

Highlights of 3Q FY2018 Results

February 14, 2019
Sompo Holdings, Inc.



Table of Contents

Highlights of 3Q FY2018 results	2	(Reference) Domestic natural disasters	24
1. Consolidated financial results		(Reference) Fund and reserve	25
Overview of 3Q FY2018 results – consolidated basis	4	3. Overseas insurance	
Main points of consolidated results – (1) Underwriting profit	5	Overview of 3Q FY2018 results – Overseas insurance	27
Main points of consolidated results – (2) Investment profit	6	Business results by region	28
Main points of consolidated results – (3) Ordinary profit	7	(Reference) Business results by company	29
Main points of consolidated results – (4) Net income	8	(Reference) Overview of business results of SI (1)	30
(Reference) Business forecasts for FY2018 – consolidated basis	9	(Reference) Overview of business results of SI (2)	31
(Reference) Breakdown of business forecasts for FY2018	10	4. Domestic life insurance	
(Reference) Historical progress rates of quarterly results	11	Overview of 3Q FY2018 results – Himawari Life	33
(Reference) Numerical management targets, etc.	12	Net income (J-GAAP) – Himawari Life	34
2. Domestic P&C insurance		Adjusted profit and adjusted net assets – Himawari Life	35
Overview of 3Q FY2018 results – Sompo Japan Nipponkoa	14	5. Nursing care & healthcare, etc.	
Net premiums written	15	Overview of 3Q FY2018 results – Nursing care & healthcare, etc.	37
Loss ratio (W/P)	16	(Reference) Major Indicators of SOMPO Care	38
Net expense ratio	17	6. ERM & asset management	
Combined ratio	18	Financial soundness – ESR (99.5% VaR)	40
Investment profit	19	(Reference) Breakdown of adjusted capital and risk	41
(Reference) Breakdown of investment profit	20	Asset portfolio – Group-wide	42
(Reference) Business forecasts for FY2018 – Sompo Japan Nipponkoa	21	Asset portfolio – Sompo Japan Nipponkoa	43
(Reference) Assumption of business forecasts for FY2018	22	Asset portfolio – SI	44
(Reference) Indicators related to automobile insurance	23	Asset portfolio – Himawari Life	45

* SI stands for Sompo International(hereafter).

Highlights of 3Q FY2018 Results

- ◆ Consolidated net income decreased by ¥18.8 billion to ¥118.4 billion, the progress rate against full-year business forecasts was 70%.
- ◆ While large net incurred loss related to natural disasters that occurred in the fiscal year, unchanged full-year business forecasts taking into consideration overall group situation, progress and others, partly due to offsetting by the net reversal of catastrophic loss reserve.
- ◆ As for total shareholder returns for FY2018, currently plan not to decrease the amount of total shareholder returns for FY2017 (¥81.3 billion) subject to an approval by board of directors going forward.

- In Sompo Japan Nipponkoa, while partially offsetting net incurred loss related to domestic natural disasters with net reversal of catastrophic loss reserve and increase in investment profit, net income decreased partly due to the rebound of a decrease in tax expenses in FY2017.
 - W/P loss ratio (excl. CALI, household earthquake, domestic natural disasters) improved by 0.4pts to 58.2%
* FY2018 forecasts: 59.7%
 - Reduction of strategic-holding stocks (¥90.7 billion including hedge) progressed steadily against the annual plan (around ¥100.0 billion), expected to accelerate going forward
- Overseas insurance business's net income and ordinary profit increased mainly due to the rebound of the impact of hurricanes in North America in FY2017.
 - Adjusted profit decreased partly due to the rebound of a decrease in tax expenses in FY2017
- Domestic life insurance business progressed exceeding plan due to steady growth in policies in force and the impact of decrease in provision for policy reserve.
- Nursing care business's occupancy rate improved as planned.

1. Consolidated financial results

2. Domestic P&C insurance

3. Overseas insurance

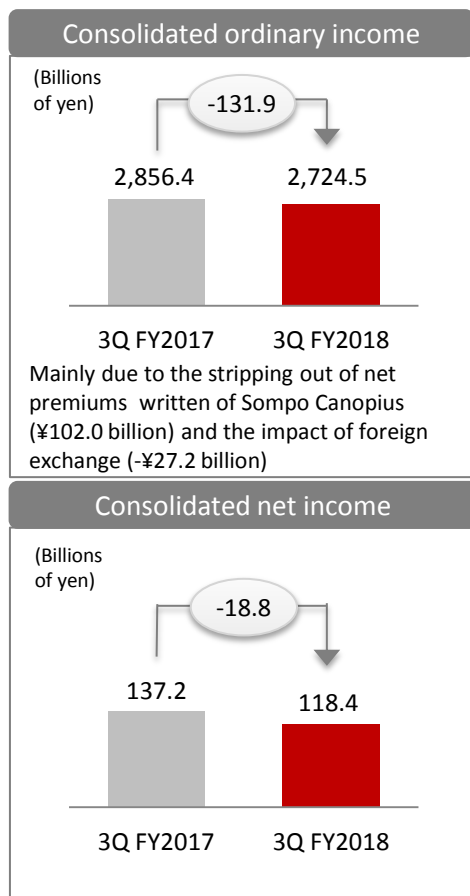
4. Domestic life insurance

5. Nursing care & healthcare, etc.

6. ERM & asset management

Overview of 3Q FY2018 Results – Consolidated Basis

- ◆ While partially offsetting net incurred loss related to domestic natural disasters with net reversal of catastrophic loss reserve, consolidated ordinary profit increased by ¥55.9 billion to ¥163.3 billion and consolidated net income decreased by ¥18.8 billion to ¥118.4 billion.



(Billions of yen)	3Q FY2017	3Q FY2018	Change
Consolidated ordinary income	2,856.4	2,724.5	-131.9 (-4.6%)
Net premiums written (P&C)	2,179.6	2,065.8	-113.8 (-5.2%)
Life insurance premiums	253.8	254.5	+0.7 (+0.3%)
Consolidated ordinary profit	107.4	163.3	+55.9
Sompo Japan Nipponkoa	150.2	144.4	-5.8
Overseas insurance subsidiaries	-39.7	11.0	+50.8
Himawari Life	12.2	20.2	+8.0
Nursing care (SOMPO Care ^{*1})	2.4	4.0	+1.6
Consolidated adjustment ^{*2} /Others	-17.6	-16.3	+1.2
Consolidated net income ^{*3}	137.2	118.4	-18.8
Sompo Japan Nipponkoa	175.0	108.4	-66.5
Overseas insurance subsidiaries	-31.1	8.2	+39.4
Himawari Life	7.8	13.4	+5.5
Nursing care (SOMPO Care ^{*1})	1.4	3.3	+1.9
Consolidated adjustment ^{*2} /Others	-15.8	-15.1	+0.7
(Reference) Adjusted profit (by business)	150.1	60.9	-89.2
Domestic P&C insurance	85.2	4.1	-81.1
Overseas insurance	39.8	27.1	-12.6
Domestic life insurance	22.6	25.5	+2.9
Nursing care & healthcare, etc.	2.4	4.0	+1.6

*1 FY2017(Actual) was sum of former SOMPO Care and SOMPO Care Next.(The same shall apply hereafter.)

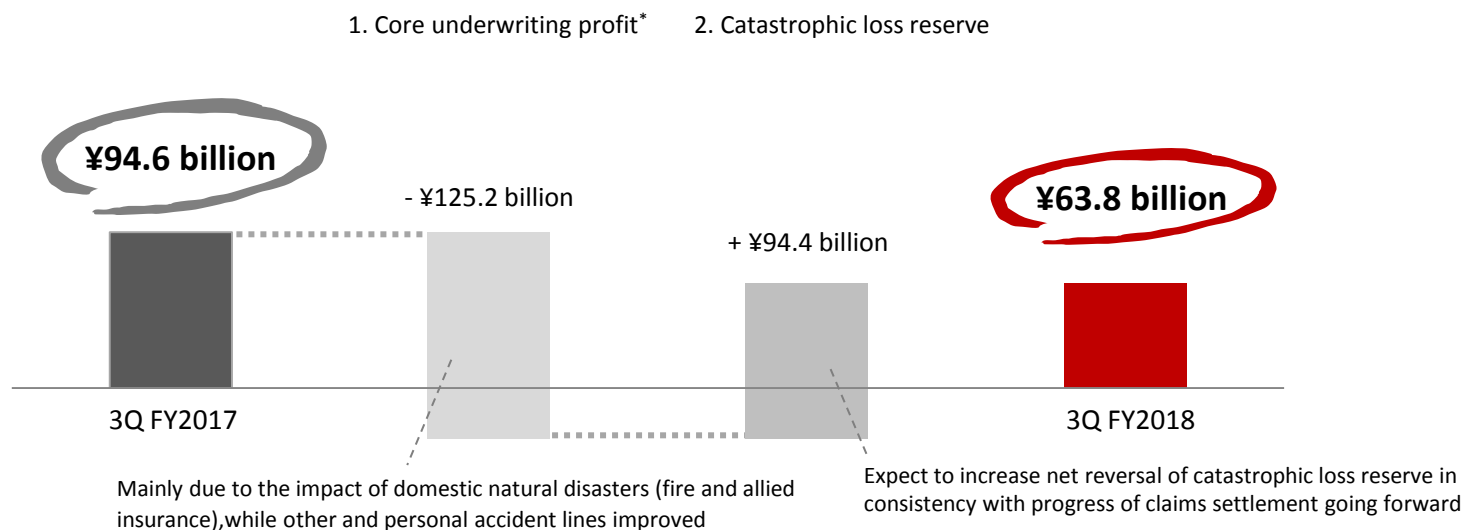
*2 "Purchase method" accounting was adopted upon the establishment of Sompo Holdings. The figures therefore include adjustments for gains/losses on sales, etc.

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

Main Points of Consolidated Results – (1) Underwriting Profit

- ◆ Partially offset net incurred loss related to domestic natural disasters with net reversal of catastrophic loss reserve.

Changing factors of underwriting profit (Sompo Japan Nipponkoa)



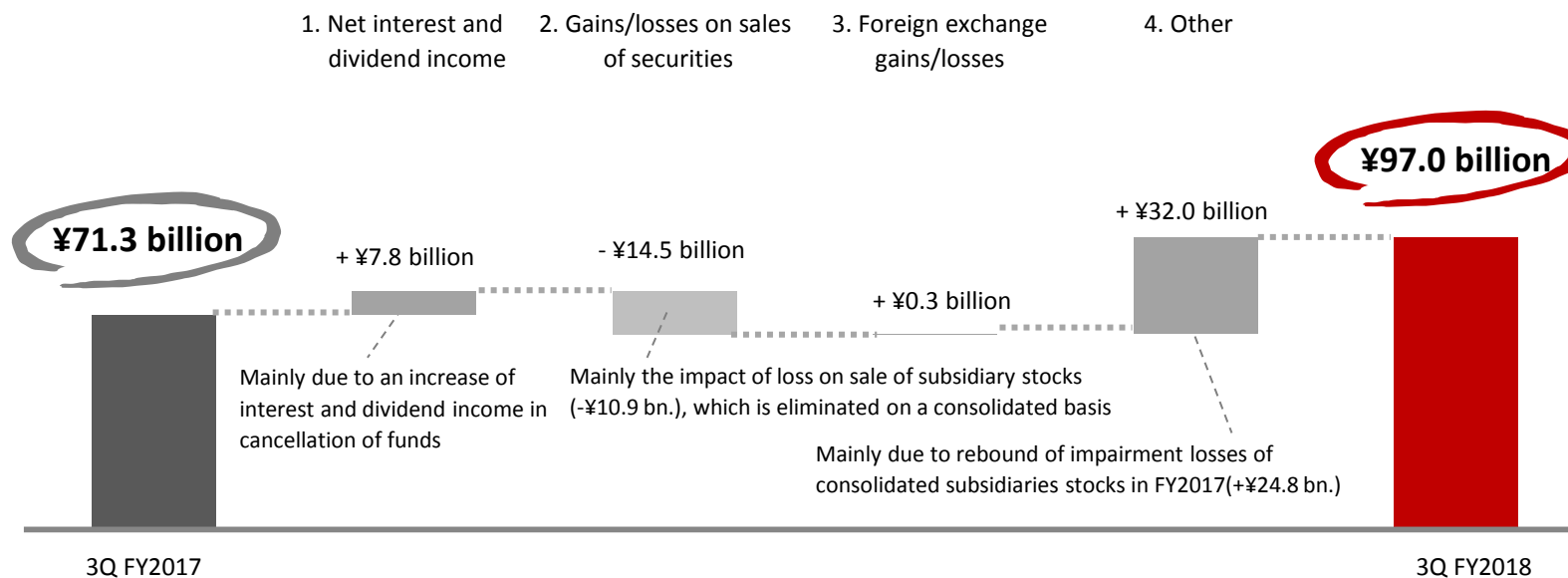
	1. Core underwriting profit	2. Catastrophic loss reserve	Underwriting profit
3Q FY2017	¥85.0 billion	¥9.5 billion	¥94.6 billion
3Q FY2018	- ¥40.2 billion	¥104.0 billion	¥63.8 billion

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

Main Points of Consolidated Results – (2) Investment Profit

◆ Investment profit steadily increased by ¥25.6 billion to ¥97.0 billion.

Changing factors of investment profit (Sompo Japan Nipponkoa)



	1. Net interest and dividend income	2. Gains/losses on sales of securities	3. Foreign exchange gains/losses	4. Other	Investment profit
3Q FY2017	¥48.0 billion	¥54.2 billion	¥3.5 billion	- ¥34.4 billion	¥71.3 billion
3Q FY2018	¥55.9 billion	¥39.7 billion	¥3.8 billion	- ¥2.4 billion	¥97.0 billion

Main Points of Consolidated Results – (3) Ordinary Profit

- ◆ Consolidated ordinary profit increased by ¥55.9 billion to ¥163.3 billion, due to offsetting net incurred loss related to domestic natural disasters with net reversal of catastrophic loss reserve, an increase in investment profit and the rebound of the impact of hurricanes in North America in FY2017.

Changing factors of consolidated ordinary profit

Sompo Japan Nipponkoa

1. Underwriting profit
2. Investment profit
3. Others
4. Overseas subsidiaries
5. Himawari Life
6. Nursing care
7. Consolidated adjustment/others

¥107.4 billion

¥163.3 billion

- ¥30.7 billion

+ ¥25.6 billion

- ¥0.7 billion

+ ¥50.8 billion

+ ¥8.0 billion

+ ¥1.6 billion

+ ¥1.2 billion

See page 5.

See page 6.

Mainly due to the rebound of the impact of hurricanes in North America in FY2017 (+¥68.3 bn.) and the impact of adjustment related to intangible assets, etc. on SI local accounting(-¥22.9 bn. which is eliminated on a consolidated basis)

3Q FY2017

3Q FY2018

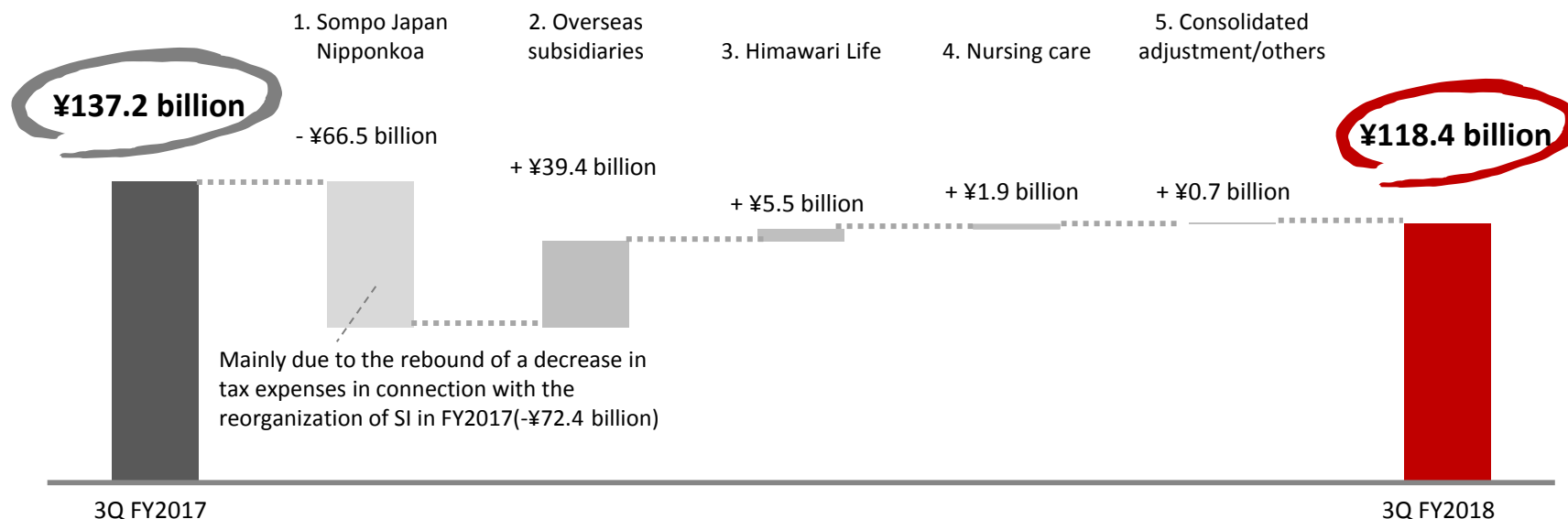
	1. Underwriting profit	2. Investment profit	3. Others	4. Overseas subsidiaries	5. Himawari Life	6. Nursing care	7. Consolidated adjustment/others	Ordinary profit
3Q FY2017	¥94.6 billion	¥71.3 billion	- ¥15.7 billion	- ¥39.7 billion	¥12.2 billion	¥2.4 billion	- ¥17.6 billion	¥107.4 billion
3Q FY2018	¥63.8 billion	¥97.0 billion	- ¥16.4 billion	¥11.0 billion	¥20.2 billion	¥4.0 billion	- ¥16.3 billion*	¥163.3 billion

* Net amortization amount (before tax) of goodwill and intangible assets, etc. of SI for 3Q FY2018: ¥19.8 billion
The recording of impact of U.S. hurricane (Michael) that occurred in October 2018 was included (¥13.9 billion)

Main Points of Consolidated Results – (4) Net Income

◆ Consolidated net income decreased by ¥18.8 billion to ¥118.4 billion. (Progress rate against full-year forecasts: 70%)

Changing factors of consolidated net income



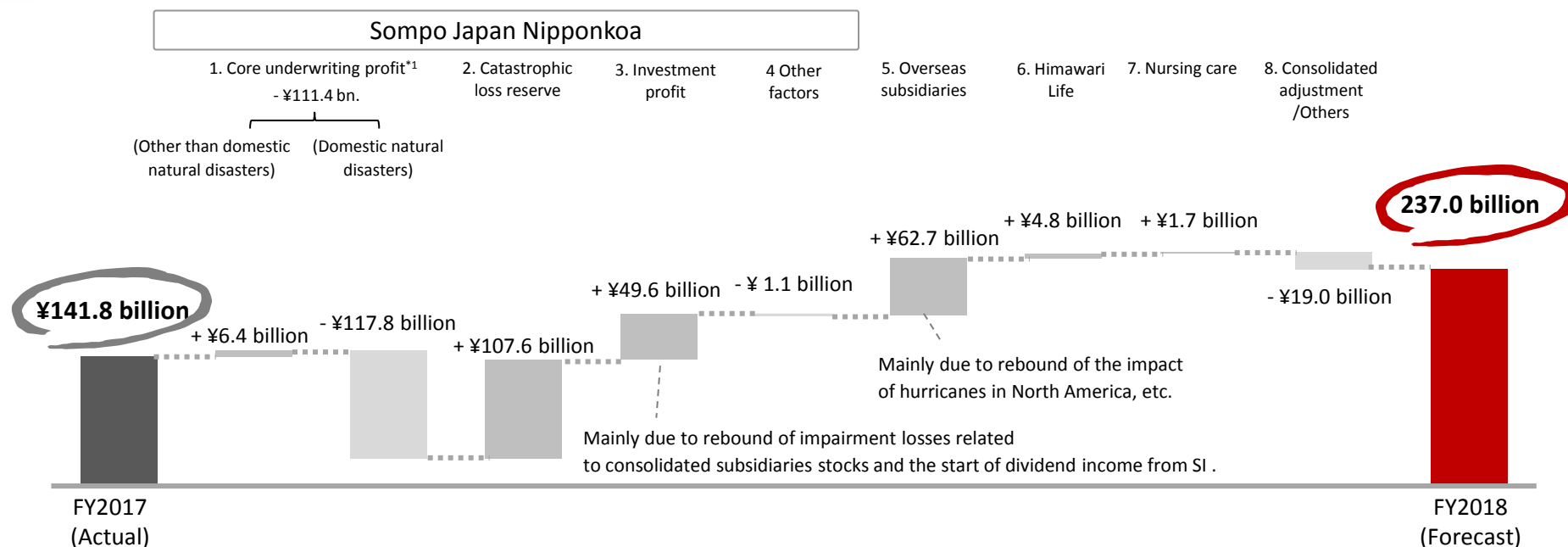
	1. Sompo Japan Nipponkoa	2. Overseas subsidiaries	3. Himawari Life	4. Nursing care	5. Consolidated adjustment/others	Net income
3Q FY2017	¥175.0 billion	- ¥31.1 billion	¥7.8 billion	¥1.4 billion	- ¥15.8 billion	¥137.2 billion
3Q FY2018	¥108.4 billion	¥8.2 billion	¥13.4 billion	¥3.3 billion	- ¥15.1 billion	¥118.4 billion

(Reference) Business Forecasts for FY2018 – Consolidated Basis

(Billions of yen)	FY2017 (Actual)	FY2018 (Forecasts)	Change
Net premiums written (P&C)	2,854.7	2,715.0	-139.7 (-4.9%)
Life insurance premiums	346.9	357.5	+10.5 (+3.0%)
Consolidated ordinary profit	141.8	237.0	+95.1
Sompo Japan Nipponkoa	175.2	220.0	+44.7
Overseas subsidiaries	-36.6	26.0	+62.7
Himawari Life	12.7	17.6	+4.8
Nursing care (SOMPO Care)	3.4	5.2	+1.7
Consolidated adjustment/others	-12.8	-31.9	-19.0
Consolidated net income	139.8	170.0	+30.1 (+21.6%)
Sompo Japan Nipponkoa	170.0	166.0	-4.0
Overseas subsidiaries	-37.8	21.1	+59.0
Himawari Life	8.1	12.0	+3.8
Nursing care (SOMPO Care)	2.9	3.8	+0.8
Consolidated adjustment/others	-3.4	-32.9	-29.4
Consolidated net income per share (Yen)	361	456	+95
(Reference) Adjusted profit (by business)	162.7	105.0	-57.7 (-35.5%)
Domestic P&C insurance	85.3	14.0	-71.3
Overseas insurance	44.0	54.0	+9.9
Domestic life insurance	29.2	32.0	+2.7
Nursing care & healthcare, etc.	4.1	5.0	+0.8
Adjusted profit per share (Yen)	420	281	-138 (-33.0%)

(Reference) Breakdown of Business Forecasts for FY2018

Main components of consolidated ordinary profit



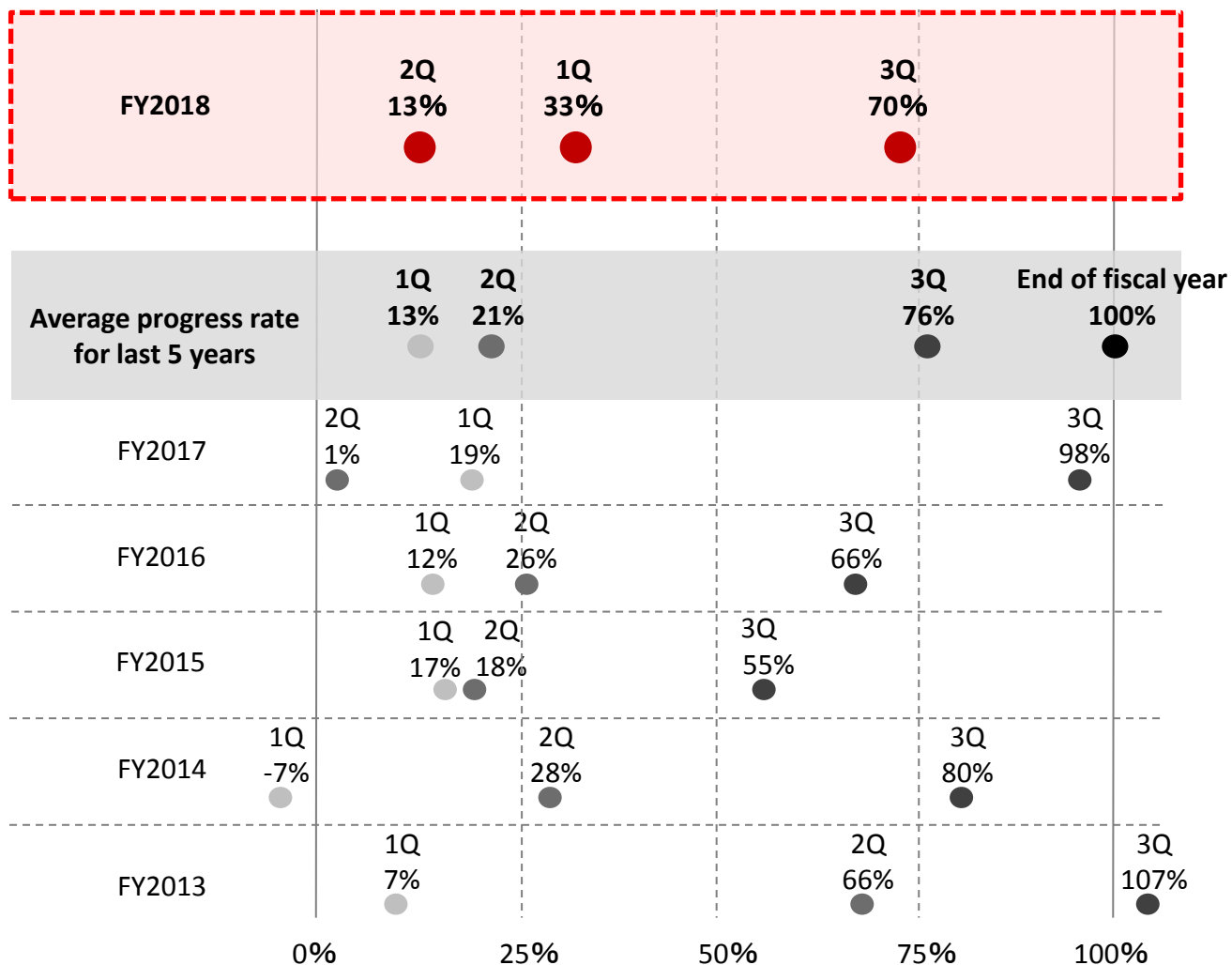
	1. Core underwriting profit		2. Catastrophic loss reserve	3. Investment profit	4. Other Factors	5. Overseas subsidiaries	6. Himawari Life	7. Nursing care	8. Consolidated adjustment /Others	Ordinary profit
	(Other than domestic natural disasters)	(Domestic natural disasters)								
FY2017 Actual	¥134.0 billion	- ¥57.1 billion	¥17.9 billion	¥97.8 billion	- ¥17.4 billion	- ¥36.6 billion	¥12.7 billion	¥3.4 billion	- ¥12.8 billion	¥141.8 billion
FY2018 Forecasts	¥140.4 billion	- ¥175.0 billion	¥125.5 billion	¥147.5 billion	- ¥18.5 billion	¥26.0 billion*²	¥17.6 billion	¥5.2 billion	- ¥31.9 billion*²	¥237.0 billion

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

*2 The goodwill for the SI acquisition is \$1,513 million. Combined with intangible assets, the net amortization amount is around \$2,000 million (as of the date of acquisition). 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 projected at ¥25.9 billion for FY2018 Forecast. Amount of adjustment related to intangible assets, etc. on SI local accounting (- ¥28.4 billion) is eliminated on a consolidated basis.

(Reference) Historical Progress Rates of Quarterly Results

Progress in each quarter (consolidated net income)



(Reference) Numerical Management Targets, etc.

Numerical management targets

(Billions of yen)	FY2017	FY2018	
	(Actual)	(3Q Actual)	(Forecasts)
Domestic P&C insurance* ¹	85.3	4.1	14.0
Overseas insurance	44.0	27.1	54.0
Domestic life insurance	29.2	25.5	32.0
Nursing care & healthcare, etc.	4.1	4.0	5.0
Total (Adjusted consolidated profit)	162.7	60.9	105.0
Adjusted consolidated ROE*²	6.4%	-	4.0%
Consolidated net income (J-GAAP)	139.8	118.4	170.0
ROE (J-GAAP)	7.6%	-	8.8%

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)

Overseas insurance

Net income
 (including major non-consolidated subsidiaries)
 Adjusted profit of SI is operating income*³

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

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

*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 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.). Actual for the overseas insurance business in FY2017 includes a decrease in tax expenses in connection with the reorganization of SI.

1. Consolidated financial results

2. Domestic P&C insurance

3. Overseas insurance

4. Domestic life insurance

5. Nursing care & healthcare, etc.

6. ERM & asset management

◆ While the impact of domestic natural disasters, ordinary profit remained on the same level in light of favorable investment profit.

(Billions of yen)	3Q FY2017	3Q FY2018	Change	
Net premiums written	1,636.1	1,614.3	-21.8 (-1.3%)	
(excl. CALI, household earthquake)	1,412.3	1,406.9	-5.4 (-0.4%)	
Net premiums earned (excl. CALI, household earthquake)	1,413.1	1,406.2	-6.9 (-0.5%)	
Loss ratio	64.0%	70.1%	+6.1pt	
(excl. CALI, household earthquake)	61.6%	68.0%	+6.4pt	The impact of domestic natural disasters (deteriorated by 6.8pts)
E/I loss ratio (excl. CALI, household earthquake)	60.7%	69.4%	+8.7pt	
Net expense ratio	32.1%	32.3%	+0.2pt	
(excl. CALI, household earthquake)	33.8%	33.8%	+0.0pt	
Combined ratio	96.1%	102.4%	+6.3pt	
(excl. CALI, household earthquake)	95.3%	101.8%	+6.4pt	
Underwriting profit	94.6	63.8	-30.7	
Investment profit	71.3	97.0	+25.6	
Ordinary profit	150.2	144.4	-5.8	Mainly due to the rebound of a decrease in tax expenses in connection with the reorganization of SI in FY2017(-¥72.4 billion)
Net income	175.0	108.4	-66.5	
+ Provisions for catastrophic loss reserve (after tax)	-6.8	-75.0	-68.1	
+ Provisions for reserve for price fluctuation (after tax)	5.8	2.2	-3.6	
- Gains/losses on sales of securities and impairment losses on securities (after tax)	20.7	26.4	+5.6	
- Special factors (after tax)*	66.5	2.0	-64.5	
Adjusted profit	86.6	7.2	-79.4	

(Reference)
Adjusted profit

* Special factors area decrease in tax expenses in connection with the reorganization of SI and gains /losses related to stock future, etc.

◆ Other lines kept on growing centered on products to small and medium-sized enterprises.

Net premiums written by product line

(Billions of yen)	3Q FY2017	3Q FY2018	Change		FY2018 (Forecasts)
Fire and Allied Lines	208.6	199.2	-9.3	(-4.5%)	259.7
Marine	35.9	34.4	-1.5	(-4.2%)	46.0
Personal Accident	139.0	131.9	-7.0	(-5.1%)	173.4
Voluntary Automobile	806.6	799.9	-6.6	(-0.8%)	1,067.2
CALI	223.3	206.9	-16.3	(-7.3%)	277.0
Other	222.6	241.8	+19.1	(+8.6%)	310.4
of which, Liability	123.9	132.2	+8.3	(+6.7%)	166.0
Total	1,636.1	1,614.3	-21.8	(-1.3%)	2,134.0
Total (excl. CALI, household earthquake)	1,412.3	1,406.9	-5.4	(-0.4%)	1,856.1

(Reference) Year-on-Year comparison of voluntary automobile insurance (April - December 2018)

	# of vehicles	Unit premium	Total Premium
Non-fleet	-0.1%	-1.3%	-1.4%
Fleet	+1.9%	-1.0%	+0.9%
Total	+0.3%	-1.3%	-1.0%

(Performance evaluation basis)

(Main changing factors)

Fire and Allied Lines: Decreased mainly due to transfer of overseas reinsurance assumed to SI

Personal Accident : Mainly due to transfer of a part of the product to Other lines

Voluntary Automobile: Impact from rate revision in Jan. 2018 (voluntary auto as a whole: -1.7%) was covered partly by an increase in the number of vehicles

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

Loss Ratio (W/P)

◆ Net loss ratio (excl. CALI, household earthquake and domestic natural disasters) improved by 0.4pts.

Loss ratio(W/P) by product line

(Billions of yen)	3Q FY2018					3Q FY2018	
	Net claims paid	Change	Loss ratio	Change		E/I loss ratio	change
Fire and Allied lines	224.4	+65.2	114.4%	+36.4pt	(Reference) E/I Loss ratio The impact of domestic natural disasters: +¥85.0 billion (deteriorated by 43.5pts)	114.4%	+48.1pt
Marine	20.7	+2.7	63.4%	+10.5pt		95.4%	+29.6pt
Personal Accident	67.9	-3.1	55.2%	+0.0pt		55.6%	-2.6pt
Voluntary Automobile	442.0	+8.6	62.6%	+1.2pt		61.7%	+1.8pt
CALI	158.5	-5.3	82.9%	+3.3pt		58.2%	-0.6pt
Other	129.7	+21.4	56.7%	+4.7pt		69.4%	+8.7pt
of which, Liability	67.3	+8.4	53.9%	+2.9pt			
Total	1,043.4	+89.5	70.1%	+6.1pt			
Total (excl. CALI, household earthquake)	881.1	+91.1	68.0%	+6.4pt			
Total (excl. CALI, household earthquake, domestic natural disasters)	742.4	-5.0	58.2%	-0.4pt			

The impact of domestic natural disasters: +¥96.2 billion (deteriorated by 6.8pts)

Net Expense Ratio

◆ Expense ratio was strictly controlled at the level as planned.

Net expense ratio

(Billions of yen)	3Q FY2018			
	Amount	Change	Net expense ratio	Change
Net commissions and brokerage fees	293.4	-1.9	18.2%	+0.1pt
Operating, general and administrative expenses *1	227.8	-1.7	14.1%	+0.1pt
Total	521.2	-3.7	32.3%	+0.2pt
Total (excl. CALI, household earthquake)	475.1	-1.6	33.8%	+0.0pt
Total (excl. CALI, household earthquake, upfront investment *2)	470.2	-2.6	33.4%	-0.1pt

*1 Only for underwriting (company expense)

*2 The amount of upfront investments for the entire line item was ¥7.7 billion in 3Q FY2018. (3Q FY2017 actual was ¥6.4 billion and FY2018 (forecast) is around ¥10.0 billion.)

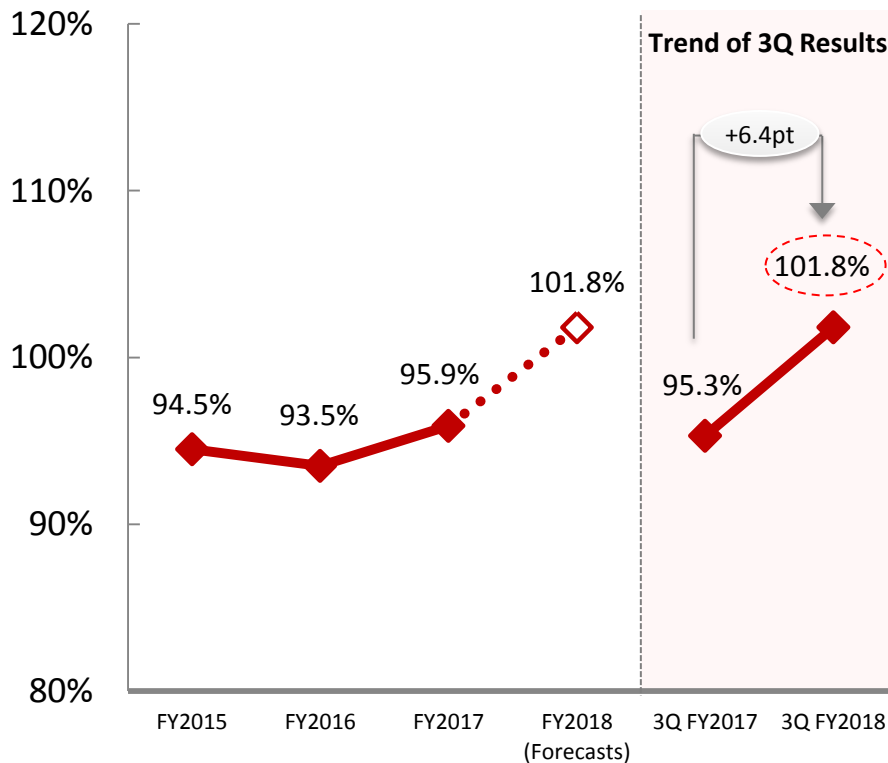
Company expense ratio

(Billions of yen)	3Q FY2018			
	Amount	Change	Company expense ratio	Change
Personnel expenses	109.1	-1.2	6.8%	+0.0pt
Non-personnel expenses	108.9	-0.3	6.7%	+0.1pt
Tax and contributions	9.7	-0.1	0.6%	-0.0pt
Total	227.8	-1.7	14.1%	+0.1pt
Total (excl. upfront investment)	222.9	-2.8	13.8%	+0.0pt

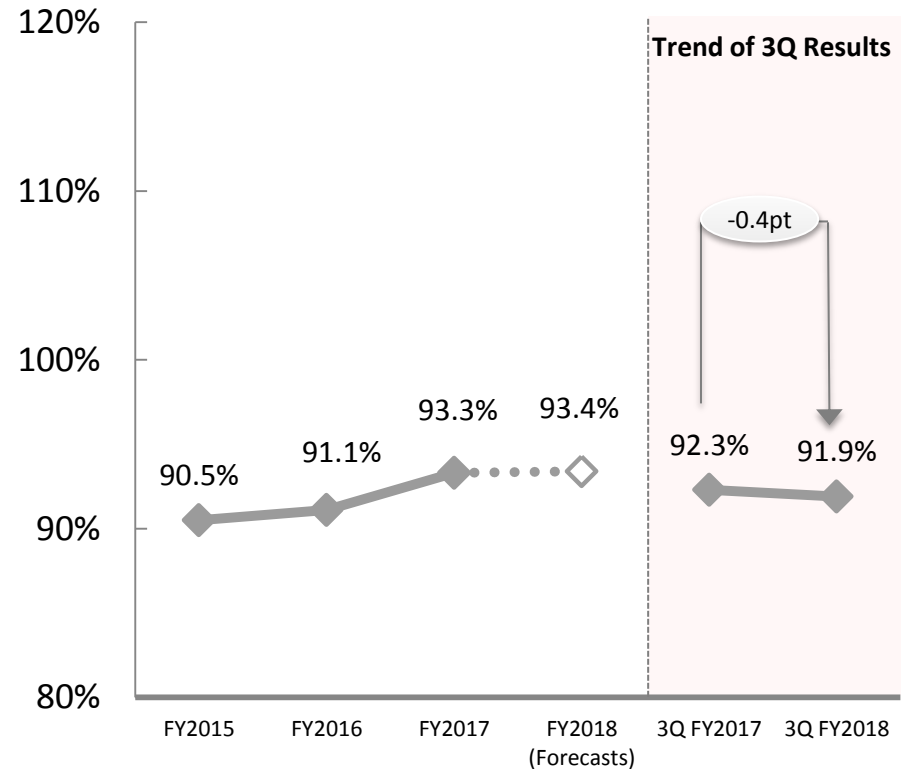
Combined Ratio

◆ Combined ratio in 3Q FY2018 was at the same level as planned (101.8%).

Combined ratio (excl. CALI, household earthquake)



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



Investment Profit

◆ Investment profit increased by ¥25.6 billion to ¥97.0 billion (Progress rate against full-year forecasts: around 65%), 4Q in FY2018 expects to accelerate reduction of strategic-holding stocks and gain dividends from overseas subsidiaries.

Investment profit (Sompo Japan Nipponkoa, non-consolidated)

(Billions of yen)		3Q FY2017	3Q FY2018	Change	FY2018 (Forecasts)	
Net interest and dividend income	1	48.0	55.9	+7.8	91.2	Mainly due to an increase in interest and dividend income in cancellation of funds
Interest and dividend income*1		77.8	83.8	+6.0	130.4	Mainly due to the impact of loss on sale of subsidiary stocks (-¥10.9 billion), which is eliminated on a consolidated basis
of which, dividends from overseas subsidiaries		0.0	0.0	+0.0	22.6	
Gains on sales of securities*1	2	54.2	39.7	-14.5	55.4	(Reference) Reduction of strategic-holding stocks
of which, domestic stocks		51.6	46.5	-5.1	69.0	
Impairment losses on securities*1	3	-25.3	-3.0	+22.3	-1.5	
of which, domestic stocks		-12.0	-2.8	+9.1	-1.5	
Gains on derivatives	4	-12.2	-2.2	+9.9	-9.6	
Other investment income	5	6.5	6.7	+0.1	11.9	
Investment profit	1+2+3+4+5	71.3	97.0	+25.6	147.5	

(Reference)
Reduction of strategic-holding stocks

Actual*2	¥70.9 billion
Stock future*3	¥19.8 billion
Total	¥90.7 billion

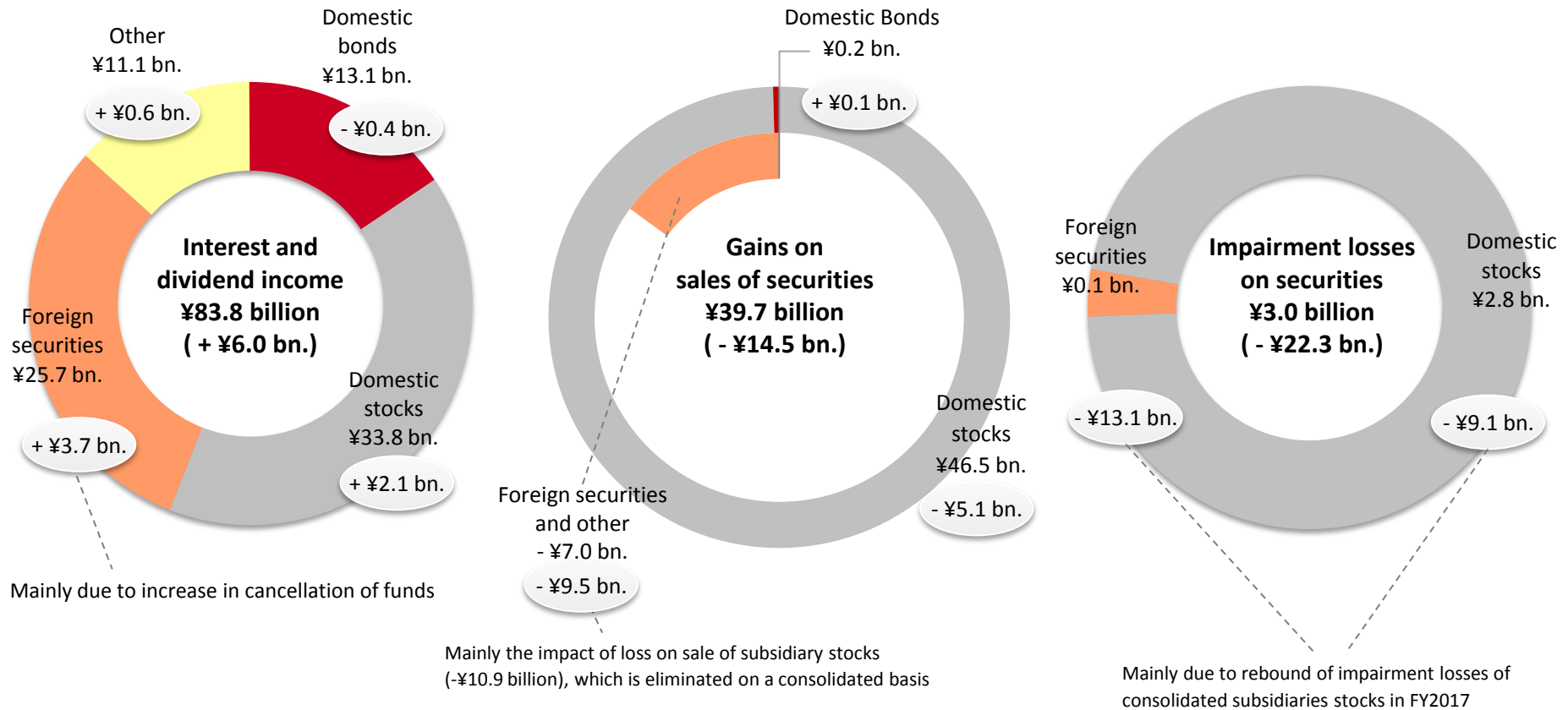
*2 Net reduction on fair value basis (market value of sales minus market value of purchase)
*3 Short position of Nikkei 225 Futures

*1 Refer to next page for the breakdown

Mainly due to rebound of impairment losses of consolidated subsidiaries stocks in FY2017(+¥24.8 bn.)

(Reference) Breakdown of Investment Profit

Breakdown of interest and dividend income, gains on sales of securities, and impairment losses on securities (3Q FY2018)



Changes from 3Q FY2017

Domestic P&C	Overseas
Domestic life	Nursing care & healthcare, etc.

(Reference) Business Forecasts for FY2018 – Sompo Japan Nipponkoa

(Billions of yen)	FY2017 (Actual)	FY2018 (Forecasts)	Change
Net premiums written	2,168.0	2,134.0	-34.0 (-1.6%)
(excl. CALI, household earthquake)	1,876.0	1,856.1	-19.8 (-1.1%)
Net premiums earned (excl. CALI, household earthquake)	1,882.1	1,860.2	-21.8 (-1.2%)
Loss ratio	64.4%	69.9%	+5.6pt
(excl. CALI, household earthquake)	62.0%	68.1%	+6.2pt
E/I loss ratio (excl. CALI, household earthquake)	61.7%	68.5%	+6.8pt
Net expense ratio	32.3%	32.1%	-0.2pt
(excl. CALI, household earthquake)	34.0%	33.6%	-0.3pt
Combined ratio	96.7%	102.0%	+5.4pt
(excl. CALI, household earthquake)	95.9%	101.8%	+5.9pt
Underwriting profit	94.8	91.0	-3.8 (-4.0%)
Investment profit	97.8	147.5	+49.6 (+50.8%)
Ordinary profit	175.2	220.0	+44.7 (+25.6%)
Net income	170.0	166.0	-4.0 (-2.4%)
(Reference) Adjusted profit			
+Provisions for catastrophic loss reserve (after tax)	-12.8	-90.5	-77.6
+Provisions for reserve for price fluctuation (after tax)	7.5	3.0	-4.4
-Gains/losses on sales of securities and impairment losses on securities (after tax)	29.1	38.8	+9.6
-Special factors (after tax)*	47.6	21.5	-26.0
Adjusted profit	87.8	18.0	-69.7 (-79.4%)

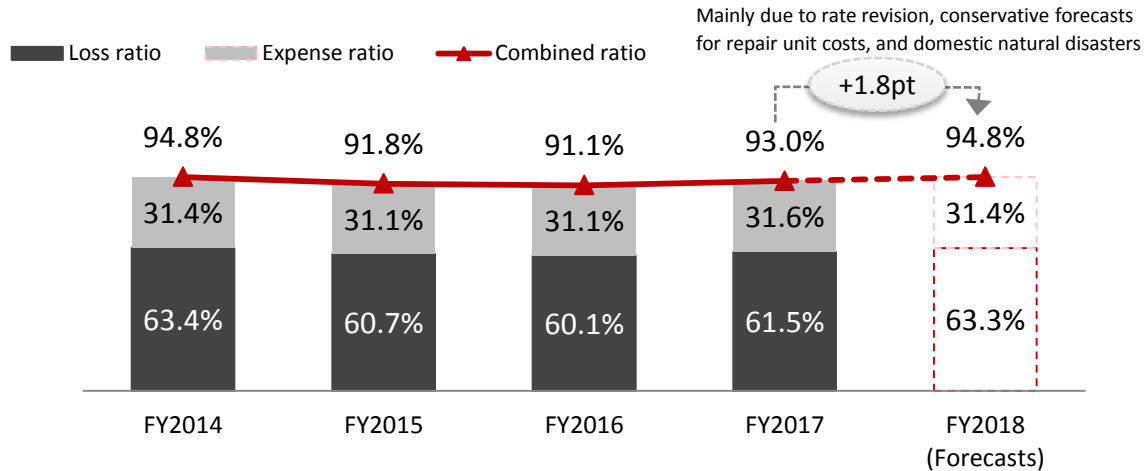
* Special factors are a decrease in tax expenses in connection with the reorganization of SI, etc., loss on sale of fixed assets, gains /losses related to stock future and dividend from consolidated subsidiaries, etc.

(Reference) Assumption of Business Forecasts for FY2018

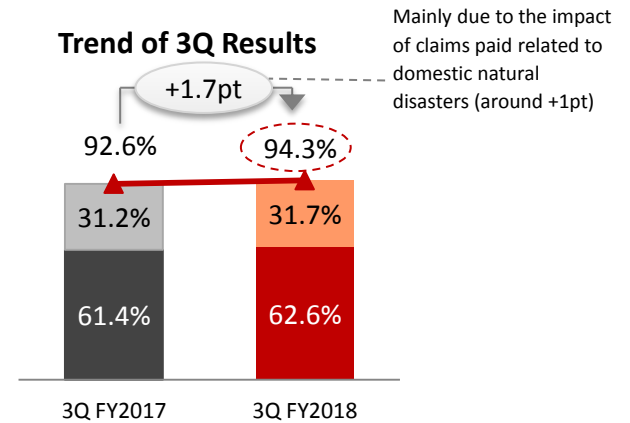
Losses from domestic natural disasters (occurring in the fiscal year)	¥175.0 billion
Catastrophic loss reserve	Net reversal : ¥125.5 billion (Fire and allied lines: net reversal ¥103.2 billion, Voluntary automobile: net reversal ¥25.5 billion)
Provision rate of catastrophic loss reserve	Provision rate of fire group : fire 14.0% other 5.0% Provision rate of automobile group : 3.2%
Market indicators	(Stock) Nikkei 225 : ¥24,120 (Interest yield) 10y JGB : 0.13% (Foreign exchange) 1US\$: ¥113.57 1Euro : ¥132.14 * Assumptions for market indicators are based on ones as of end of September 2018.
Interest and dividend income	Gross : ¥130.4 billion Net : ¥91.2 billion
Realized gains on securities	Realized gains on security sales : ¥55.4 billion Impairment losses on securities : ¥1.5 billion
Reserve for price fluctuation	Net provision : ¥4.2 billion

(Reference) Indicators Related to Automobile Insurance

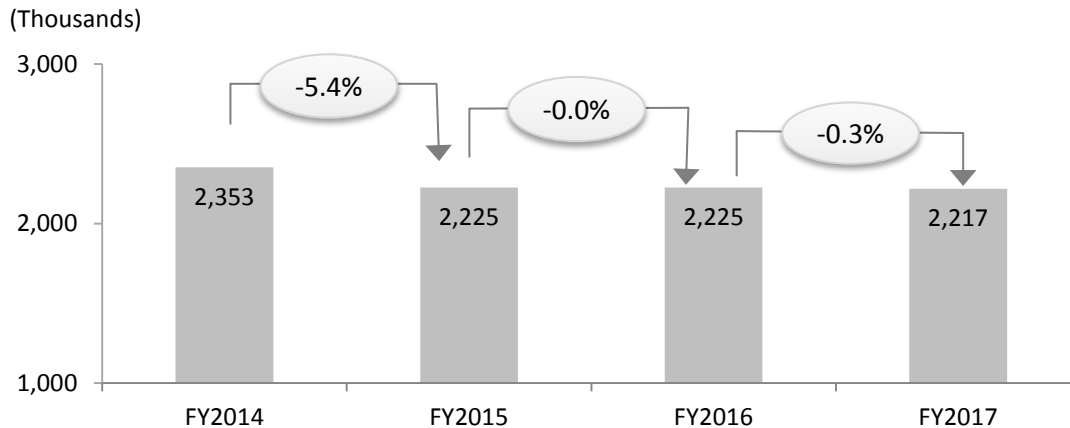
Combined ratio



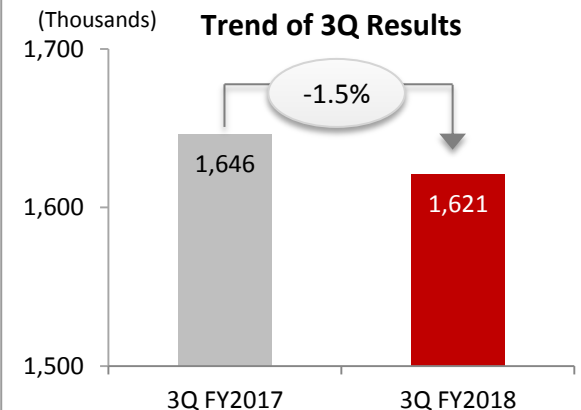
* Loss ratio is on a written paid basis (including loss adjustment expense)



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)	3Q FY2017	3Q FY2018	Change
Fire and Allied lines	36.2	117.4	+81.2
Marine	0.0	1.9	+1.9
Personal Accident	0.0	0.0	+0.0
Voluntary Automobile	4.7	12.2	+7.5
Other	1.4	6.8	+5.3
Total	42.4	138.6	+96.2

* Net incurred loss related to domestic natural disasters in forecasts for FY2018: ¥175.0 billion
 Since outstanding loss reserve is worked out by compendium method in 3Q results, incurred losses related to natural disasters were not aggregated.

(Reference) Fund and Reserve

Underwriting reserves and reserve for outstanding losses and claims (at the end of 3Q FY2018)

(Billions of yen)	Ordinary underwriting reserve* ¹		Catastrophic loss reserve		Reserve for outstanding losses and claims	
	Amount	Change	Amount	Change	Amount	Change
Fire and allied lines* ²	719.3	-17.7	65.1	-90.7	139.3	+19.6
Marine	18.9	-1.5	49.8	+0.2	35.0	+11.1
Personal accident	128.8	+3.8	71.6	+1.0	63.1	-1.6
Voluntary automobile	308.1	-3.6	41.3	-18.8	394.0	-4.6
CALI* ²	429.6	+0.3	-	-	76.4	-3.9
Other	334.1	+11.2	214.3	+4.2	214.8	-5.2
Total	1,938.9	-7.6	442.2	-104.0	922.8	+15.4
Total (excluding CALI and household earthquake)	1,503.6	-4.6	442.2	-104.0	846.4	+19.4
	Amount	Change				Change
Reserve for saving-type products* ³	1,317.3	-48.5			Impact of exchange rates on reserve for outstanding losses and claims	+0.9

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

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

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

1. Consolidated financial results

2. Domestic P&C insurance

3. Overseas insurance

4. Domestic life insurance

5. Nursing care & healthcare, etc.

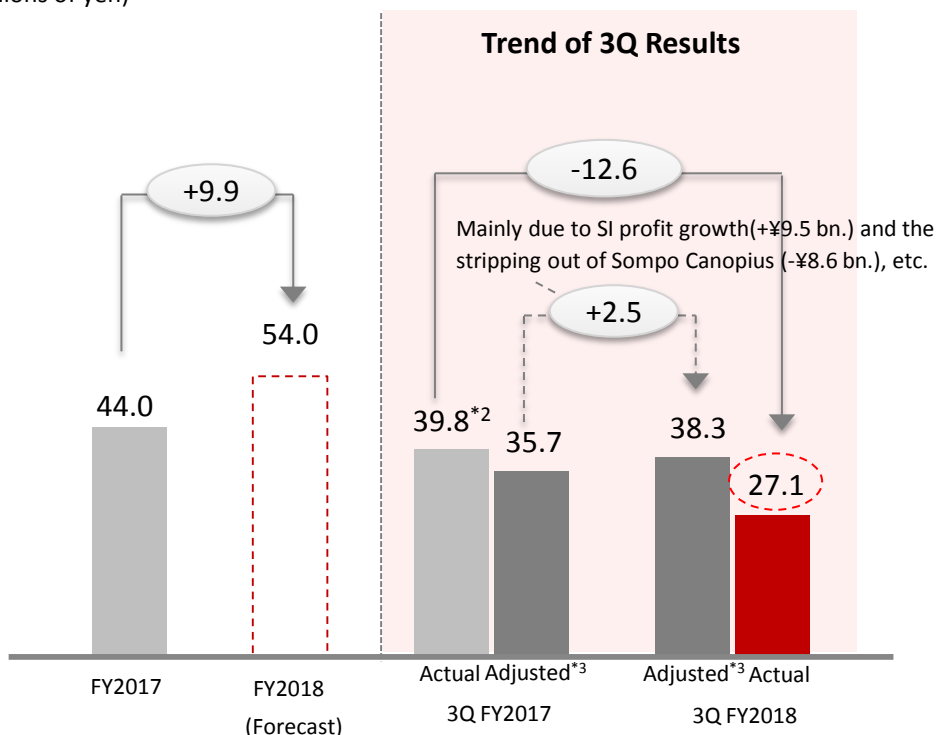
6. ERM & asset management

Overview of 3Q FY2018 Results – Overseas Insurance

◆ Adjusted profit decreased by ¥12.6 billion to ¥27.1 billion mainly due to the impact of natural disasters and rebound of one-time factors in FY2017.

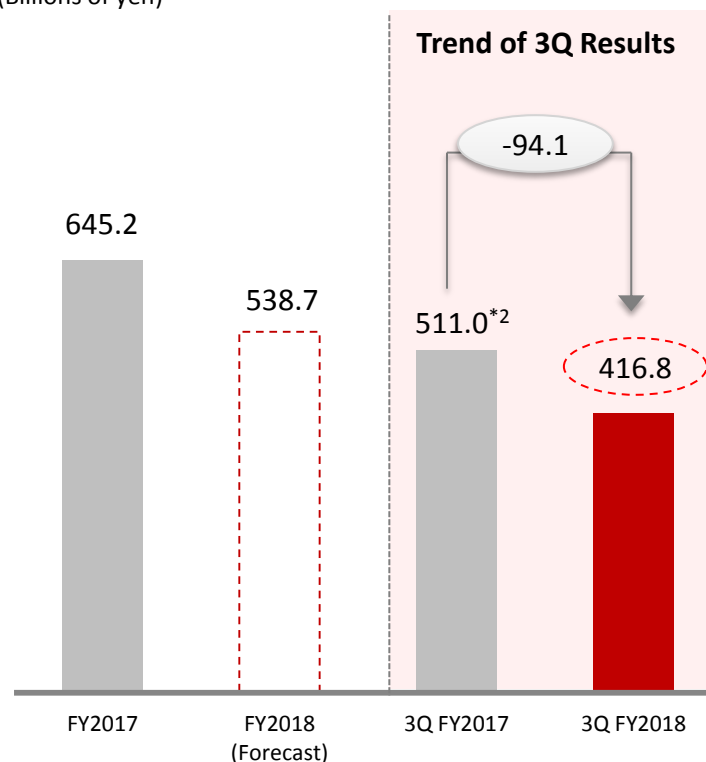
Adjusted profit*1

(Billions of yen)



(Reference) Net premiums written*1

(Billions of yen)



*1 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.

Net premiums written from Sompo Canopus in FY2017 was ¥129.7 bn. and adjusted profit was -¥26.8 bn. The impact slips in FY2018 by completing sales of Sompo Canopus.

*2 Net premiums written from Sompo Canopus in 3Q FY2017 was ¥102.0 bn. and adjusted profit was -¥15.9 bn. (The breakdown: the impact of hurricanes in North America (-¥24.6 bn.), others ¥8.6 bn.)

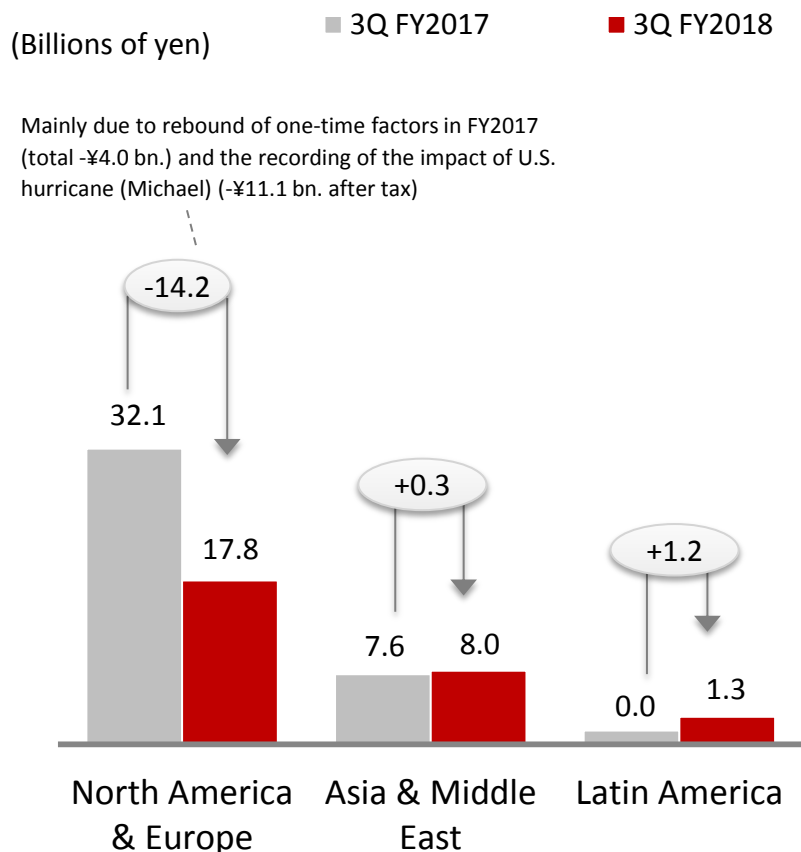
*3 3Q FY2017 adjustment: -¥4.0 billion (impact of hurricanes in North America (+¥68.4 bn.) and a decrease in tax expenses in connection with the reorganization of SI (-¥72.4 bn.)

3Q FY2018 adjustment: +¥11.1 billion (the recording of the impact of U.S. hurricane (Michael) that occurred in October 2018 (after tax))

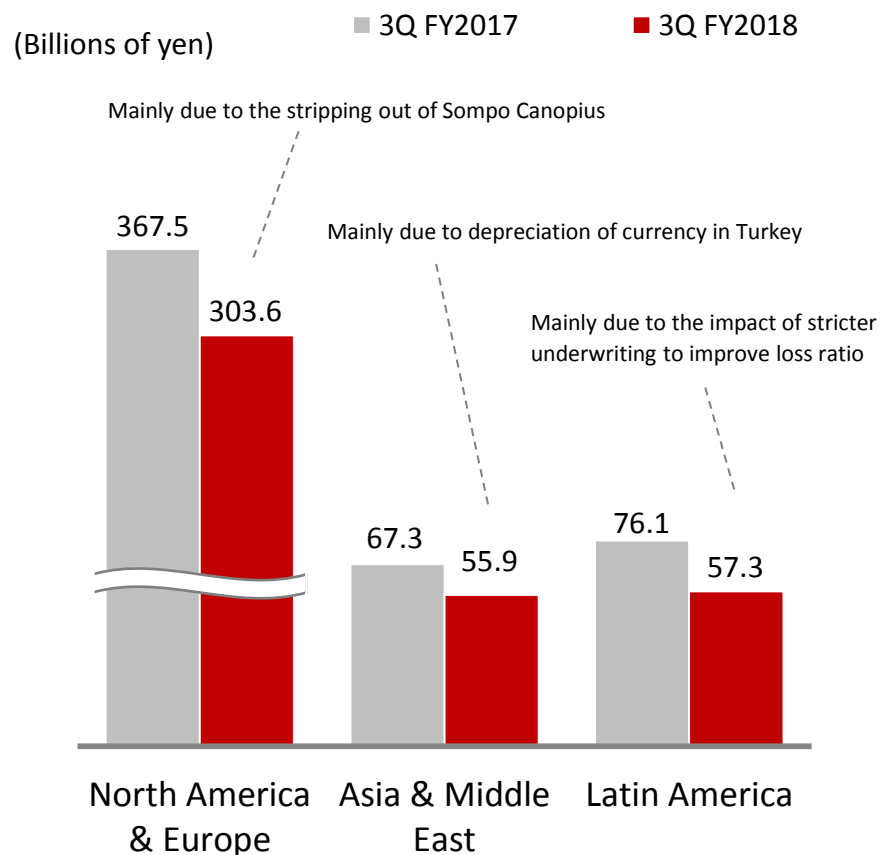
Business Results by Region

◆ Bottom-line of Asia, Middle East and Latin America increased, that of North America & Europe decreased partly due to the rebound of a decrease in tax expenses in connection with the reorganization.

Adjusted profit (by region)



Net premiums written (by region)



(Reference) Business Results by Company

(Billions of yen)		Net premiums written (FY2018)			Adjusted profit (FY2018)			Key points	(Reference) Exchange rate	
		3Q Actual		FY2018 Forecasts	3Q Actual		FY2018 Forecasts		Sep. 2018*4	
			Change			Change			(YoY Change)	
North America & Europe	SI*1	303.6	+38.1	376.2	17.8	-30.2	43.7	*Refer to page30 and 31	113.57 JPY/USD	(+0.7%)
Asia & Middle East	SJ Sigorta (Turkey)	20.5	-15.3	29.9	4.6	-1.4	4.7	While depreciation of local currency, Adjusted profit (Local currency) progressed as planned mainly due to the increase in amount of investment assets and investment profit with high interest rate.	18.95 JPY/TRY	(-40.3%)
	Sompo Singapore	5.6	+0.4	7.7	0.4	-0.8	0.7	Basically in line with the plan.	83.01 JPY/SGD	(-0.0%)
	Berjaya Sompo (Malaysia)	10.9	+2.4	14.1	1.0	+0.4	1.0	Basically in line with the plan.	27.41 JPY/MYR	(+2.8%)
	Sompo Indonesia	4.5	+0.8	7.1	0.1	+0.1	0.1	Basically in line with the plan.	0.0076 JPY/IDR	(-9.5%)
	Sompo China NK China	4.1	+0.2	5.1	0.7	+1.0	0.6	Favorable loss ratio against the plan.	16.50 JPY/RMB	(-2.7%)
	Sompo Hong Kong	3.0	+0.4	3.4	0.2	-0.1	0.4	Basically in line with the plan.	14.53 JPY/HKD	(+0.7%)
	Universal Sompo (India)	4.1	+0.8	5.8	0.2	+0.0	0.2	Basically in line with the plan.	1.59 JPY/INR	(-10.7%)
Latin America	Sompo Seguros (Brazil)	57.3	-18.8	85.3	1.3	+1.2	1.9	While bottom-line progressed as planned mainly due to an improving loss ratio, top-line was impacted by foreign exchange.	28.30 JPY/BRL	(-20.1%)
Other (non-consolidated)*2		2.8	-1.3	3.7	0.3	+1.0	0.1	-	-	-
Total*3		416.8	-94.1	538.7	27.1	-12.6	54.0	-	-	-

*1 Incl. former Sompo America, Sompo Mexico and SJNK Europe. (hereafter)

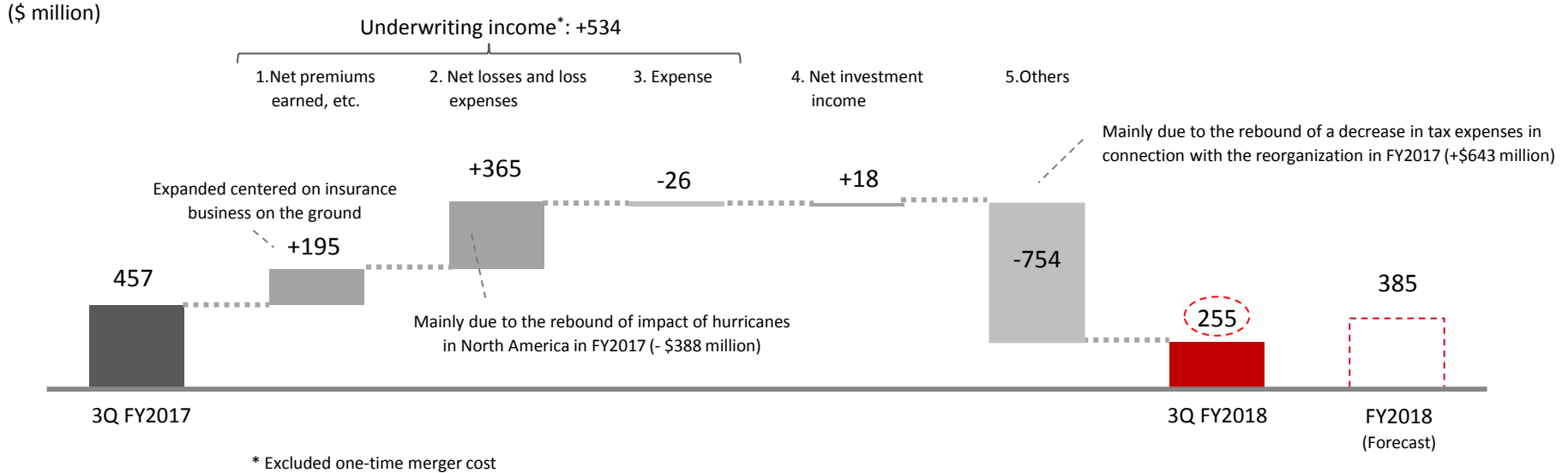
*2 Sum of Sompo Thailand, PGA Sompo (Philippines), United Insurance (Vietnam).

*3 Net premiums written from Sompo Canopus was ¥102.0 bn. and adjusted profit was -¥15.9 bn. in 3Q FY2017.

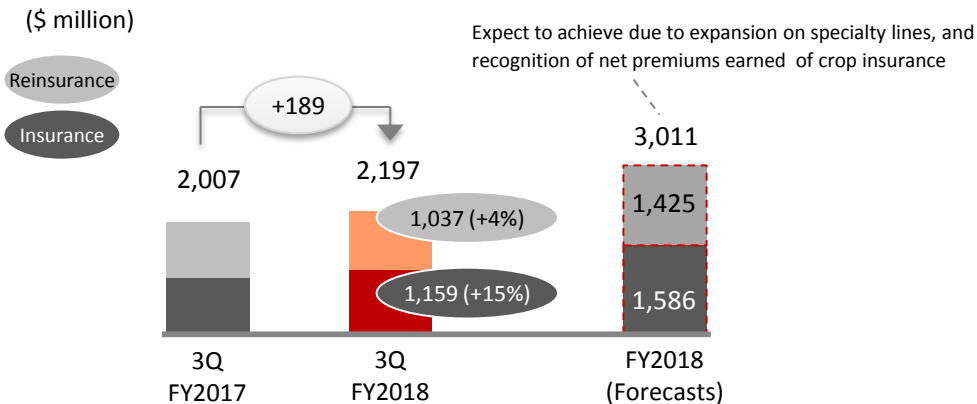
*4 Universal Sompo's exchange rate is based at the end of December 2018. Exchange rate for Forecasts for FY2018 is based at the end of September 2018.

(Reference) Overview of Business Results of SI (1)

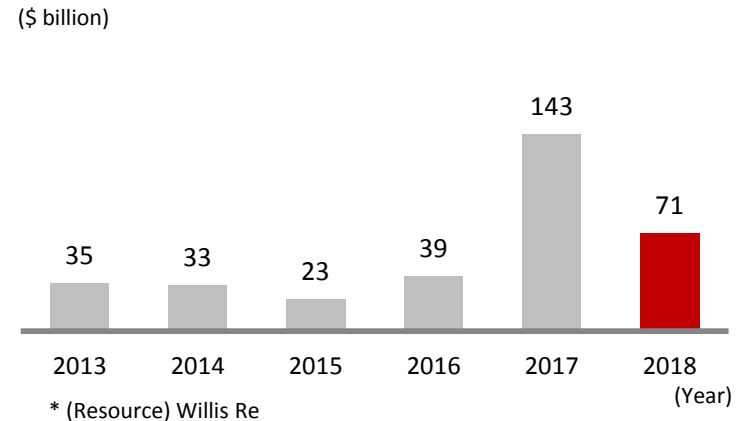
Change factors of adjusted profit (3Q FY2018)



Net premiums earned



(Reference) Transition of net loss related to overseas natural disasters in overall insurance industry



(Reference) Overview of Business Results of SI (2)

(\$ million)	FY2017	3Q FY2018		FY2018	
	(Actual)	(Actual)	YoY Change	(Forecasts)	YoY Change
Gross premiums written	5,281	4,870	+576	5,891	+610
Net premiums written	2,888	2,673	+318	3,313	+424
Net premiums earned	2,719	2,197	+189	3,011	+291
Net losses and loss expenses	2,211	1,367	-365	1,825	-386
Expense* ¹	879	679	+26	929	+50
Loss ratio* ¹	81.3%	62.2%	-24.1pt	60.6%	-20.7pt
Expense ratio* ¹	32.3%	30.9%	-1.6pt	30.9%	-1.5pt
Combined ratio* ¹	113.6%	93.2%	-25.7pt	91.5%	-22.2pt
Underwriting income	-428	154	+591	269	+697
Net investment income	263	206	+18	279	+15
Net income (After Preferred dividend)	-195	180	+414	327	+522
+) Net foreign exchange gains	+11	-7	-17	-8	-19
+) Net realized and unrealized gains, net impairment losses, etc.	-29	+84	+97	+69	+99
+) Income tax expense	-13	-2	+3	-3	+10
+) One-time merger cost	+56	-	-57	-	-56
Operating Income	-170	255	+441	385	+555
+) Others* ²	+681	-100	-743	-	-681
Adjusted profit	511	154	-302	385	-126

While favorable insurance business on the ground, loss ratio centered on reinsurance business rose against full-year forecast

(Reference)
Adjusted profit

*1 The denominator of loss ratio, expense ratio and combined ratio is net premiums earned
One-time merger cost is excluded as a special factor in expense, expense ratio and combined ratio in FY2017

*2 A decrease in tax expenses in connection with the reorganization in FY2017 and the recording of the impact of U.S. hurricane (Michael) that occurred in October 2018 (-¥11.1 billion after tax)

*3 Impact of US tax reform (FY2017): around + ¥ 0.5 billion (consolidated basis), only a limited impact from FY2018 onward

(Reference) Timing of recognizing net premiums earned in crop insurance (Seasonality)
1Q: 10-15% 2Q: 25-30% 3Q: 30-35% 4Q: 25-30%

1. Consolidated financial results

2. Domestic P&C insurance

3. Overseas insurance

4. Domestic life insurance

5. Nursing care & healthcare, etc.

6. ERM & asset management

Overview of 3Q FY2018 Results – Himawari Life

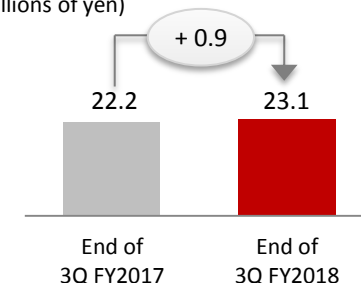
- ◆ Due partly to strong sales of new income compensation line, premium and other income expanded.
- ◆ Net income increased by ¥5.5 billion to ¥13.4 billion, progressed exceeding full-year forecast.

Major indicators

(Billions of yen)	3Q FY2017	3Q FY2018	Change		FY2018 (Forecasts)
Annualized new premium	26.5	26.8	+0.3	(+1.1%)	42.3
of which, income compensation product	1.9	6.1	+4.1	(+211.1%)	6.5
Premium and other income	319.6	323.5	+3.9	(+1.2%)	452.0
Paid claims, etc.	49.3	49.2	-0.0	(-0.2%)	69.3
Expense	68.7	67.5	-1.2	(-1.8%)	99.6
Investment profit	35.0	32.2	-2.7	(-7.8%)	45.3
of which, general account	32.5	33.1	+0.5	(+1.8%)	44.7
Basic profit	16.1	24.2	+8.1	(+50.3%)	22.9
Ordinary profit	15.4	23.0	+7.6	(+49.6%)	21.9
Net income	7.8	13.4	+5.5	(+71.1%)	12.0
Adjusted profit	22.6	25.5	+2.9	(+12.8%)	32.0

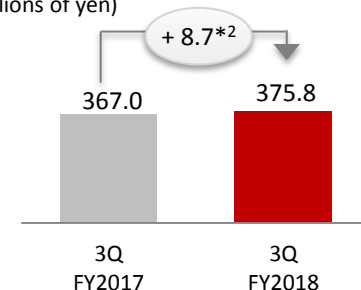
(Reference)
Amount of business in force*1

(Trillions of yen)



(Reference)
Annualized premium in force*1

(Billions of yen)



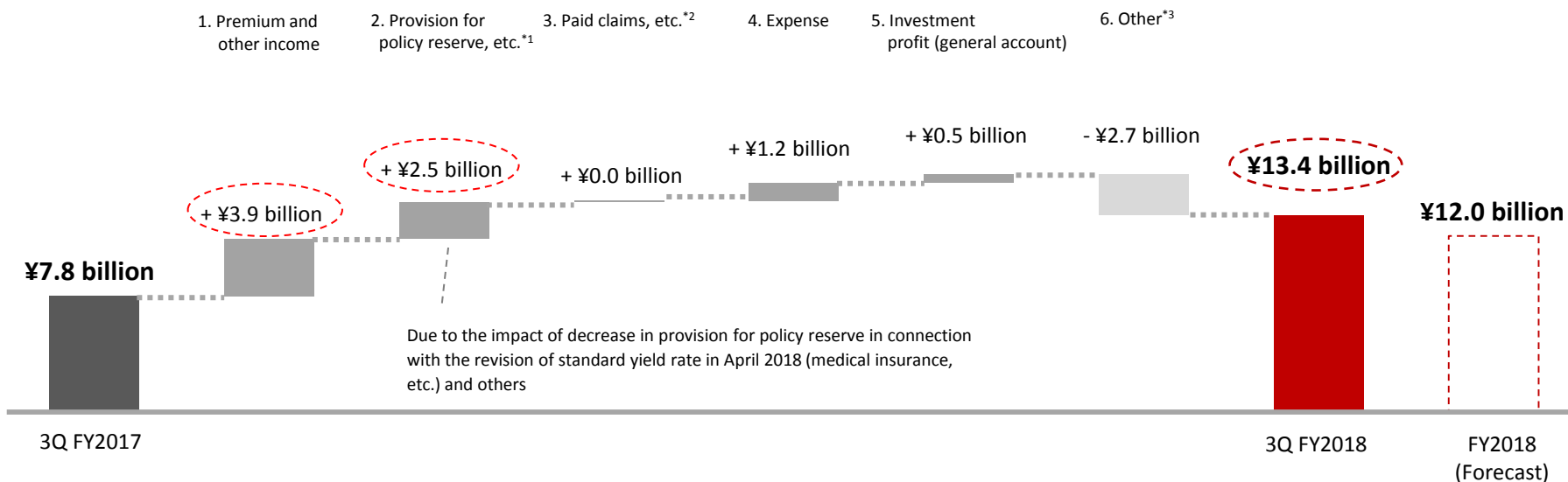
*1 The sum of individual insurance and individual annuities.

*2 Of which protection-type +¥6.5 bn.

Net Income (J-GAAP) – Himawari Life

- ◆ Mainly due to decrease in provision for policy reserve and expansion in policies in force, net income increased.
- ◆ Progressed as planned partly because paid claims, etc. stay at the favorable level.

Changing factors of net income



	1. Premium and other income	2. Provision for policy reserve, etc.	3. Paid claims, etc.	4. Expense	5. Investment profit (general account)	6. Other	Net income
3Q FY2017	¥319.6 billion	- ¥217.5 billion	- ¥49.3 billion	- ¥68.7 billion	¥32.5 billion	- ¥8.6 billion	¥7.8 billion
3Q FY2018	¥323.5 billion	- ¥214.9 billion	- ¥49.2 billion	- ¥67.5 billion	¥33.1 billion	- ¥11.4 billion	¥13.4 billion
FY2018 Forecasts	¥452.0 billion	- ¥304.6 billion	- ¥69.3 billion	- ¥99.6 billion	¥44.7 billion	- ¥11.7 billion	¥12.0 billion

*1 Include the impact of cancellation refund, maturity insurance amount, survival benefits, pension and other refund and gains or losses on investments in separate accounts

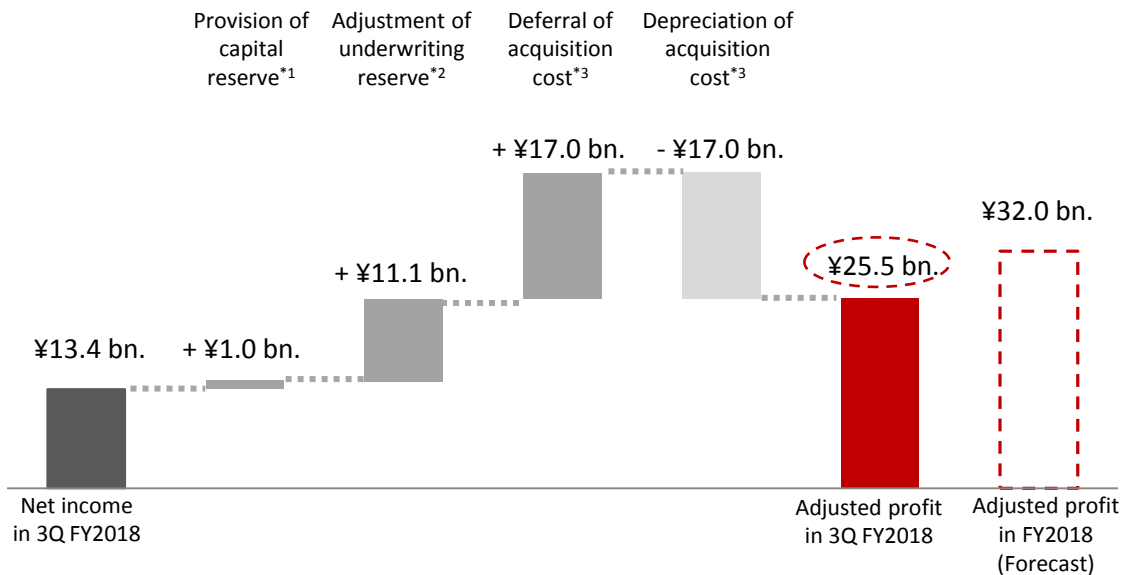
*2 Include the effect of provision or reversal of reserve for outstanding claims (excluding maturity insurance amount and survival benefits)

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

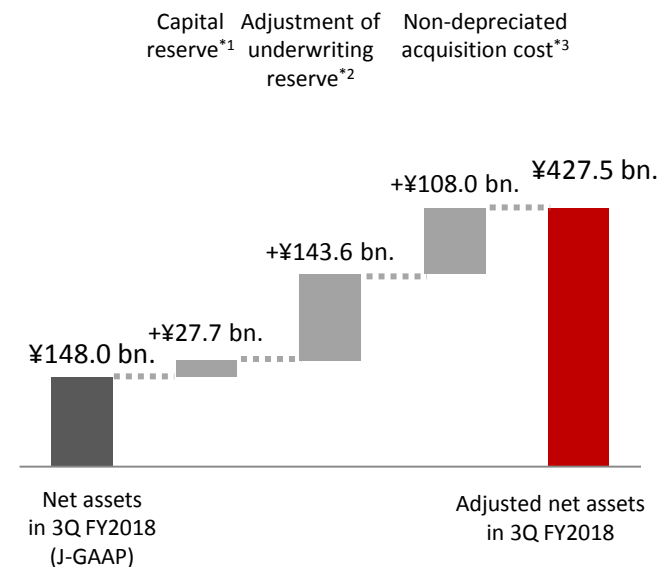
Adjusted Profit and Adjusted Net Assets – Himawari Life

◆ Adjusted profit in 3Q FY2018 was ¥25.5 billion, progress rate was 80% against FY2018 forecasts (¥32.0 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. Consolidated financial results

2. Domestic P&C insurance

3. Overseas insurance

4. Domestic life insurance

5. Nursing care & healthcare, etc

6. ERM & asset management

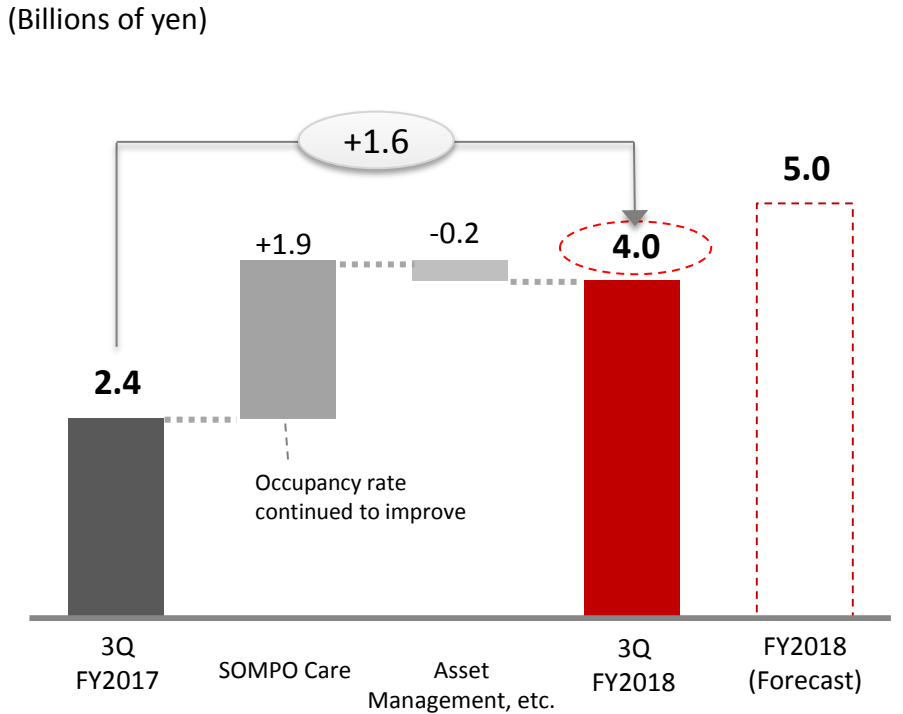
Overview of 3Q FY2018 Results – Nursing Care & Healthcare, etc.

◆ Due partly to continuous improvement of occupancy rate, net income in nursing care increased by ¥1.9 billion.

Results of nursing care business (SOMPO Care*1)

(Billions of yen)	3Q FY2018		FY2018
	(Actual)	(Change)	(Forecasts)
Sales	93.2	+3.3	123.2
Net income	3.3	+1.9	3.8
Occupancy rate*2			
(SOMPO-no-le)	92.0%	+2.0pt	92.8%
(SOMPO-no-le S)	92.4%	+3.9pt	92.1%
(La vie Re)	86.8%	+3.1pt	87.8%
Number of users of at-home nursing care services (headcount)	47,672	+2,047	-

Changing factors of adjusted profit (Nursing Care & Healthcare, etc.*3)

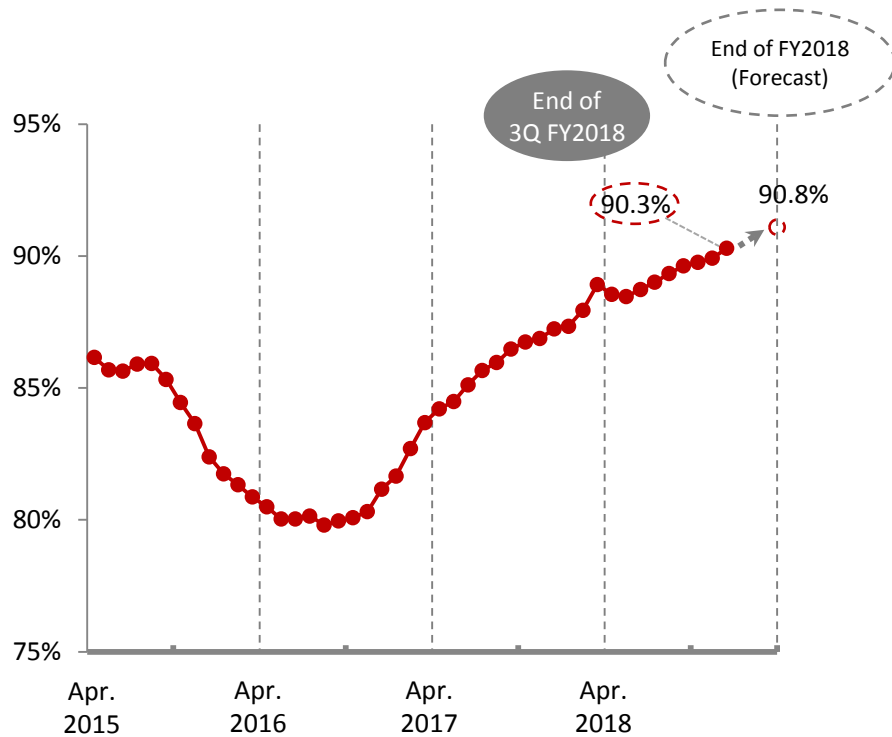


*1 Former SOMPO Care and SOMPO Care Next merged in July 2018.
 *2 Occupancy rate = the number of residents / capacity of facilities
 SOMPO-no-le, SOMPO-no-le S, and La vie Re are brands of former SOMPO Care's nursing homes, serviced residential complexes for elderly, and former SOMPO Care Next's nursing homes respectively.

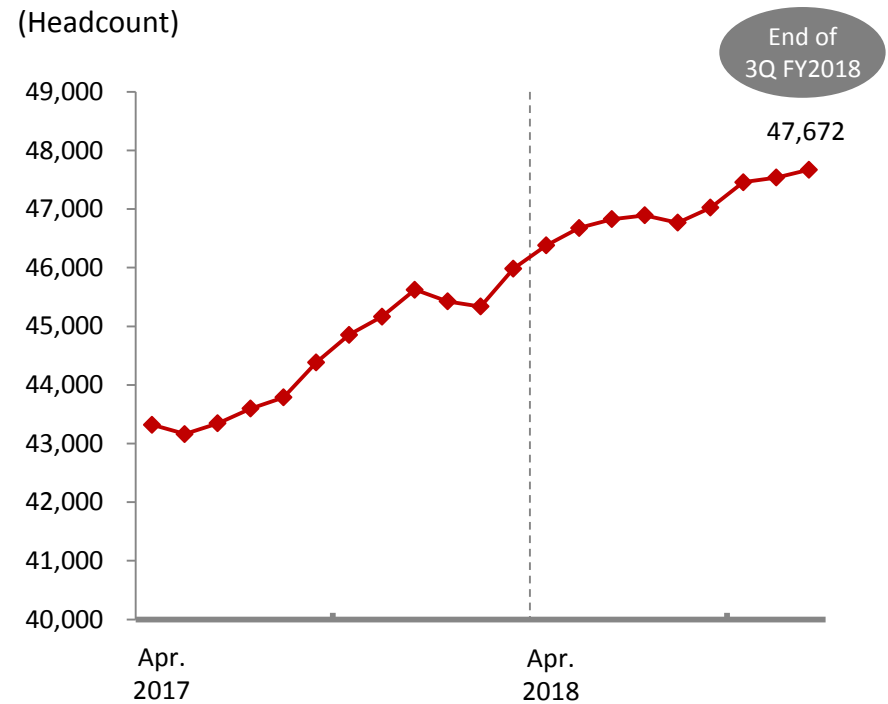
*3 Nursing care & healthcare business is the sum of SOMPO Care and asset management, etc.

(Reference) Major Indicators of SOMPO Care

Progress of occupancy rate*



Progress of Number of users of at-home nursing care services



* Integrate the occupancy rate of former SOMPO Care and SOMPO Care Next

1. Consolidated financial results

2. Domestic P&C insurance

3. Overseas insurance

4. Domestic life insurance

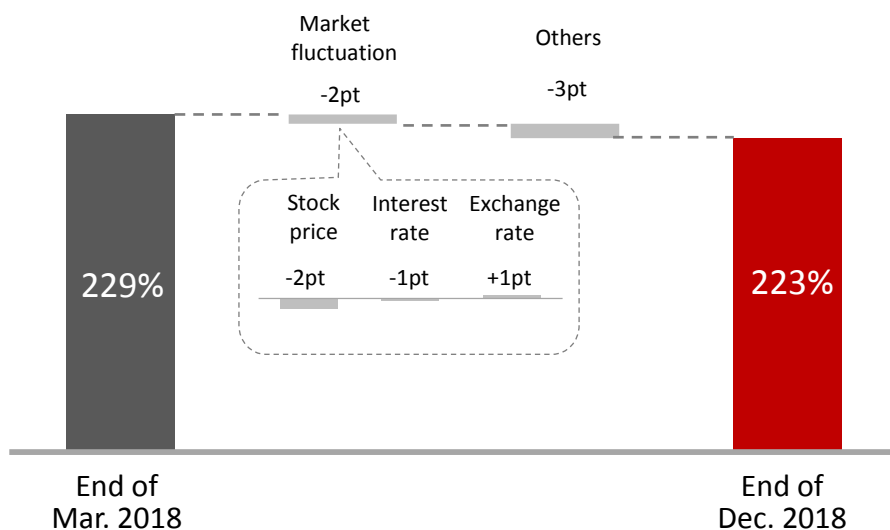
5. Nursing care & healthcare, etc.

6. ERM & asset management

Financial Soundness – ESR (99.5%VaR)

◆ ESR (99.5VaR) as of end of 3Q FY2018 was 223%, stayed at target range level.

Trend of ESR (99.5%VaR)*1



*1 In accordance with Solvency II

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

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

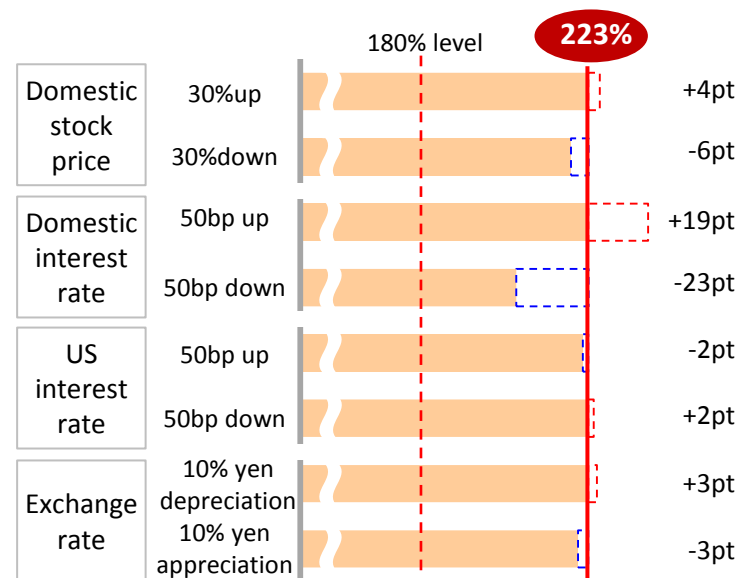
180% level: The level leading to stable financial soundness,

Typical actions in case of constant deviation from target range

【Over 250% level】 Consider additional risk-take (investments in growth fields) and enhance shareholder returns by share buy-back and others

【Under 180% level】 Execute a variety of measures to reduce risks, consider enhancing capital buffer by hybrid bond issuance, etc. and retain more earnings and others

Sensitivity of ESR (99.5%VaR)



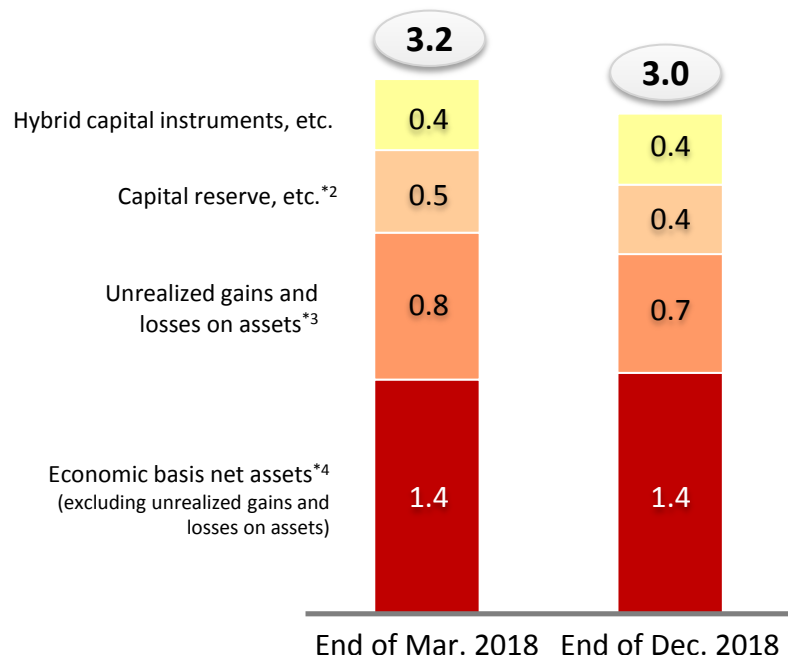
(Reference) Market indicators	End of Dec. 2018	(change*3)
Domestic stock price (Nikkei 225)	¥20,015	(-6.7%)
Domestic interest rate (30y JGB)	0.72%	(-2bp)
US interest rate	2.68%	(-5bp)
Exchange rate (JPY/USD)	¥111.00	(+4.5%)

*3 Against the end of March 2018

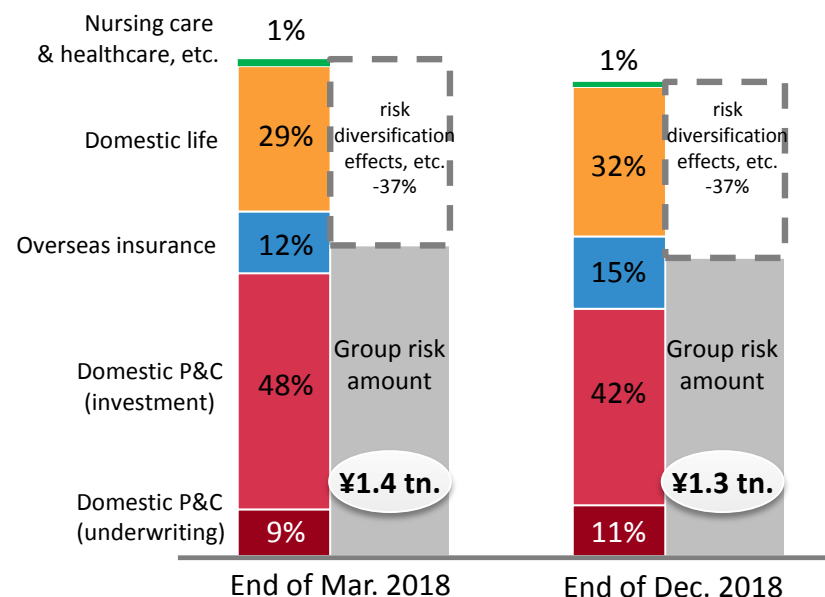
(Reference) Breakdown of Adjusted Capital and Risk

Adjusted capital*1

(Trillions of yen)



Risk amount*5



*1 Formula for adjusted capital: Adjusted capital = Total of net assets on the non-consolidated balance sheet + value in force – goodwill, etc.
+ unrealized gains and losses on non mark-to-market assets + capital reserve, etc. + hybrid capital instruments

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

*3 Unrealized gains and losses on securities, etc., including non mark-to-market assets.

*4 Total of net assets on non-consolidated balance sheets, and value in force of P&C and life insurance business. (excl. goodwill and attributable to non-controlling shareholders, etc.)

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

• Risk amount of each business : Before reflecting risk diversification effect among businesses and before-tax basis.

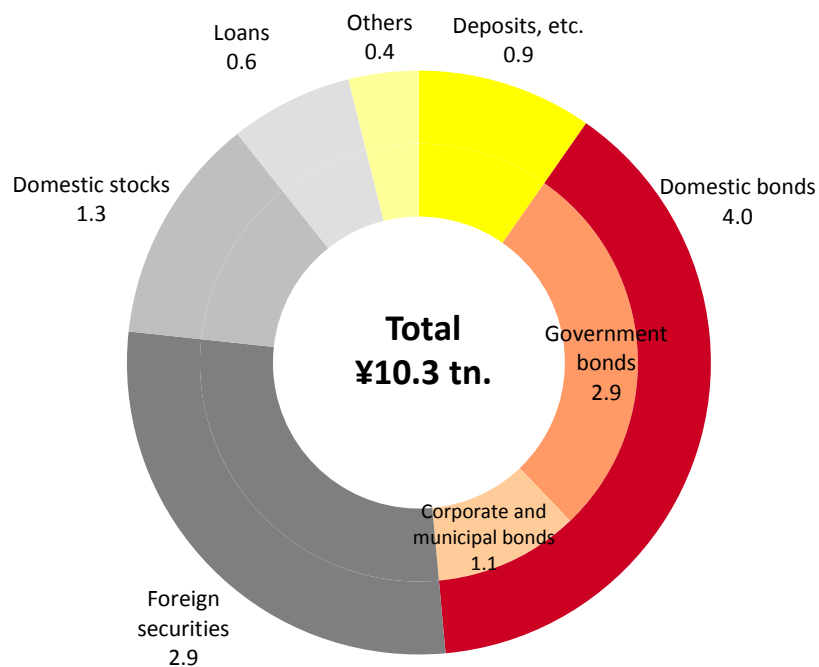
• Group total risk : Sum of risk amount of each business less risk diversification effect among businesses and tax impact.

Asset Portfolio – Group-wide

- ◆ Built a stable portfolio centered on bonds, considering liability, liquidity, quality and other characteristics.

Amount of investment assets (as of end of December 2018, group consolidated base)

(Trillions of yen)



Investment assets by company

(Billions of yen)

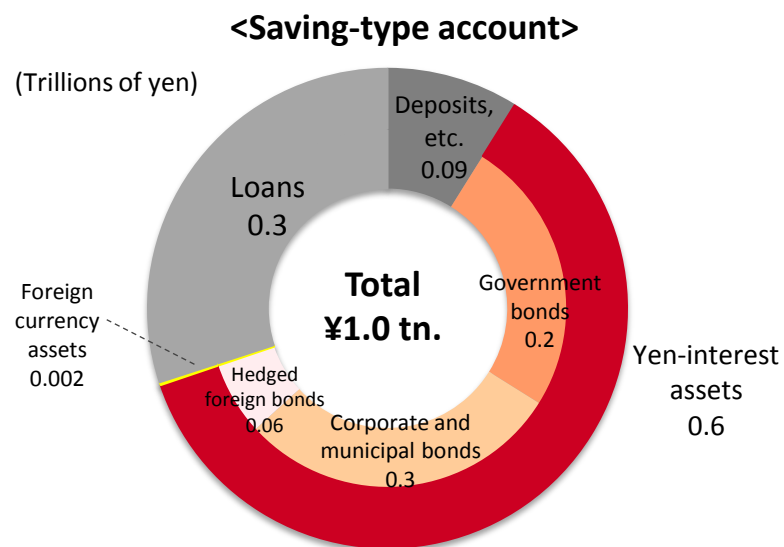
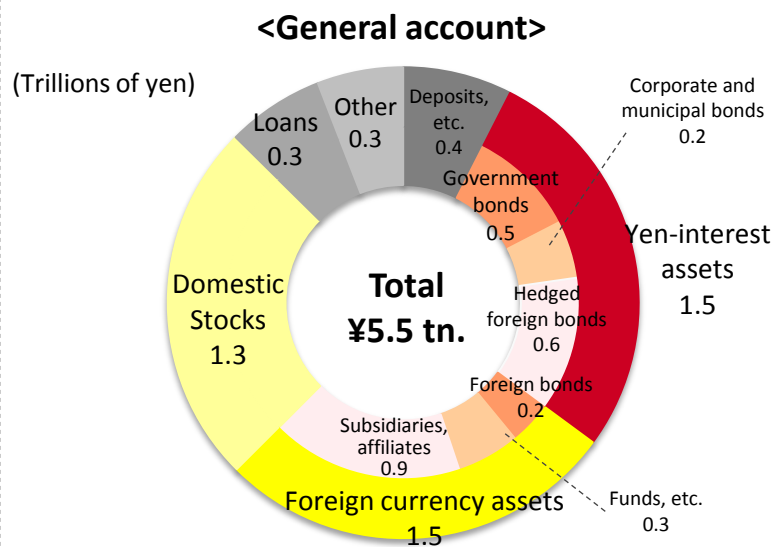
	Amount of investment assets	Composition
Sompo Japan Nipponkoa	5,552.5	53.8%
Overseas group subsidiaries	1,477.2	14.3%
(Of which, SI)	(1,210.4)	(11.7%)
Himawari Life (General account)	3,144.0	30.4%
Saison Automobile & Fire and Sonpo 24	63.0	0.6%
Other domestic subsidiaries	92.7	0.9%
Total	10,329.5	100.0%

* 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.

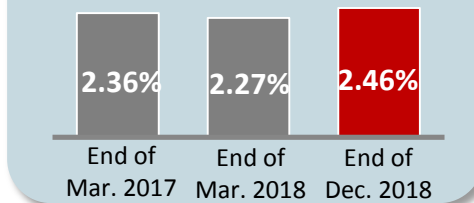
Amount of investment assets (as of end of December 2018, Sompo Japan Nipponkoa, non-consolidated)



Composition by ratings*1

Internal rating	Composition
BBB or above	100%
BB or below	0%

Trend of income yield*2



Composition by ratings*1

Internal rating	Composition
BBB or above	100%
BB or below	-

Duration (years)

	End of Mar. 2018	End of Dec. 2018
Asset	4.2	4.0
Liability	5.8	5.6

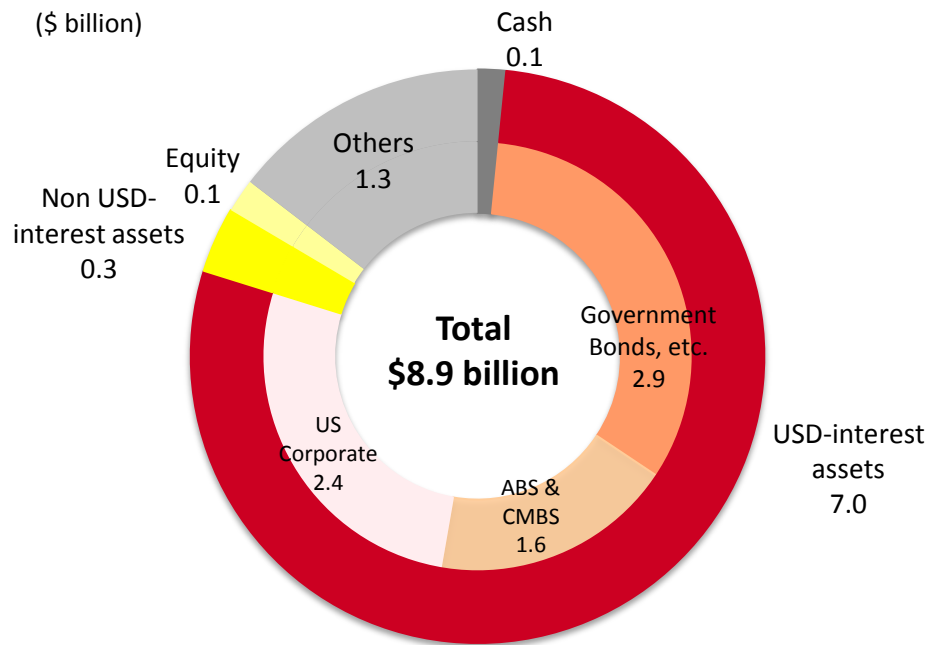
*1 Total of yen-interest assets and foreign currency bonds

*2 Excluding overseas subsidiaries' shares, etc.

Asset Portfolio - SI

◆ Emphasize on liquid, high quality assets to meet company liabilities, while investing in USD-interest assets at the base.

Amount of investment assets (as of end of September 2018, SI, consolidated)



Composition by ratings

Rating	Composition
BBB or above	92%
BB or below	8%

Duration (years)

	End of Dec. 2017	End of Sep. 2018
Asset	3.6	3.3
Liability	2.9	2.8

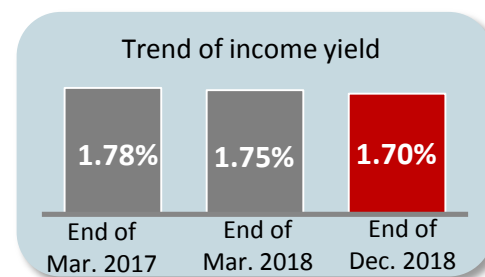
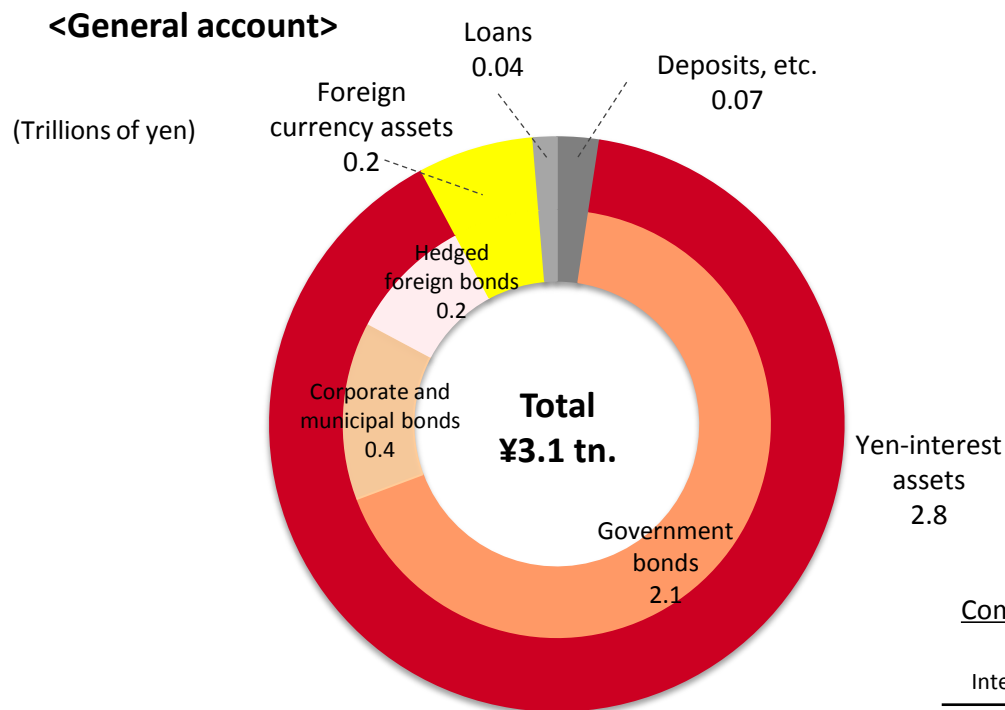
(Reference) Income yield* at the end of September 2018: 3.03%

*Incl. Changes in unrealized gains and losses on certain funds, etc.

Asset Portfolio – Himawari Life

- ◆ Manage the portfolio through disciplined ALM, which mainly consists of yen-interest assets.
- ◆ Slightly increased allocation to corporate bonds, etc. in light of the domestic low interest rate environment.

Amount of investment assets (as of end of December 2018, Himawari Life, non-consolidated)



Composition by ratings*

Internal rating	Composition
BBB or above	100%
BB or below	0%

Duration (years)

	End of Mar. 2018	End of Dec. 2018
Asset	13	13
Liability	23	24

(Reference) Amount of separate account (End of Dec. 2018): ¥21.7 billion
(mainly investment in domestic stocks and bonds in the separate account)

* Total of yen-interest assets and foreign currency bonds

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

E-Mail : ir@sompo-hd.com

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