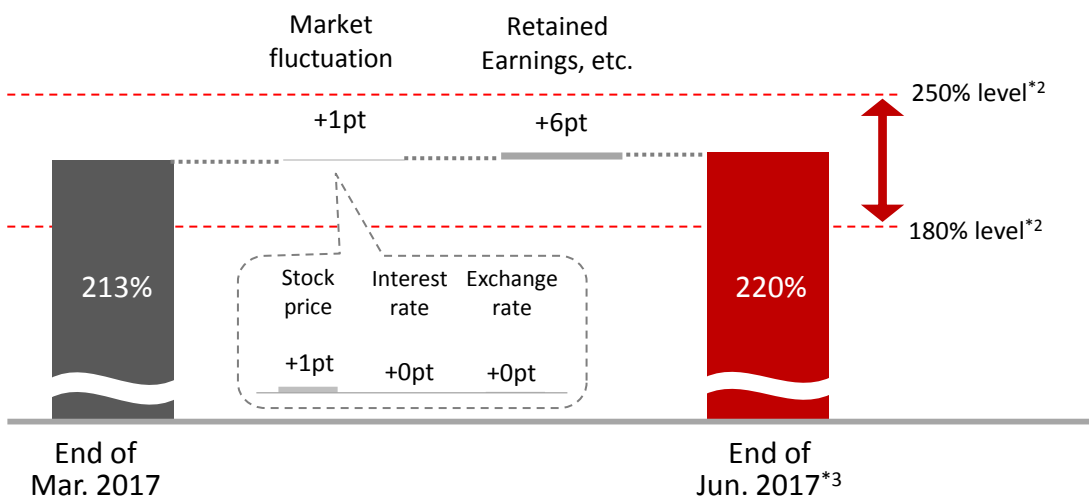
5. Overseas insurance

6. ERM & asset management

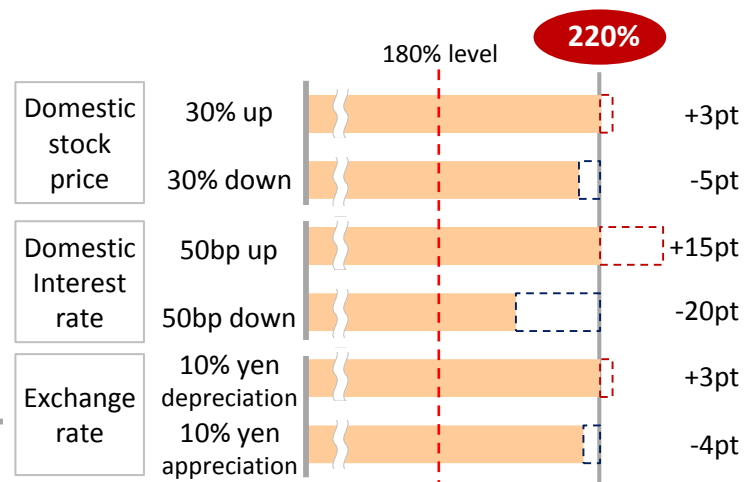
Financial Soundness – ESR (99.5%VaR)

◆ Our financial soundness stays robust.

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.

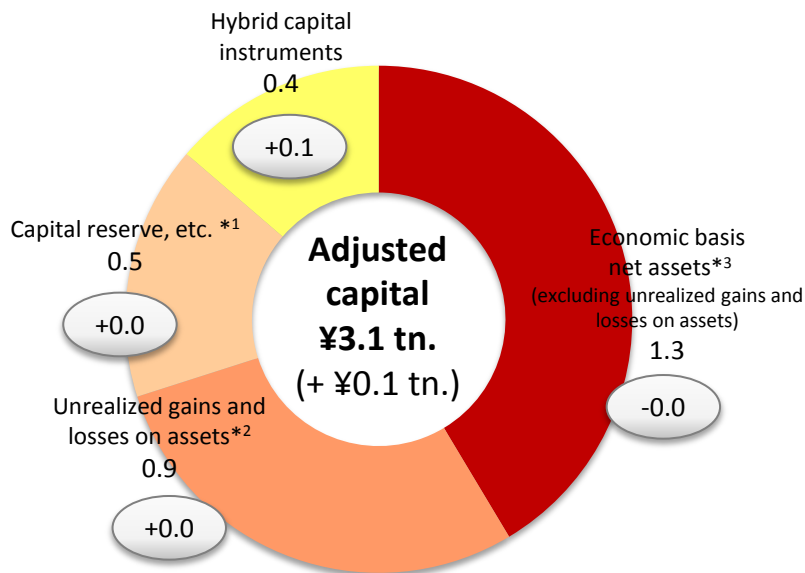
*3 (Reference) ESR (99.95%VaR) at the end of June 2017: 154%
(Target range under this standard was around 120% to 170%)


(Reference) Market indicators	End of Mar. 2017	End of Jun. 2017	
Domestic stock price (Nikkei 225)	¥18,909	¥20,033	(+5.9%)
Domestic interest rate (30y JGB)	0.85%	0.85%	(-)
Exchange rate (JPY/USD)	¥112.19/USD	¥112.00/USD	(-0.2%)
Exchange rate (JPY/EUR)	¥119.79/EUR	¥127.97/EUR	(+6.8%)

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

Adjusted capital (Trillions of yen)

(End of June 2017)

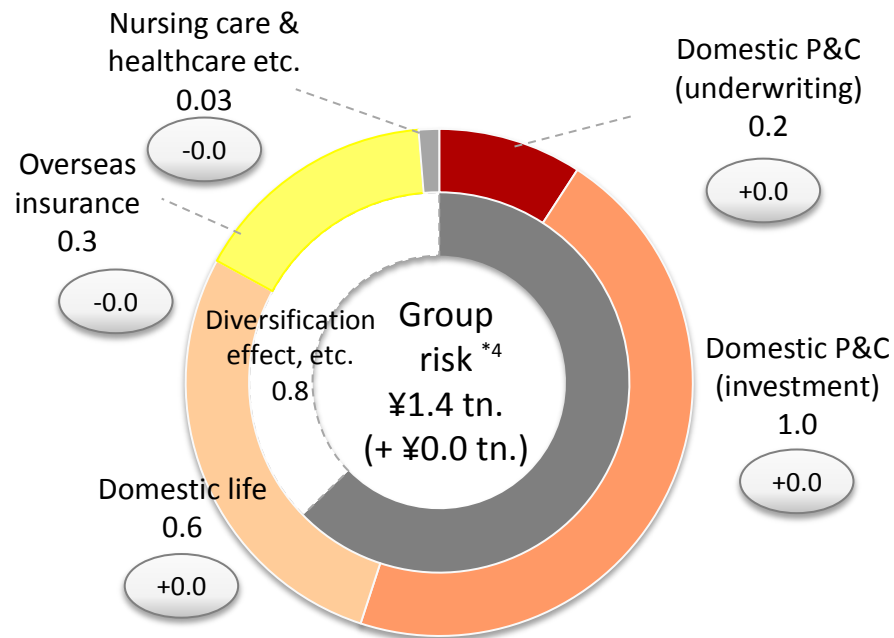


 : Change from end of Mar. 2017

- *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 June 2017)



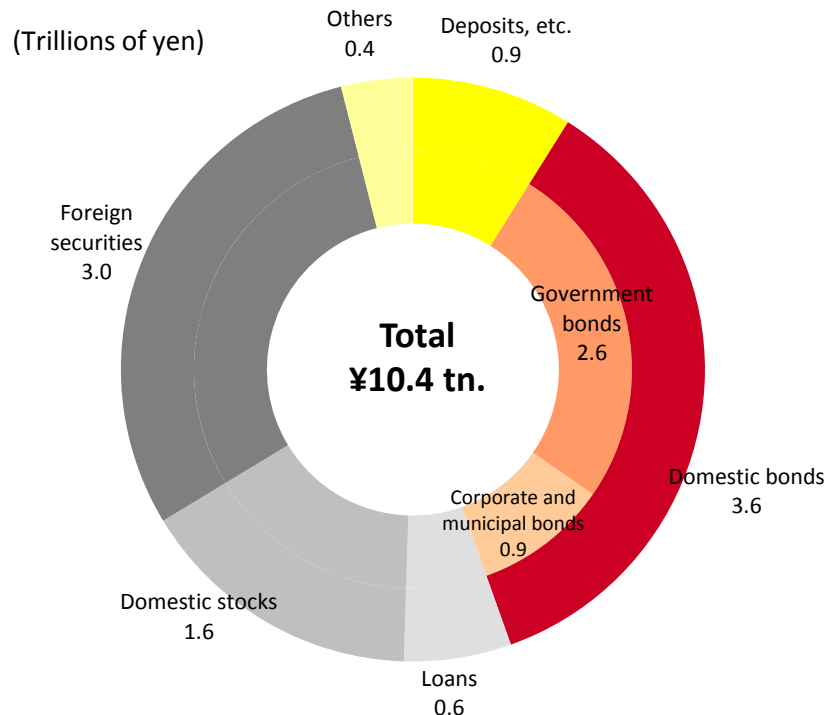
*4 Risk : 1 year holding period, 99.5% VaR

- 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

- ◆ Maintain 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 June 2017)



Investment assets by company

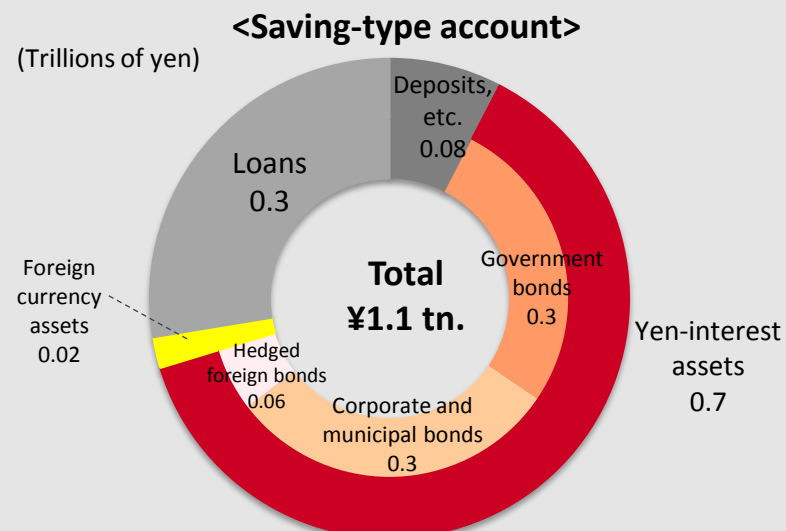
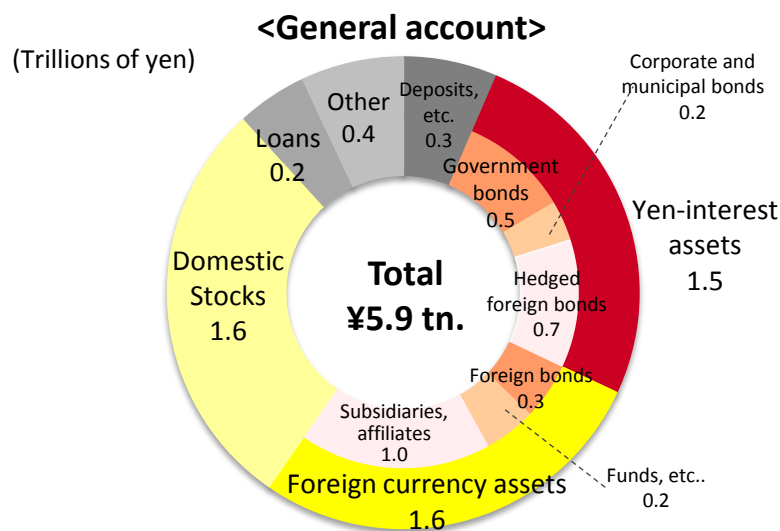
(Billions of yen)	Amount of investment assets	Composition
Sompo Japan Nipponkoa	6,012.4	57.7%
Himawari Life	2,599.4	25.0%
Overseas group subsidiaries	1,652.8	15.9%
(Of which, SI (Endurance))	(1,000.4)	(9.6%)
Saison Automobile & Fire	43.6	0.4%
Sonpo 24	22.2	0.2%
Other domestic subsidiaries	82.5	0.8%
Total	10,413.1	100.0%

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

Asset Portfolio – Sompo Japan Nipponkoa

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

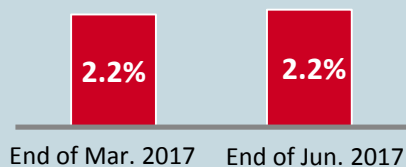
Amount of investment assets (end of June 2017, Sompo Japan Nipponkoa, non-consolidated)



Composition by ratings*

Internal rating	Composition
BBB or above	100.0%
BB or below	0.0%

Trend of income yield



Composition by ratings*

Internal rating	Composition
BBB or above	100.0%
BB or below	-

Duration (years)

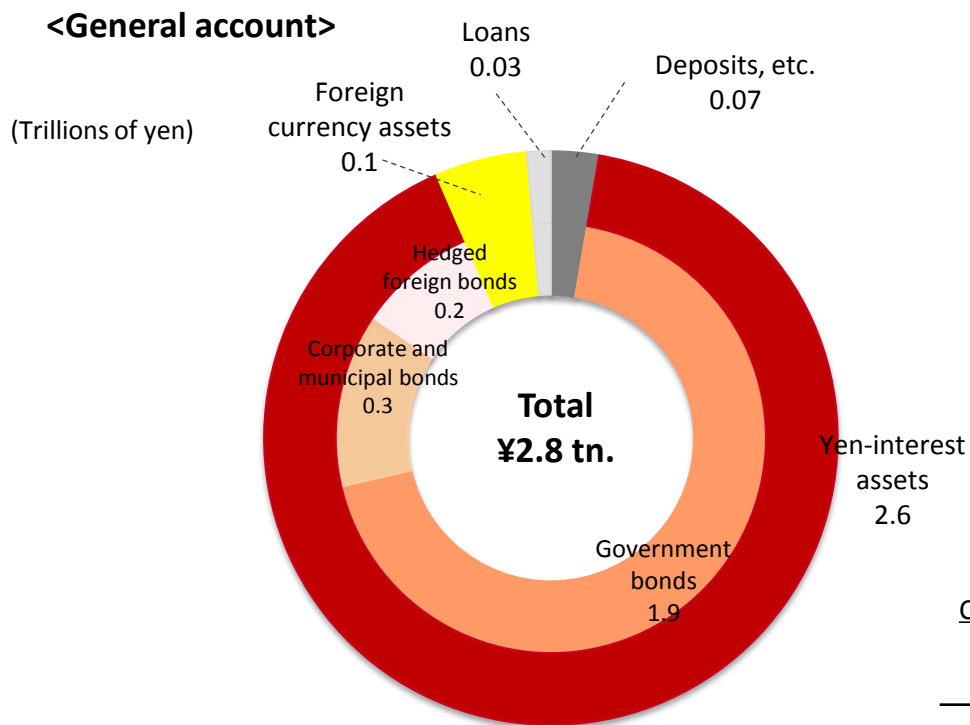
	End of Mar. 2017	End of Jun. 2017
Asset	4.5	4.5
Liability	6.2	6.2

* Total of yen-interest assets and foreign currency assets

Asset Portfolio – Himawari Life

- ◆ Manage the portfolio through disciplined ALM, which mainly consists of yen-interest assets.
- ◆ Increased slightly allocation to foreign currency assets, which account for small portion, in light of the domestic low interest rate environment.

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



Trend of income yield

1.7%

1.7%

End of Mar. 2017

End of Jun. 2017

Composition by ratings*

Internal rating	Composition
BBB or above	100.0%
BB or below	-

Duration (years)

	End of Mar. 2017	End of Jun. 2017
Asset	13	13
Liability	21	22

(Reference) Amount of separate account (End of Jun. 2017): ¥22.5 billion
(mainly investment in domestic stocks and bonds in the separate account)

* 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



Sompo Holdings, Inc.

Investor Relations Team, Office of Group CEO

Telephone : +81-3-3349-3913

Fax : +81-3-3349-6545

E-Mail : ir@sompo-hd.com

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