

Highlights of 1Q FY2019 Results

August 9, 2019
Sompo Holdings, Inc.



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* SI stands for Sompo International(hereafter).

Highlights of 1Q FY2019 Results

- ◆ While consolidated ordinary profit and net income decreased due to the impact of higher ordinary underwriting reserve in connection with net premium growth as well as increase in reinsurance costs, etc., progress was largely in line with full-year business forecasts.
- ◆ Consolidated adjusted profit was ¥54.9 billion, the progress rate against full-year forecasts (¥185.0 billion) trended favorably at 30%.

Sompo Japan Nipponkoa

- Underwriting profit decreased by ¥17.8 billion partly due to the impact of higher ordinary underwriting reserve in connection with net premium growth and increase reinsurance costs.
 - * W/P loss ratio* of automobile insurance improved by 2.7pt against 1Q FY2018.
 - The number of reported claims also decreased favorably by 2.6%.
- The amount of reduction in strategic holding stocks was ¥20.8 billion. (¥32.8 billion: including hedge)
 - * Full-year reduction plan: approximately ¥100.0 billion
- While ordinary profit and net income decreased, progress was in line with plan.
- Adjusted profit was ¥34.0 billion, the progress rate against full-year forecasts (¥91.8 billion) was 37%.

Overseas insurance

- Adjusted profit in overseas insurance increased by ¥0.3 billion to ¥12.2 billion.
- Growth in premiums, mainly driven by an improving insurance market, surpassed forecast, despite seasonal factors affecting the business results of SI.

Himawari Life

- Policies in force expanded steadily centered on protection-type products.

Nursing care and health care

- Occupancy rate in nursing care business continued to improve.

* W/P loss ratio means written-paid loss ratio; numerator is net claims paid, and denominator is net premiums written

1. Consolidated financial results

2. Domestic P&C insurance

3. Overseas insurance

4. Domestic life insurance

5. Nursing care & healthcare, etc.

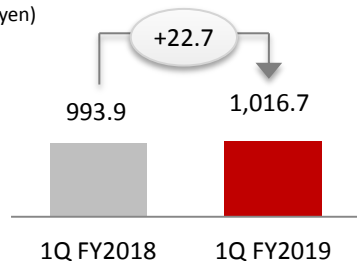
6. ERM & asset management

Overview of 1Q FY2019 Results – Consolidated Basis

- ◆ Net premiums written increased by ¥47.0 billion driven by SI and Sompo Japan Nipponkoa growth.
- ◆ While consolidated net income decreased by ¥24.9 billion, progress was in line, excluding the impact of catastrophic loss reserve.

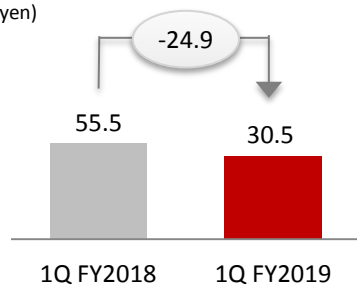
Consolidated ordinary income

(Billions of yen)



Consolidated net income

(Billions of yen)



(Billions of yen)	1Q FY2018	1Q FY2019	Change	FY2019 (Forecast)
Consolidated ordinary income	993.9	1,016.7	+22.7 (+2.3%)	-
Net premiums written (P&C)	747.3	794.4	+47.0 (+6.3%)	2820.0
Life insurance premiums	83.1	82.9	-0.2 (-0.3%)	363.0
Consolidated ordinary profit	72.7	42.8	-29.8	250.0
Sompo Japan Nipponkoa	52.7	28.7	-23.9	226.0
Overseas insurance subsidiaries	3.1	29.8	+26.7	68.5
Himawari Life	6.7	6.9	+0.1	24.2
Nursing care and healthcare*1	1.0	1.8	+0.7	6.6
Consolidated adjustment**2/Others	9.0	-24.4	-33.5	-75.3
Consolidated net income*3	55.5	30.5	-24.9	168.0
Sompo Japan Nipponkoa	39.1	21.2	-17.8	163.0
Overseas insurance subsidiaries	2.4	25.8	+23.4	58.3
Himawari Life	4.7	4.8	+0.0	16.0
Nursing care and healthcare	0.7	1.0	+0.3	3.8
Consolidated adjustment/Others	8.4	-22.4	-30.8	-73.2
(Reference) Adjusted profit (by business)	71.6	54.9	-16.6	185.0
Domestic P&C insurance	49.8	33.3	-16.5	86.5
Overseas insurance	11.9	12.2	+0.3	59.0
Domestic life insurance	8.7	8.2	-0.4	34.0
Nursing care & healthcare, etc.	1.1	1.0	-0.0	5.5

*1 Nursing care and healthcare is sum of SOMPO Care and SOMPO health support.

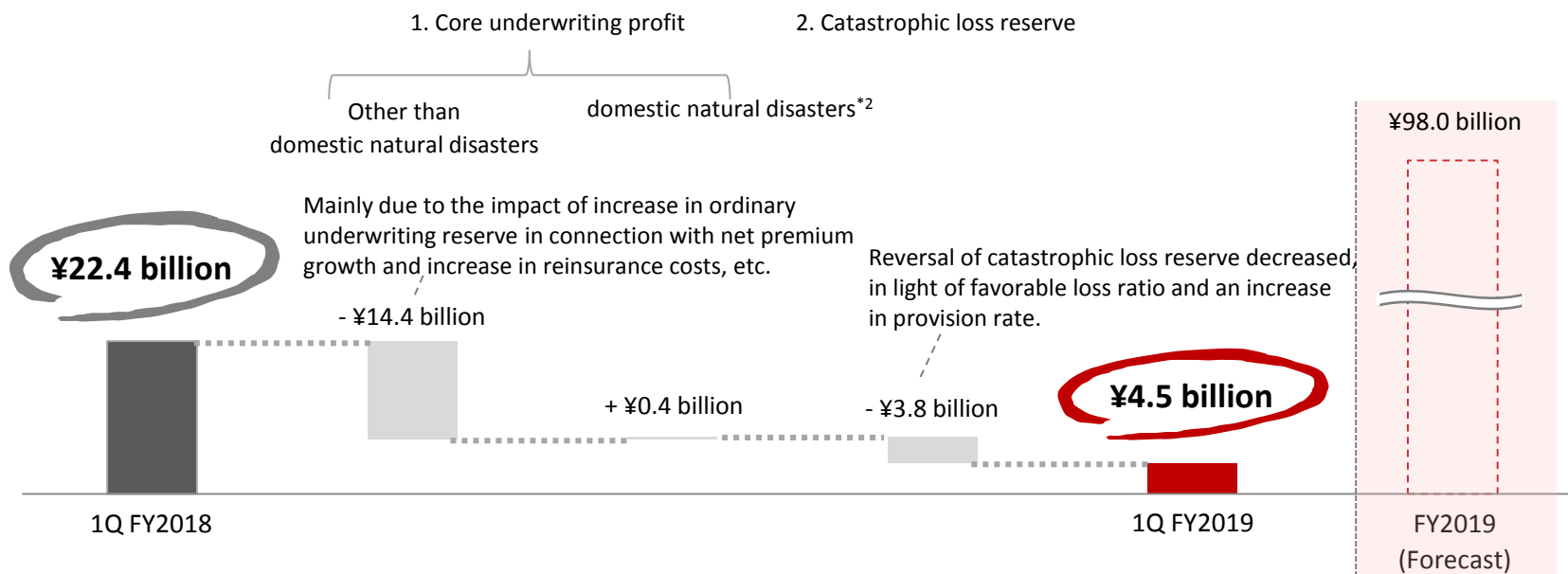
*2 "Purchase method" accounting was adopted upon the establishment of Sompo Holdings. The figures therefore include adjustments for gains/losses on sales, etc.

*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 (Sompo Japan Nipponkoa)

- ◆ Increase in ordinary underwriting reserve in connection with net premium growth and decrease in reversal of catastrophic reserve drove the negative impact to the results.
- ◆ Core underwriting profit*¹ progress rate against full-year forecast (¥84.4 billion) trended favorably at 35%.

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 FY2018	¥43.9 billion	¥44.3 billion	- ¥0.4 billion	- ¥21.5 billion	¥22.4 billion
1Q FY2019	¥29.9 billion	¥29.9 billion	- ¥0.0 billion	- ¥25.3 billion	¥4.5 billion

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

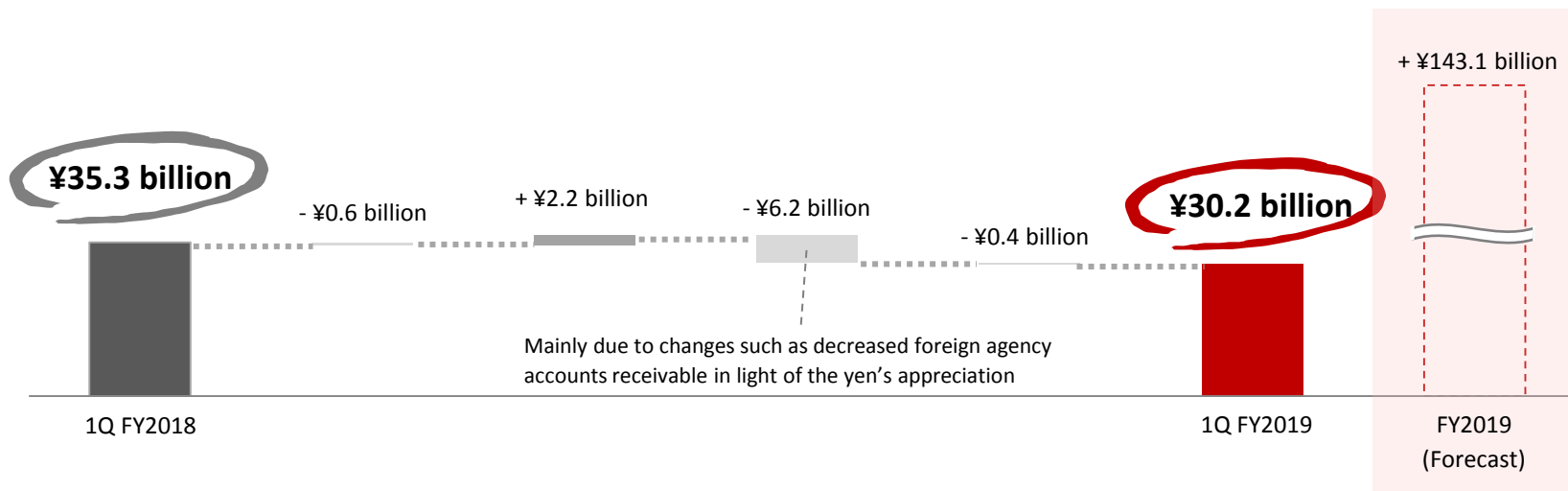
*2 Domestic natural disasters is sum of net claims paid that occurred in the current fiscal year

Main Points of Consolidated Results – (2) Investment Profit (Sompo Japan Nipponkoa)

◆ Reduced strategic holding stocks steadily, investment profit was ¥30.2 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

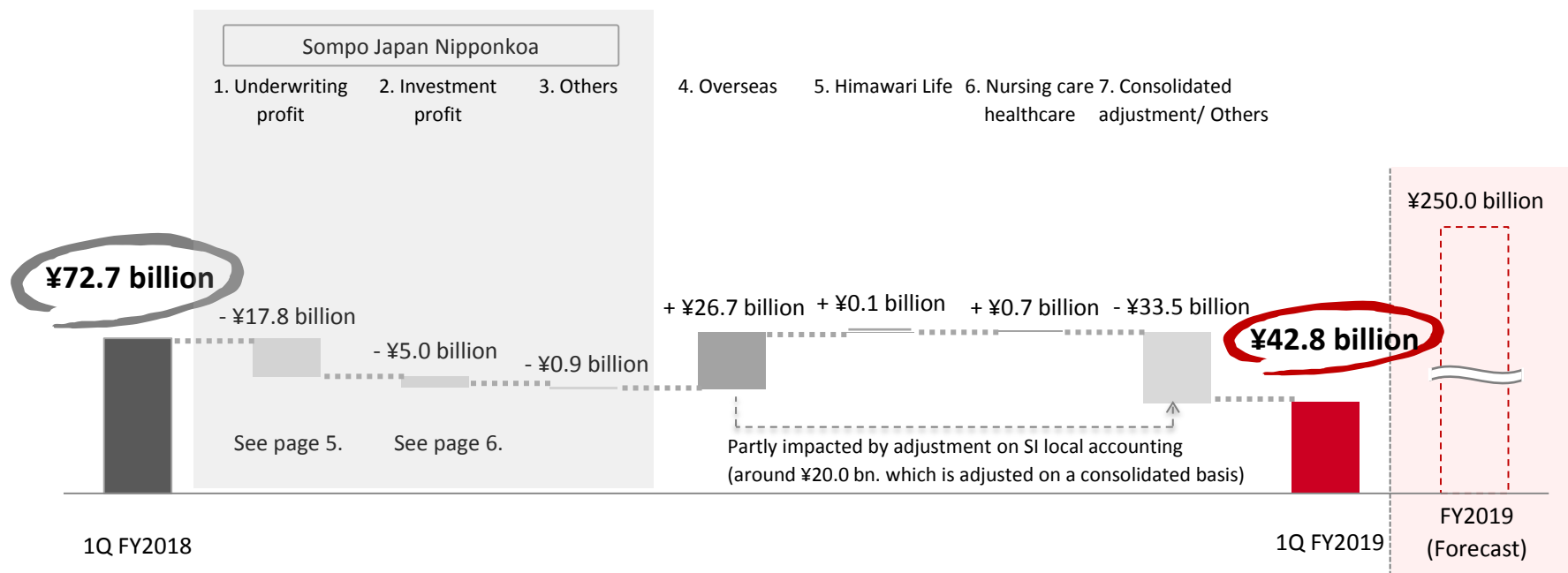


	1. Net interest and dividend income	2. Gains/losses on sales of securities	3. Foreign exchange gains/losses	4. Other	Investment profit
1Q FY2018	¥25.5 billion	¥7.2 billion	¥3.6 billion	- ¥1.1 billion	¥35.3 billion
1Q FY2019	¥24.8 billion	¥9.5 billion	- ¥2.5 billion	- ¥1.6 billion	¥30.2 billion

Main Points of Consolidated Results – (3) Ordinary Profit

◆ Consolidated ordinary profit was ¥42.8 billion, mainly due to a decrease in Sompo Japan Nipponkoa ordinary profit.

Changing factors of consolidated ordinary profit



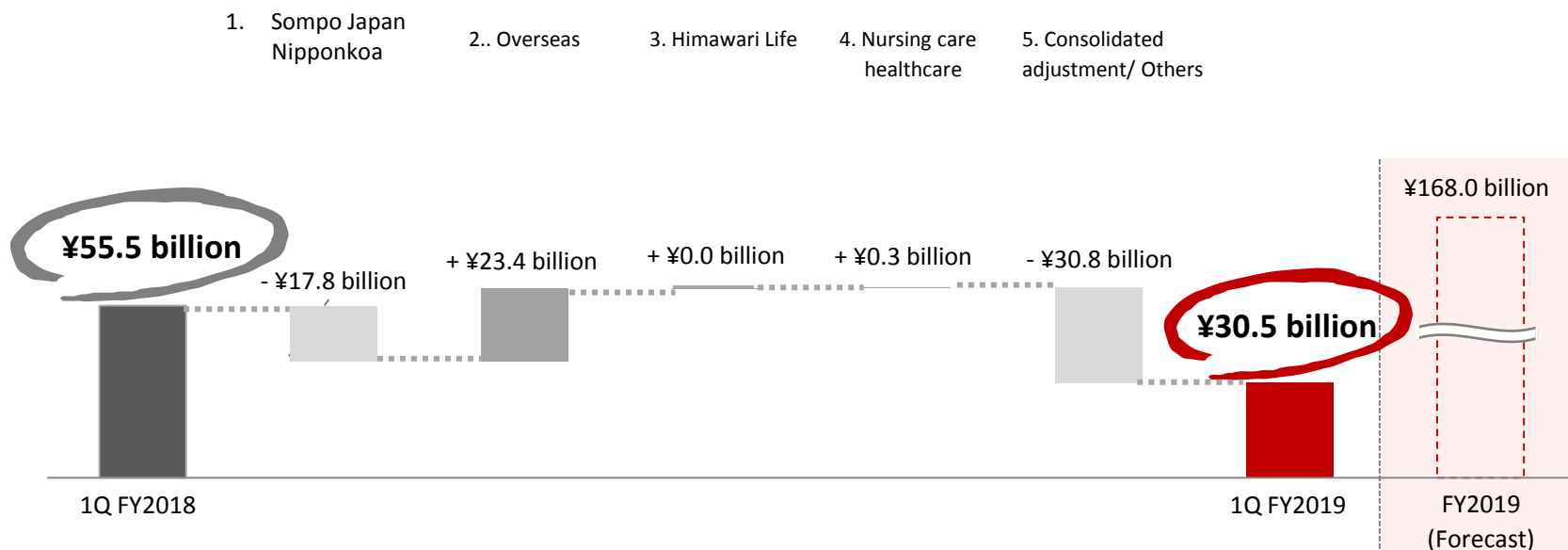
	1. Underwriting profit	2. Investment profit	3. Others	4. Overseas subsidiaries	5. Himawari Life	6. Nursing care healthcare	7. Consolidated adjustment/others	Ordinary profit
1Q FY2018	¥22.4 billion	¥35.3 billion	- ¥5.0 billion	¥3.1 billion	¥6.7 billion	¥1.0 billion	¥9.0 billion	¥72.7 billion
1Q FY2019	¥4.5 billion	¥30.2 billion	- ¥6.0 billion	¥29.8 billion	¥6.9 billion	¥1.8 billion	- ¥24.4 billion*	¥42.8 billion

* Net amortization amount (before tax) of goodwill and intangible assets, etc. of SI for 1Q FY2019: ¥5.9 billion

Main Points of Consolidated Results – (4) Net Income

◆ Consolidated net income decreased by ¥24.9 billion to ¥30.5 billion.

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
1Q FY2018	¥39.1 billion	¥2.4 billion	¥4.7 billion	¥0.7 billion	¥8.4 billion	¥55.5 billion
1Q FY2019	¥21.2 billion	¥25.8 billion	¥4.8 billion	¥1.0 billion	- ¥22.4 billion	¥30.5 billion

(Reference) Business Forecasts for FY2019 – Consolidated Basis

(Billions of yen)	FY2018 (Actual)	FY2019 (Forecasts)	Change
Net premiums written (P&C)	2,718.1	2,820.0	+101.8 (+3.7%)
Life insurance premiums	349.6	363.0	+13.3 (+3.8%)
Consolidated ordinary profit	198.9	250.0	+51.0
Sompo Japan Nipponkoa	215.5	226.0	+10.4
Overseas subsidiaries	-5.8	68.5	+74.3
Himawari Life	23.2	24.2	+0.9
Nursing care and healthcare	5.9	6.6	+0.6
Consolidated adjustment/others	-39.9	-75.3	-35.4
Consolidated net income	146.6	168.0	+21.3 (+14.6%)
Sompo Japan Nipponkoa	175.7	163.0	-12.7
Overseas subsidiaries	-6.1	58.3	+64.4
Himawari Life	15.3	16.0	+0.6
Nursing care and healthcare	4.2	3.8	-0.3
Consolidated adjustment/others	-42.5	-73.2	-30.6
Consolidated net income per share (Yen)	392	451	+58
(Reference) Adjusted profit (by business)	113.5	185.0	+71.4 (+62.9%)
Domestic P&C insurance	42.3	86.5	+44.1
Overseas insurance	33.0	59.0	+25.9
Domestic life insurance	32.8	34.0	+1.1
Nursing care & healthcare, etc.	5.2	5.5	+0.2
Adjusted profit per share (Yen)	303	496	+192 (+63.5%)

(Reference) Main Points of Business Forecasts for FY2019

- ◆ Consolidated ordinary profit is expected to increase by ¥51.0 billion to ¥250.0 billion and consolidated net income is expected to be ¥168.0 billion, setting a new record, mainly due to the normalization of the impact from domestic and overseas natural disasters, in addition to organic growth in each business and partially offset by impacts from the consumption tax hike, etc.
- ◆ Adjusted consolidated profit in FY2019 is expected to increase by ¥71.4 billion to ¥185.0 billion.

Sompo Japan Nipponkoa

- Underwriting profit is expected to increase by ¥56.0 billion, mainly due to a rebound of the impact on the extra ordinary provisions for catastrophic loss reserve and improved profitability with product revisions, partially offset by impacts from the consumption tax hike, etc.
- Amount of the reduction of strategic-holding stocks in FY2019 is expected to be around ¥100.0 billion.
- Investment profit is expected to decrease by ¥46.6 billion due to the rebound of the accelerated reduction of strategic-holding stocks.
- As a result, ordinary profit is expected to increase by ¥10.4 billion to ¥226.0 billion and net income is expected to decrease by ¥12.7 billion to ¥163.0 billion, partly due to the absence of one-time factors that impacted the previous fiscal year.

Overseas insurance

- Net income is expected to increase by ¥64.4 billion to ¥58.3 billion, mainly due to normalization of the impact from natural disasters and organic growth led by insurance business at SI.

Himawari Life

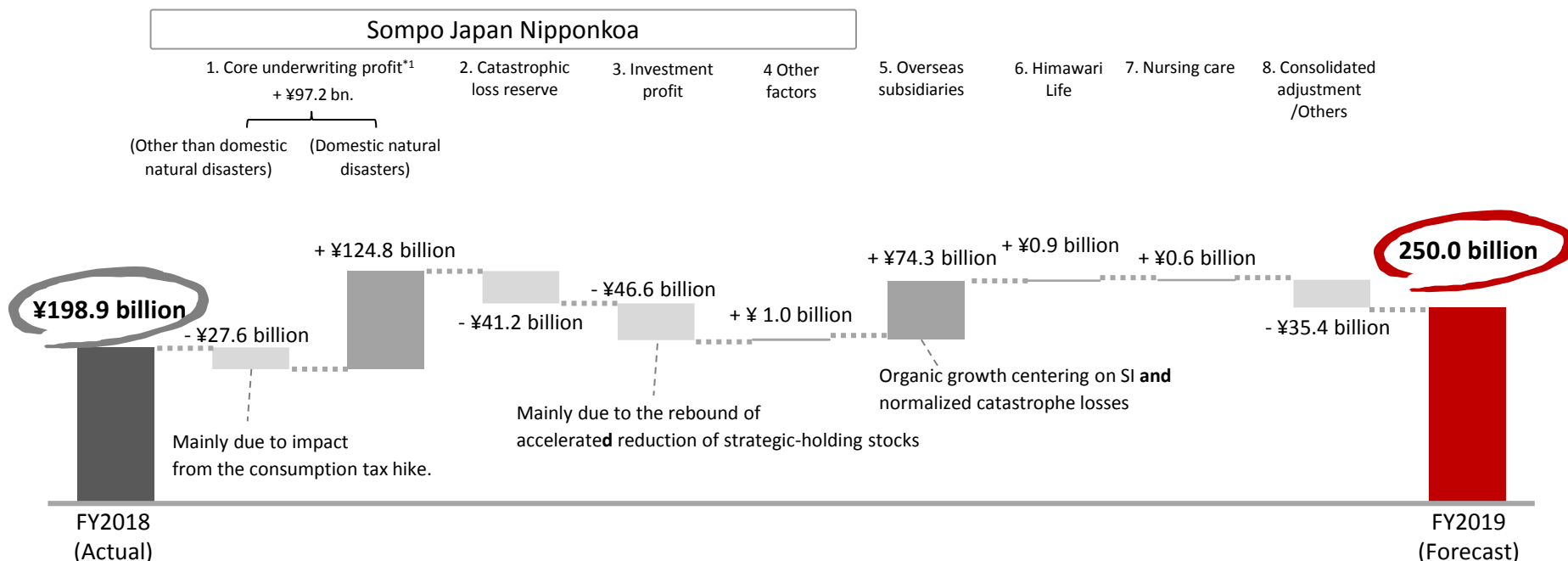
- Ordinary profit and net income are both expected to increase based on growth in premium and other income at a pace of around 2%.

Nursing care

- Occupancy rate is expected to a continued improvement.

(Reference) Breakdown of Business Forecasts for FY2019

Main components of consolidated ordinary profit



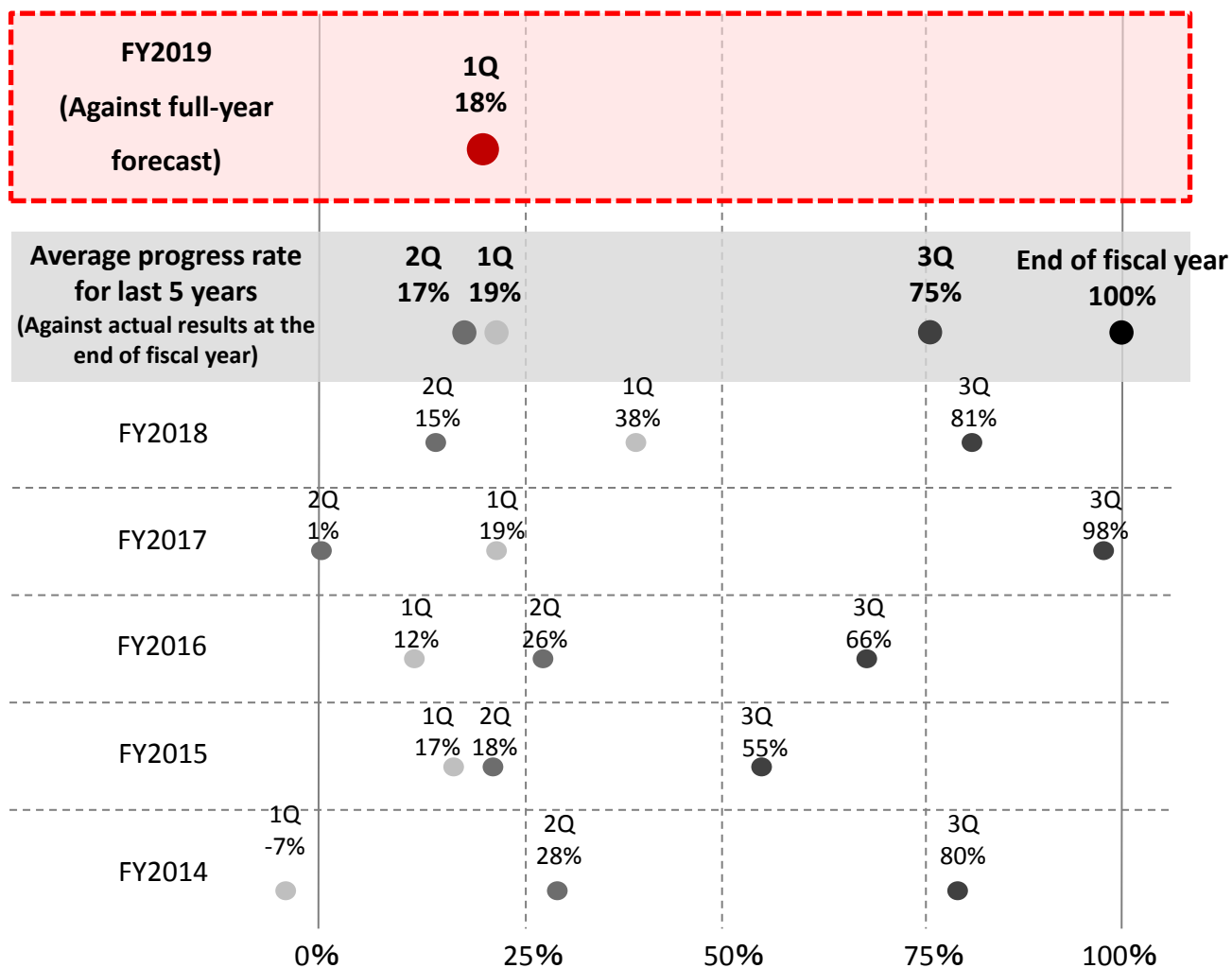
	1. Core underwriting profit		2. Catastrophic loss reserve	3. Investment profit	4. Other Factors	5. Overseas subsidiaries	6. Himawari Life	7. Nursing care	8. Consolidated adjustment /Others	Ordinary profit
	(Other than domestic natural disasters)	(Domestic natural disasters)								
FY2018 Actual	¥165.1 billion	- ¥177.8 billion	¥54.7 billion	¥189.8 billion	- ¥16.2 billion	- ¥5.8 billion	¥23.2 billion	¥5.9 billion	- ¥39.9 billion	¥198.9 billion
FY2019 Forecasts	¥137.4 billion	- ¥53.0 billion	¥13.5 billion	¥143.1 billion	- ¥15.1 billion	¥68.5 billion*2	¥24.2 billion	¥6.6 billion	- ¥75.3 billion*2	¥250.0 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 ¥24.2 billion for FY2019 Forecast. Due to changes in SI's accounting policy, no adjustment will be made from FY2019 onwards for amount of adjustment related to intangible assets, etc.

(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)	FY2018	FY2019		FY2020
	(Actual)	(1Q Actual)	(Forecasts)	(Plan)
Domestic P&C insurance	42.3	33.3	86.5	Over 95.0
Overseas insurance	33.0	12.2	59.0	Over 65.0
Domestic life insurance	32.8	8.2	34.0	Over 37.0
Nursing care & healthcare, etc.	5.2	1.0	5.5	Over 8.0
Total (Adjusted consolidated profit)	113.5	54.9	185.0	205.0 to 215.0
Adjusted consolidated ROE*²	4.5%	-	7.5%	Around 8.0%
ROE (J-GAAP)	8.0%	-	9.5%	Around 9.5%

Definition of adjusted profit*¹

Domestic P&C insurance

Net income
+ Provisions for catastrophic loss reserve, etc. (after tax)
+ Provisions for reserve for price fluctuation (after tax)
– Gains/losses on sales of securities and impairment losses on securities (after tax)

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 Adjusted profit for each business excludes one-time factors and special factors such as subsidiary dividends, etc.

*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, etc. 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 Operating income of SI = Net income - Net foreign exchange gains/losses - Net realized and unrealized gains/losses - Net impairment losses recognized in earnings, etc.

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 1Q FY2019 Results – Sompo Japan Nipponkoa

◆ While results were adversely impacted by an increase in ordinary underwriting reserve in connection with net premium growth and increase in reinsurance costs, etc., the progress was largely in line with the full-year business forecasts.

(Billions of yen)	1Q FY2018	1Q FY2019	Change	FY2019 (Forecasts)
Net premiums written	553.5	563.7	+10.1 (+1.8%)	2,172.0
(excl. CALI, household earthquake)	490.1	497.0	+6.8 (+1.4%)	1,892.6
Net premiums earned (excl. CALI, household earthquake)	463.8	459.9	-3.8 (-0.8%)	1,885.5
E/I loss ratio (excl. CALI, household earthquake)	57.6%	58.9%	+1.4pt	61.7%
W/P Loss ratio	58.7%	57.1%	-1.6pt	65.0%
(excl. CALI, household earthquake)	54.8%	54.3%	-0.5pt	63.0%
Net expense ratio	31.9%	31.6%	-0.3pt	32.0%
(excl. CALI, household earthquake)	32.8%	32.7%	-0.1pt	33.5%
Combined ratio (W/P) (excl. CALI, household earthquake)	87.6%	87.0%	-0.6pt	96.5%
(Reference) Combined ratio (E/I)* ¹ (excl. CALI, household earthquake)	90.4%	91.6%	+1.3pt	95.2%
Underwriting profit	22.4	4.5	-17.8	98.0
Investment profit	35.3	30.2	-5.0	143.1
Ordinary profit	52.7	28.7	-23.9	226.0
Net income	39.1	21.2	-17.8	163.0
+ Provisions for catastrophic loss reserve, etc (after tax)	15.5	18.3	+2.8	-9.4
+ Provisions for reserve for price fluctuation (after tax)	0.7	-0.7	-0.0	2.9
- Gains/losses on sales of securities and impairment losses on securities (after tax)	4.9	6.2	+1.2	42.1
- Special factors (after tax)* ²	-0.0	0.0	+0.1	22.3
Adjusted profit	50.4	34.0	-16.4	91.8

(Reference)
Adjusted
profit

*1 Sum of E/I loss ratio and net expense ratio(The same shall apply hereafter.)

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

Net Premiums Written

- ◆ Fire and automobile insurance drove top-line growth.
- ◆ Other lines for small and medium-sized enterprises also experienced continued growth.

Net premiums written by product line

(Billions of yen)	1Q FY2018	1Q FY2019	Change		FY2018 (Forecasts)
Fire and Allied Lines	58.4	62.5	+4.1	(+7.0%)	275.2
Marine	11.5	11.7	+0.1	(+1.6%)	47.4
Personal Accident	52.6	50.8	-1.8	(-3.5%)	168.2
Voluntary Automobile	273.6	276.7	+3.0	(+1.1%)	1,084.9
CALI	63.2	66.5	+3.2	(+5.1%)	278.7
Other	94.0	95.3	+1.3	(+1.4%)	317.3
of which Liability	56.0	55.0	-0.9	(-1.7%)	169.4
Total	553.5	563.7	+10.1	(+1.8%)	2,172.0
Total (excl. CALI, household earthquake)	490.1	497.0	+6.8	(+1.4%)	1,892.6

(Reference) Year-on-Year comparison of voluntary automobile insurance (April - June 2019)
(Performance evaluation basis)

	# of vehicles*	Unit premium	Total Premium
Non-fleet	-0.4%	+2.0%	+1.6%
Fleet	+10.8%	-3.4%	+7.0%
Total	+2.1%	+0.4%	+2.5%

* Exclude per hour type automobile insurance

(Main change factors)

Fire and Allied Lines: Mainly due to an increase in new policies centered on long-term policies and optimizing underwriting and pricing centered on corporate line

Voluntary Automobile: Expanded driven by increase in non-fleet unit premium with product revision in Jan. 2019 and new large contracts of fleet

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

Loss Ratio (E/I)

◆ Loss ratio (E/I) progressed favorably at lower level than full-year forecast: 61.7% as planned.

Loss ratio (E/I)*1 by product line

(Billions of yen)	Net incurred loss*2	1Q FY2019		FY2019 (Forecast)	
		Change	Loss ratio		
Fire and Allied lines(excl. household earthquake)	31.6	+1.8	47.4%	+6.0pt	61.1%
Marine	5.7	-0.7	57.7%	-2.8pt	66.0%
Personal Accident	22.5	-1.9	55.9%	-2.1pt	53.9%
Voluntary Automobile	169.1	+3.6	63.1%	+1.2pt	62.8%
Other	42.0	+1.1	56.1%	-0.9pt	61.9%
of which Liability	20.2	+0.3	53.6%	-0.7pt	60.1%
Total (excl. CALI, household earthquake)	271.1	+4.0	58.9%	+1.4pt	61.7%

	1Q FY2019	
(Reference) W/P Loss ratio*3	loss ratio	change
Fire and Allied lines(excl. household earthquake)	71.2%	+6.8pt
Marine	48.7%	+3.5pt
Personal Accident	44.7%	-2.4pt
Voluntary Automobile	56.4%	-2.7pt
Other	43.1%	+1.1pt
Total (excl. CALI, household earthquake)	54.3%	-0.5pt

Partly due to the Impact of compendium method.
Main KPIs, such as the number of reported claims, progressed favorably.

*1 Outstanding loss reserve is worked out by compendium method in 1Q results
 *2 Include loss adjustment expenses
 *3 W/P loss ratio means written-paid loss ratio; numerator is net claims paid, and denominator is net premiums written

Net Expense Ratio

◆ Net expense ratio decreased by 0.3pt to 31.6%, due to a steady expense reduction centered on personnel expenses.

Net expense ratio

(Billions of yen)	1Q FY2019			
	Amount	Change	Net expense ratio	Change
Net commissions and brokerage fees	103.6	+2.6	18.4%	+0.1pt
Operating, general and administrative expenses *1	74.4	-1.0	13.2%	-0.4pt
Total	178.1	+1.6	31.6%	-0.3pt
Total (excl. CALI, household earthquake)	162.4	+1.7	32.7%	-0.1pt
Total (excl. CALI, household earthquake, upfront investment *2)	161.2	+1.4	32.4%	-0.2pt

*1 Only for the cost related to underwriting (company expense)

*2 The amount of upfront investments including the cost unrelated to underwriting for the entire line item was ¥1.3 billion (1Q FY2018 actual was ¥1.9 billion and FY2019 (forecast) is around ¥10.0 billion.)

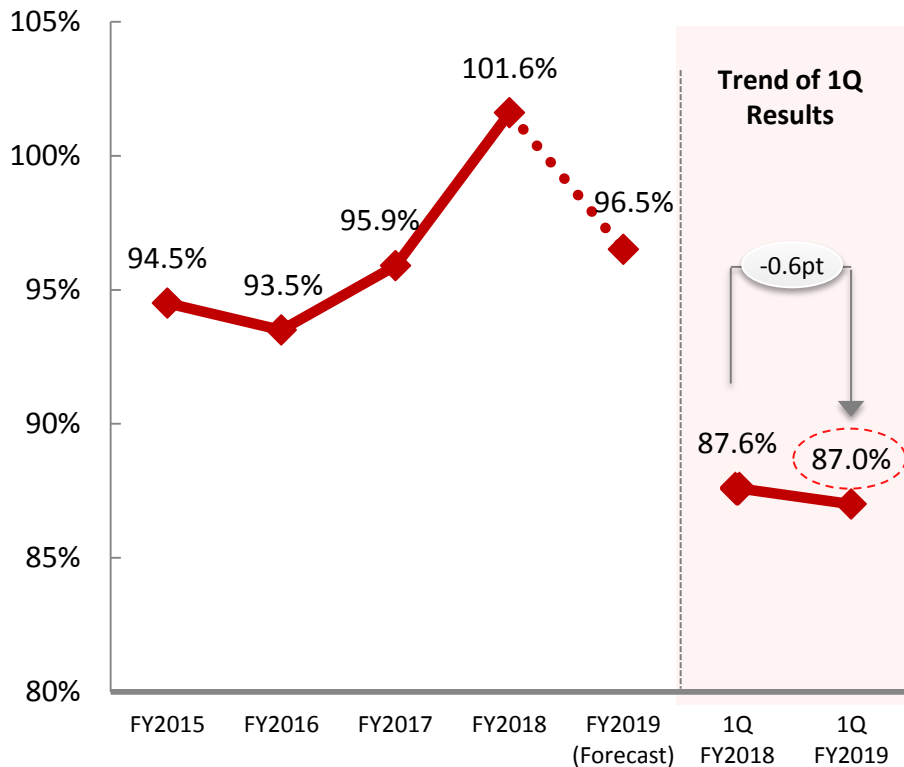
Company expense ratio

(Billions of yen)	1Q FY2019			
	Amount	Change	Company expense ratio	Change
Personnel expenses	34.0	-1.1	6.0%	-0.3pt
Non-personnel expenses	36.3	+0.2	6.5%	-0.1pt
Tax and contributions	4.0	-0.1	0.7%	-0.0pt
Total	74.4	-1.0	13.2%	-0.4pt
Total (excl. upfront investment)	73.1	-1.3	13.0%	-0.5pt

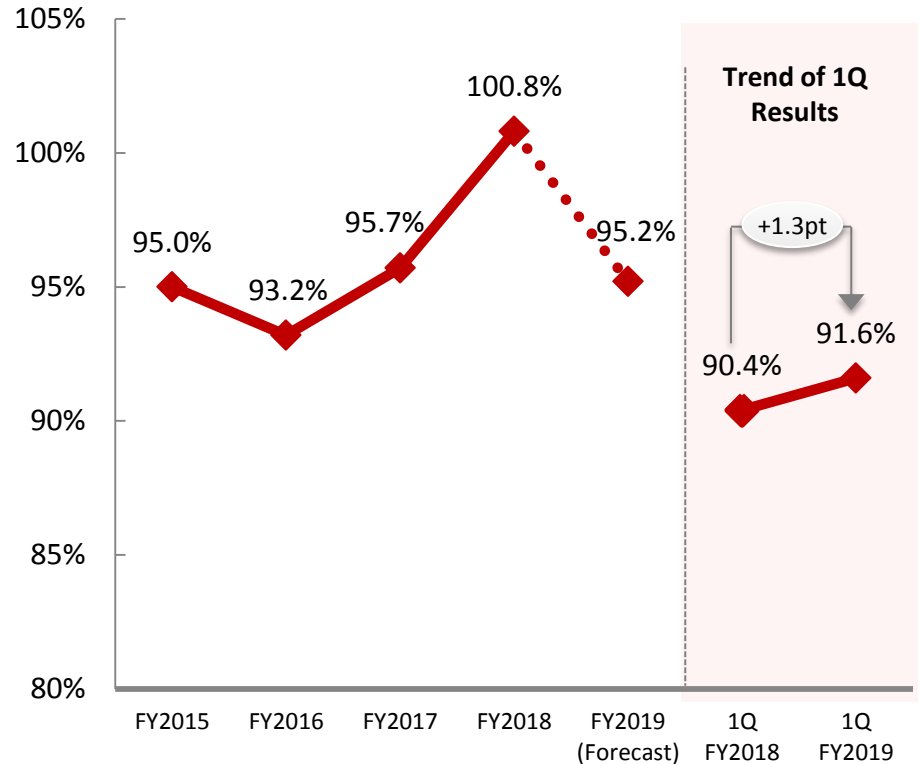
Combined Ratio

◆ Combined ratio (W/P) improved by 0.6pt to 87.0%.

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



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



◆ Managed to reduce strategic-holding stocks almost in line with the plan.

Investment profit (Sompo Japan Nipponkoa, non-consolidated)

(Billions of yen)		1Q FY2018	1Q FY2019	Change	FY2019 (Forecasts)
Net interest and dividend income	1	25.5	24.8	-0.6	91.5
Interest and dividend income* ¹		34.9	34.1	-0.7	128.1
of which, dividends from overseas subsidiaries		0.0	0.0	+0.0	23.7
Gains on sales of securities* ¹	2	7.2	9.5	+2.2	59.5
of which, domestic stocks		19.2	8.0	-11.1	57.0
Impairment losses on securities* ¹	3	-0.3	-0.9	-0.5	-1.0
of which, domestic stocks		-0.3	-0.7	-0.3	-1.0
Gains on derivatives	4	-2.5	-0.5	+1.9	-10.5
Other investment income	5	5.4	-2.6	-8.1	3.7
Investment profit	1+2+3+4+5	35.3	30.2	-5.0	143.1

(Reference)
Reduction of strategic-holding stocks

Actual* ²	¥20.8 billion
Stock future* ³	¥12.0 billion
Total	¥32.8 billion

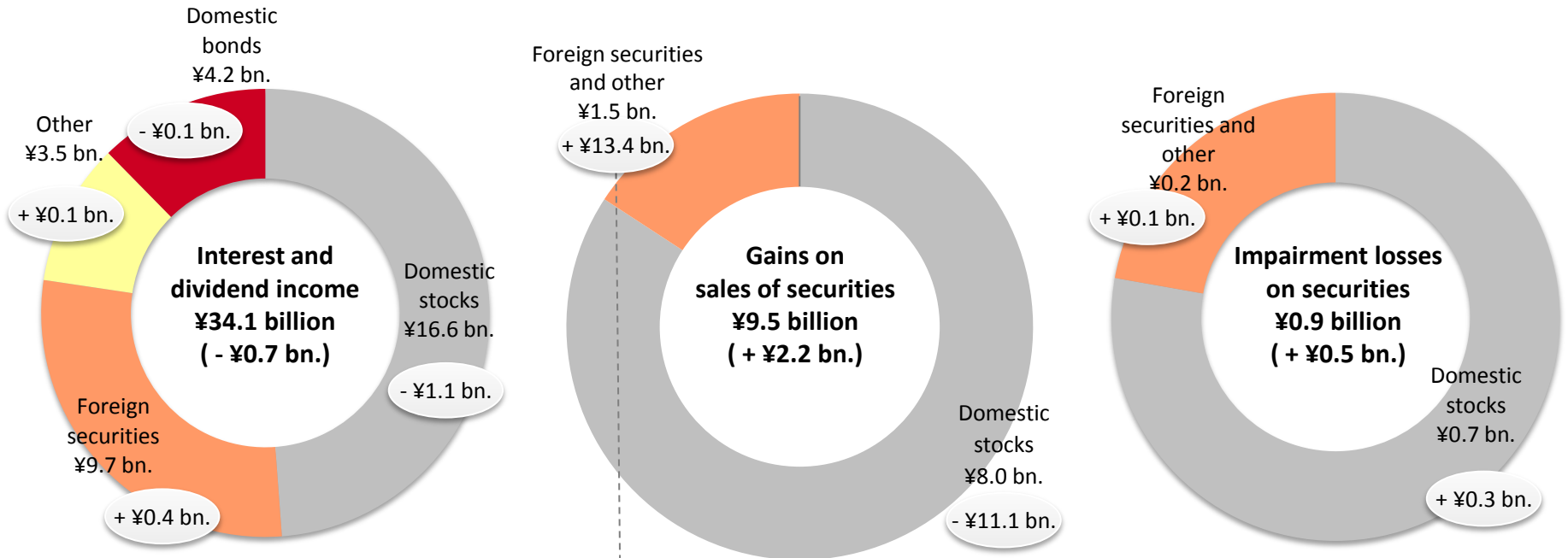
*2 Net reduction on fair value basis
(market value of sales minus market value of purchase)
The target amount of reduction in FY2019 on a full-year basis: around ¥100.0 billion

*3 Short position of Nikkei 225 Futures

*1 Refer to next page for the breakdown

(Reference) Breakdown of Investment Profit

Breakdown of interest and dividend income, gains on sales of securities, and impairment losses on securities (1Q FY2019)



Mainly rebound of the impact of loss on sale of subsidiary stocks (-¥11.2 billion), which is eliminated on a consolidated basis



Changes from 1Q FY2018

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

(Reference) Business Forecasts for FY2019 – Sompo Japan Nipponkoa

(Billions of yen)	FY2018 (Actual)	FY2019 (Forecasts)	Change
Net premiums written	2,148.6	2,172.0	+23.3 (+1.1%)
(excl. CALI, household earthquake)	1,869.8	1,892.6	+22.7 (+1.2%)
Net premiums earned (excl. CALI, household earthquake)	1,869.2	1,885.5	+16.2 (+0.9%)
E/I loss ratio (excl. CALI, household earthquake)	67.2%	61.7%	-5.5pt
W/P Loss ratio	69.8%	65.0%	-4.8pt
(excl. CALI, household earthquake)	68.0%	63.0%	-5.0pt
Net expense ratio	32.1%	32.0%	-0.1pt
(excl. CALI, household earthquake)	33.6%	33.5%	-0.1pt
Combined ratio(W/P) (excl. CALI, household earthquake)	101.6%	96.5%	-5.1pt
(Reference) Combined ratio(E/I) (excl. CALI, household earthquake)	100.8%	95.2%	-5.6pt
Underwriting profit	41.9	98.0	+56.0 (+133.4%)
Investment profit	189.8	143.1	-46.6 (-24.6%)
Ordinary profit	215.5	226.0	+10.4 (+4.9%)
Net income	175.7	163.0	-12.7 (-7.2%)
(Reference) Adjusted profit			
+Provisions for catastrophic loss reserve, etc (after tax)	-39.2	-9.4	+29.7
+Provisions for reserve for price fluctuation (after tax)	2.8	2.9	+0.0
-Gains/losses on sales of securities and impairment losses on securities (after tax)	68.6	42.1	-26.4
-Special factors (after tax)*	23.9	22.3	-1.5
Adjusted profit	46.7	91.8	+45.0 (+96.4%)

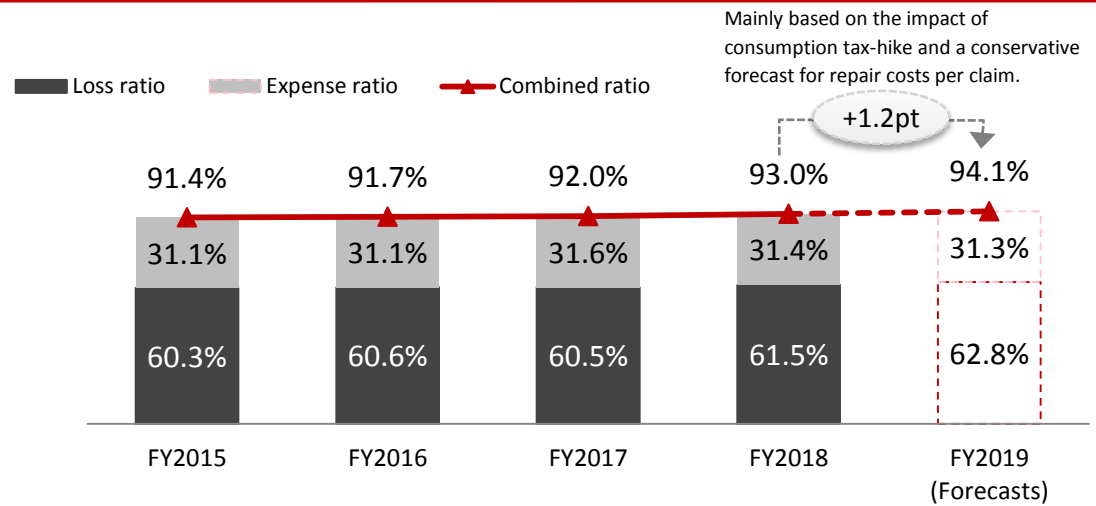
* Gains /losses related to stock future and dividend from consolidated subsidiaries, etc.

(Reference) Assumption of Business Forecasts for FY2019

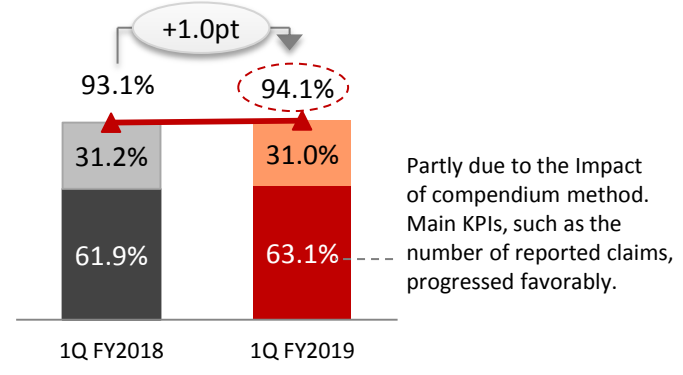
Losses from domestic natural disasters (occurring in the fiscal year)	¥53.0 billion
Catastrophic loss reserve	Net reversal : ¥13.5 billion (Fire and allied lines: net reversal ¥13.9 billion, Voluntary automobile: net reversal ¥3.8 billion)
Provision rate of catastrophic loss reserve	Provision rate of fire group : fire 15.0% other 6.0% Provision rate of automobile group : 3.2%
Market indicators	(Stock) Nikkei 225 : ¥21,205 (Interest yield) 10y JGB : -0.08% (Foreign exchange) 1US\$: ¥110.99 1Euro : ¥124.56 * Assumptions for market indicators are based on ones as of end of March 2019.
Interest and dividend income	Gross : ¥128.1 billion Net : ¥91.5 billion
Realized gains on securities	Realized gains on security sales : ¥59.5 billion Impairment losses on securities : ¥1.0 billion
Reserve for price fluctuation	Net provision : ¥4.0 billion

(Reference) Indicators Related to Automobile Insurance

Combined ratio (E/I)



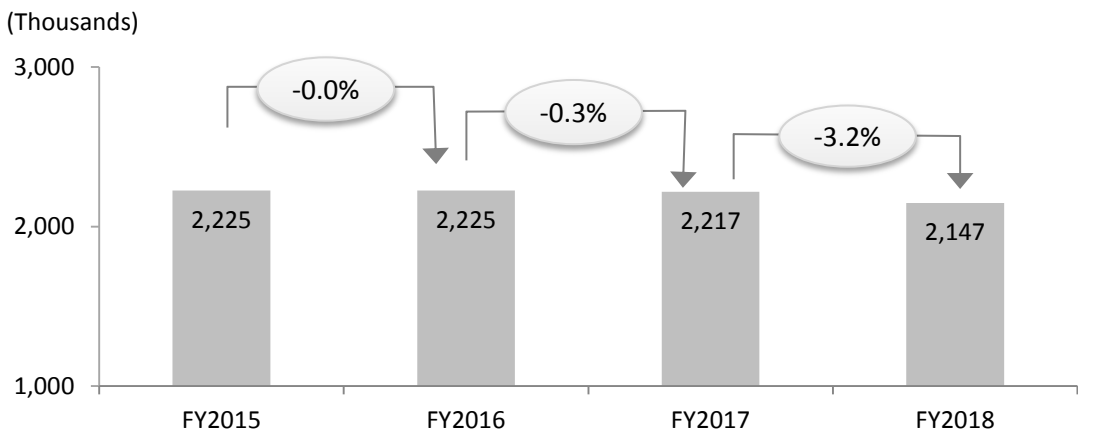
Trend of 1Q Results



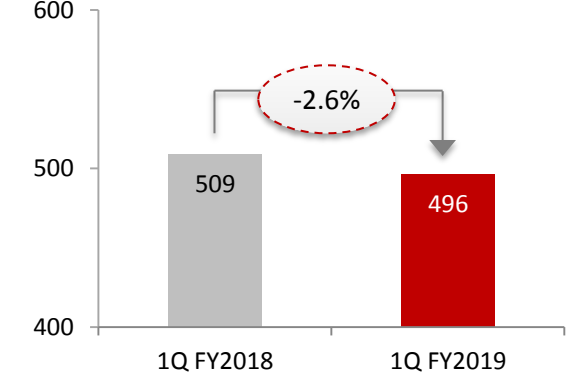
* Loss ratio is on a E/I basis (including loss adjustment expense)

* Outstanding loss reserve is worked out by compendium method in 1Q results

The number of reported claims



Trend of 1Q Results



* 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 FY2018	1Q FY2019	Change
Fire and Allied lines	0.4	0.0	-0.3
Marine	-	-	-
Personal Accident	0.0	-	-0.0
Voluntary Automobile	0.0	0.0	-0.0
Other	0.0	0.0	-0.0
Total	0.4	0.0	-0.4

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

- In the 1Q FY2019, domestic natural disaster which could severely impact results did not occur.
- Assumption of FY2019 business forecasts for net losses incurred from domestic natural disasters (occurring in the fiscal year): ¥53.0 billion

(Reference) Fund and Reserve

Underwriting reserves and reserve for outstanding losses and claims (at the end of 1Q FY2019)

(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	713.4	-4.1	143.5	+8.3	111.1	-12.8
Marine	17.7	+3.0	44.4	+0.7	26.6	+0.0
Personal accident	136.1	+10.4	71.1	+1.6	58.0	-0.1
Voluntary automobile	323.1	+8.8	47.9	+8.9	402.6	+13.0
CALI* ²	440.2	+1.4	-	-	74.0	-
Other	355.4	+14.8	209.8	+5.7	214.2	+0.9
Total	1,986.2	+34.4	516.9	+25.3	886.7	+1.0
Total (excluding CALI and household earthquake)	1,540.3	+32.8	516.9	+25.3	812.7	+1.0
	Amount	Change				Change
Reserve for saving-type products* ³	1,290.2	-6.3			Impact of exchange rates on reserve for outstanding losses and claims	-3.0

*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.

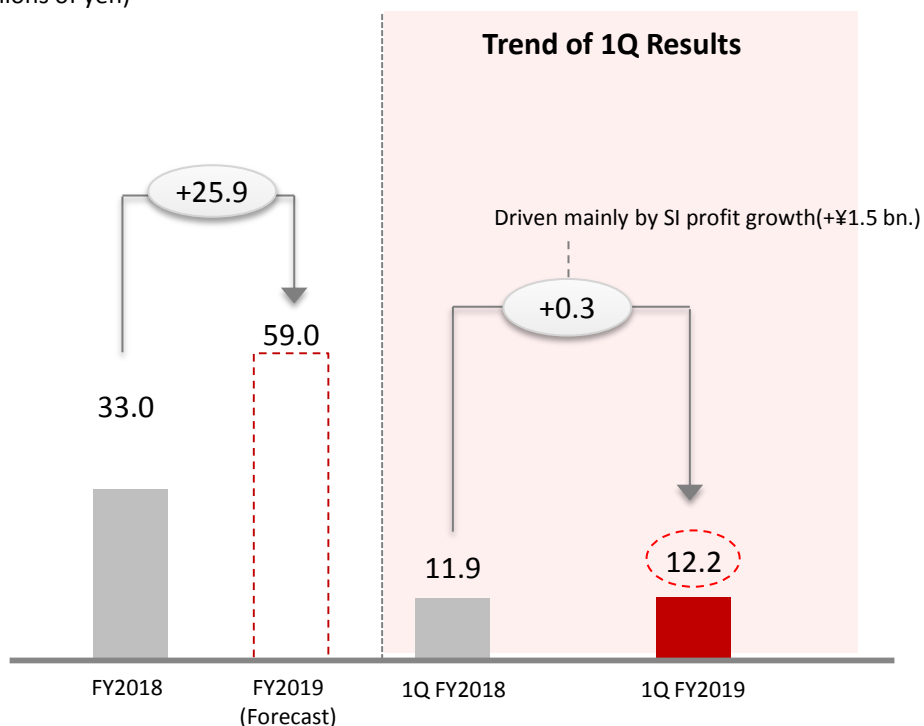
6. ERM & asset management

Overview of 1Q FY2019 Results – Overseas Insurance

◆ Adjusted profit increased by ¥0.3 billion to ¥12.2 billion, driven mainly by expansion within SI specialty lines.

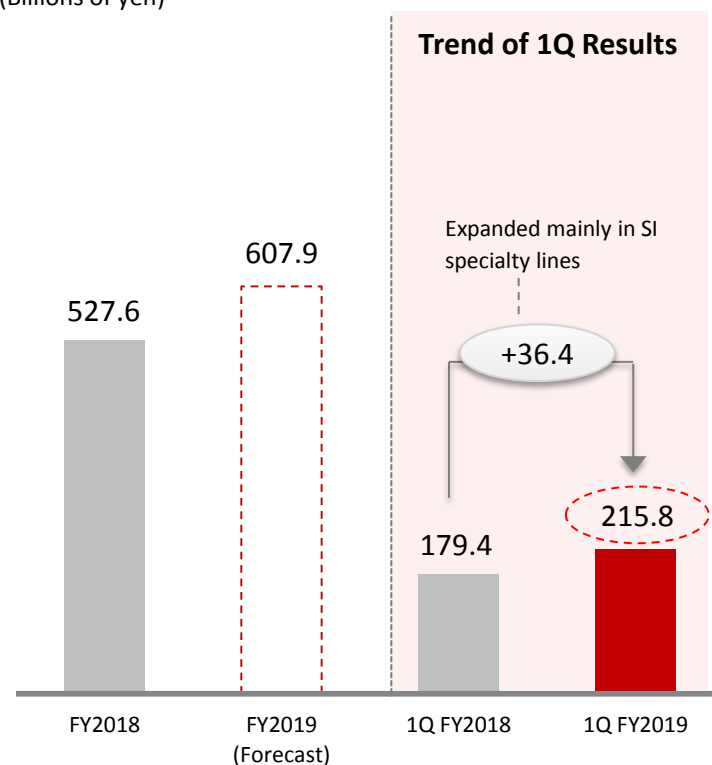
Adjusted profit*

(Billions of yen)



(Reference) Net premiums written*

(Billions of yen)



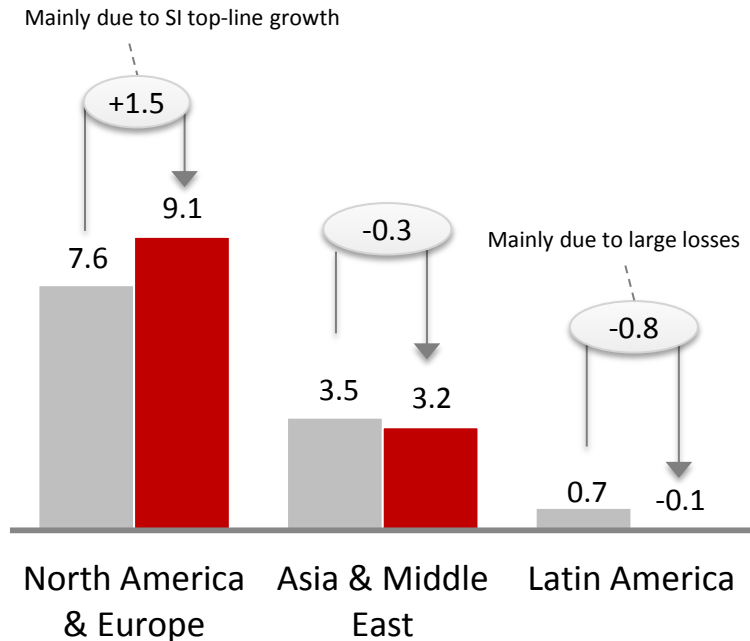
* Net premiums written of subsidiaries and affiliates reflect holding shares of each company. This treatment does not coincide with financial statements. Adjusted profits have been adjusted to reflect shareholdings and other factors.

Business Results by Region

◆ Both bottom-line and top-line of North America & Europe progressed steadily.

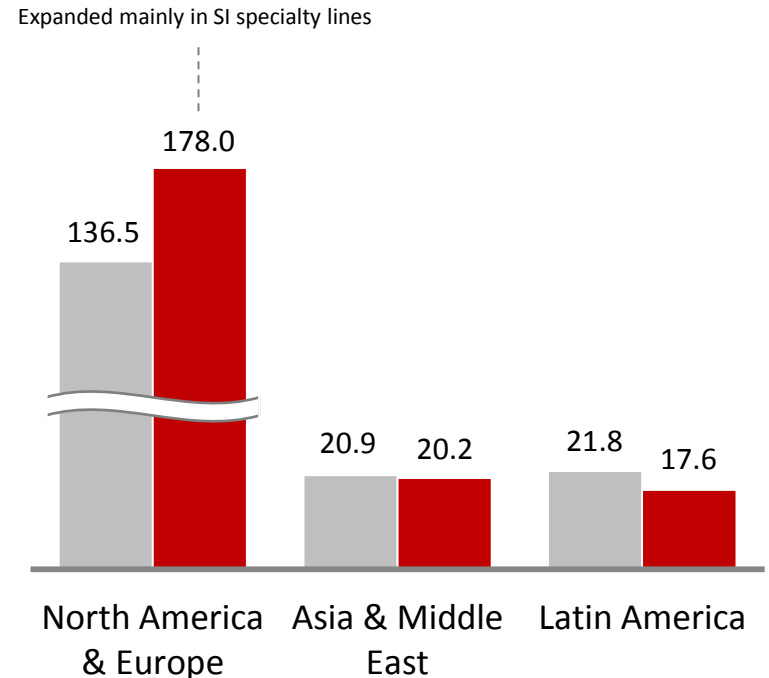
Adjusted profit (by region)

(Billions of yen) ■ 1Q FY2018 ■ 1Q FY2019



Net premiums written (by region)

(Billions of yen) ■ 1Q FY2018 ■ 1Q FY2019



(Reference) Business Results by Company

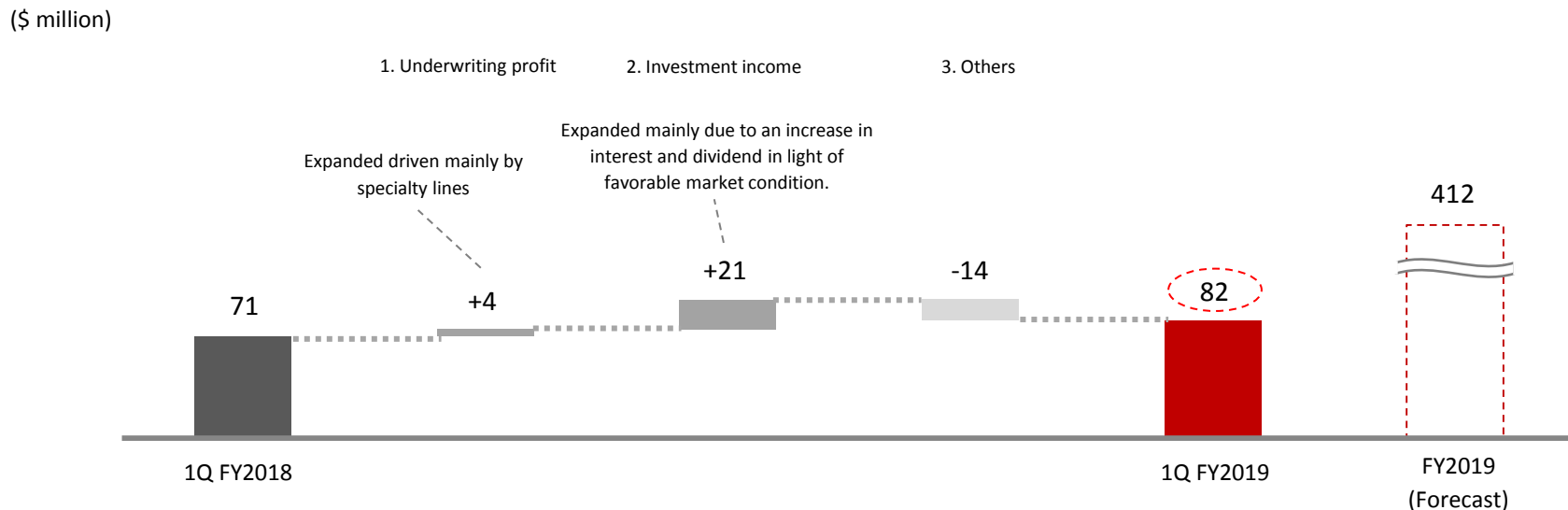
(Billions of yen)		Net premiums written			Adjusted profit			Key points	(Reference) Exchange rate	
		1Q FY2019		FY2019 Forecasts	1Q FY2019		FY2019 Forecasts		Mar. 2019*2	
		Actual	Change		Actual	Change			(YoY FX impacts)	
North America & Europe	SI	178.0	+41.4	430.6	9.1	+1.5	45.7	*Refer to page31 and 32	110.99 JPY/USD	(+4.5%)
Asia & Middle East	Sompo Sigorta (Turkey)	8.6	-0.7	34.3	2.1	-0.0	7.1	Progressed steadily driven by higher investment profit.	19.91 JPY/TRY	(-26.1%)
	Sompo Singapore	2.1	+0.1	7.9	0.0	+0.0	0.6	-	81.88 JPY/SGD	(+1.1%)
	Berjaya Sompo (Malaysia)	3.9	+0.2	15.2	0.3	+0.0	1.4	Progressed steadily driven by higher investment profit as well as favorable loss ratio and expense ratio.	27.20 JPY/MYR	(-1.1%)
	Sompo Indonesia	1.0	-0.6	9.8	0.0	+0.0	0.5	-	0.0078 JPY/IDR	(-)
	Sompo China NK China	1.2	+0.1	5.5	0.3	-0.2	0.4	-	16.47 JPY/RMB	(-2.7%)
	Sompo Hong Kong	1.0	+0.0	3.5	0.0	-0.1	0.4	-	14.14 JPY/HKD	(+4.4%)
	Universal Sompo (India)	1.3	+0.2	8.4	0.0	-0.1	0.3	-	1.57 JPY/INR	(-3.1%)
Latin America	Sompo Seguros (Brazil)	17.6	-4.2	89.2	-0.1	-0.8	2.0	Favorable investment profit offset by loss ratio that deteriorated mainly due to large losses.	28.44 JPY/BRL	(-11.5%)
Other (non-consolidated)*1		0.8	-0.1	3.0	0.1	+0.0	0.2	-	-	-
Total*3		215.8	+36.4	607.9	12.2	+0.3	59.0	-	-	-

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

*2 Universal Sompo's exchange rate is based at the end of June 2019. Exchange rate for Forecasts for FY2019 is based at the end of March 2019.

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

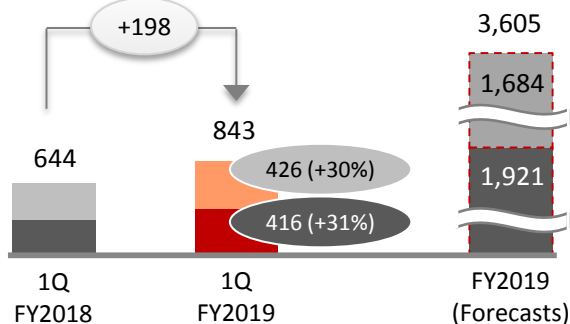
Change factors of adjusted profit (1Q FY2019)



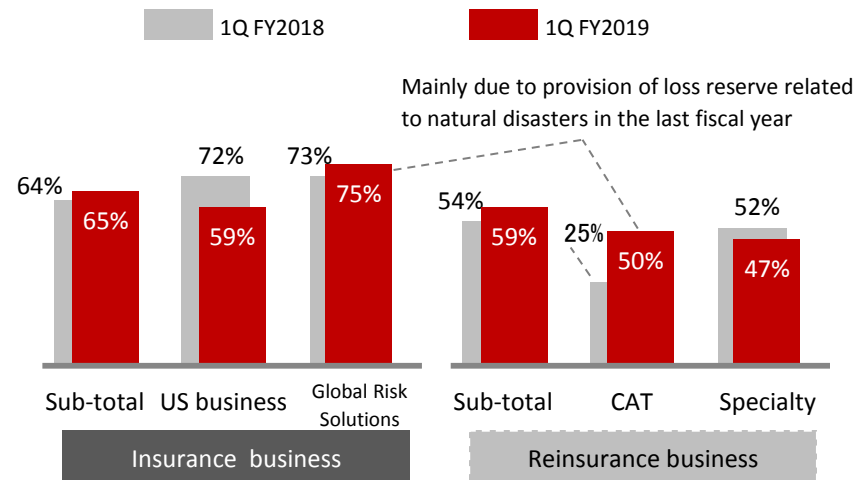
Net premiums earned

(\$ million)

Reinsurance
Insurance



Loss ratio (Main lines of business)



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

(\$ million)	FY2018	1Q FY2019		FY2019		
	(Actual)	(Actual)	YoY Change	(Forecasts)	YoY Change	
Gross premiums written	5,960	2,566	+332	6,477	+516	→ Driven mainly by steadily rate-hike
Net premiums written	3,319	1,604	+318	3,879	+560	
Net premiums earned	3,086	843	+198	3,605	+518	
Net losses and loss expenses	2,114	521	+140	2,262	+147	
Expense	952	279	+44	1,108	+155	
Loss ratio* ¹	68.5%	61.9%	+2.8pt	62.8%	-5.8pt	→ Mainly due to provision of loss reserve related to natural disasters in the last fiscal year
Expense ratio* ¹	30.9%	33.1%	-3.3pt	30.7%	-0.1pt	
Combined ratio* ¹	99.4%	95.0%	-0.4pt	93.5%	-5.9pt	
Underwriting income	24	38	+4	245	+220	
Net investment income	244	85	+21	300	+56	
Net income (After Preferred dividend)	72	207	+154	412	+340	
(Reference) Adjusted profit						
+) Net foreign exchange gains	-15	-8	+2	-	+15	
+) Net realized and unrealized gains, net impairment losses, etc.* ²	+123	-131	-163	-	-123	
+) Income tax expense	-1	+15	+18	-	+1	
+) Others	-	-	-	-	-	
Adjusted profit	177	82	+11	412	+234	

*1 The denominator of loss ratio, expense ratio and combined ratio is net premiums earned

*2 Includes unrealized gains and losses of securities

(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 1Q FY2019 Results – Himawari Life

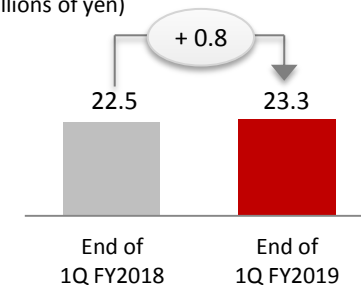
- ◆ Expansion of policies in force centered on protection type products led to premium and other income increases.
- ◆ Net income was ¥4.8 billion which progressed favorably against full-year forecasts (¥16.0 billion).

Major indicators

(Billions of yen)	1Q FY2018	1Q FY2019	Change		FY2019 (Forecasts)
Annualized new premium	9.0	5.5	-3.5	(-38.9%)	35.0
Premium and other income ^{*1}	105.4	105.7	+0.2	(+0.3%)	453.3
Paid claims, etc.	15.8	17.8	+2.0	(+12.8%)	70.8
Expense	21.9	20.1	-1.7	(-8.1%)	98.2
Investment profit	10.9	10.9	+0.0	(+0.2%)	45.5
of which, general account	10.5	11.0	+0.4	(+4.1%)	45.1
Basic profit	8.7	8.2	-0.5	(-6.1%)	29.6
Ordinary profit ^{*1}	7.8	7.8	+0.0	(+0.0%)	27.8
Net income	4.7	4.8	+0.0	(+1.7%)	16.0
Adjusted profit	8.7	8.2	-0.4	(-5.4%)	34.0

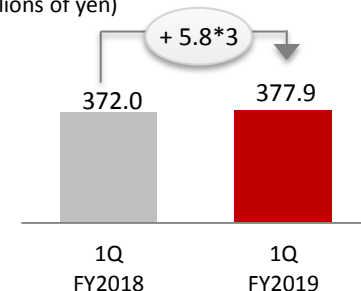
(Reference)
Amount of business in force^{*2}

(Trillions of yen)



(Reference)
Annualized premium in force^{*2}

(Billions of yen)



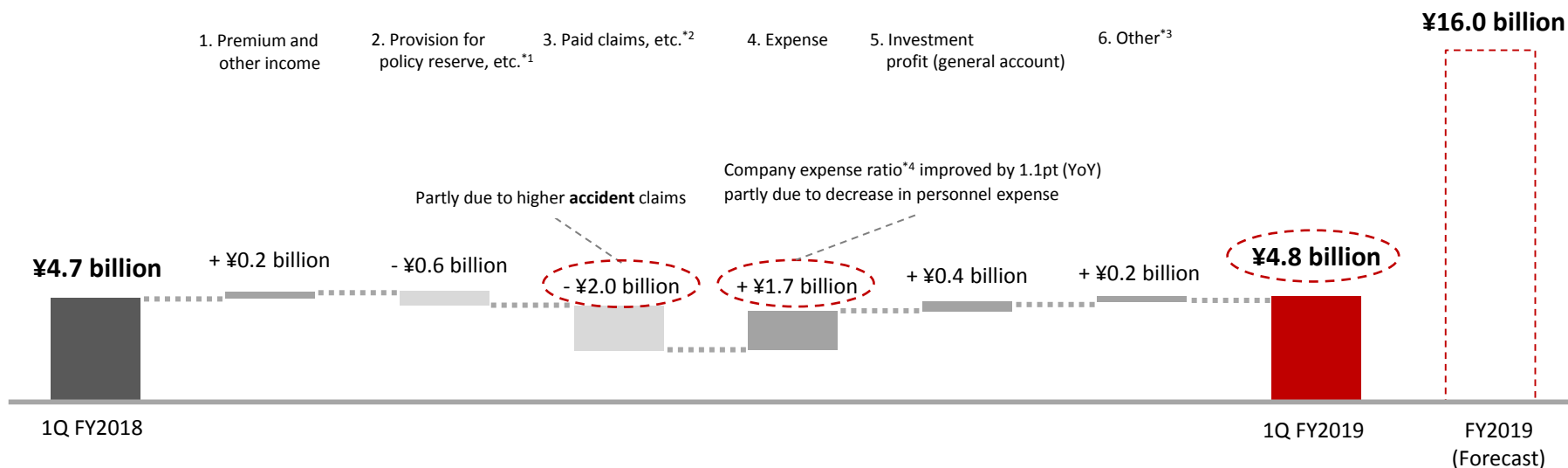
*1 Figures based on legally required format for life insurance companies (which differs from the consolidated format).

*2 The sum of individual insurance and individual annuities.

*3 Of which protection-type +¥6.5 bn.

◆ Driven mainly by streamlining expense, net income progress rate was 35% against full-year forecasts.

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
1Q FY2018	¥105.4 billion	- ¥69.6 billion	- ¥15.8 billion	- ¥21.9 billion	¥10.5 billion	- ¥3.9 billion	¥4.7 billion
1Q FY2019	¥105.7 billion	- ¥70.2 billion	- ¥17.8 billion	- ¥20.1 billion	¥11.0 billion	- ¥3.6 billion	¥4.8 billion
FY2019 Forecasts	¥453.3 billion	- ¥299.2 billion	- ¥70.8 billion	- ¥98.2 billion	¥45.1 billion	- ¥14.1 billion	¥16.0 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)

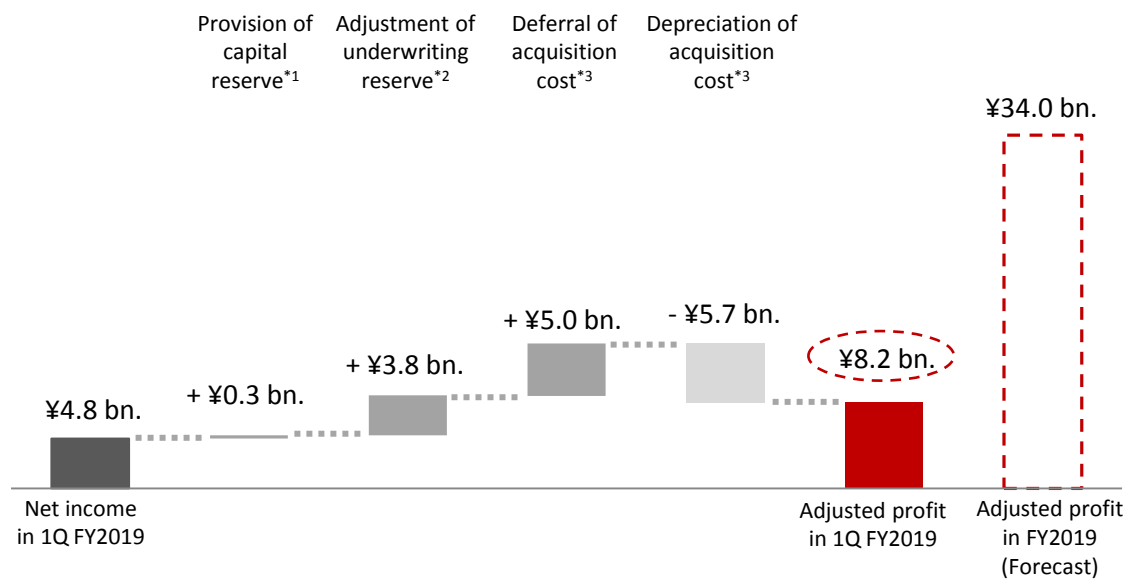
*3 The sum of other ordinary expense, special gains and losses, provision for reserve of policy holder dividend, corporate tax, etc.

*4 General administrative cost / premiums

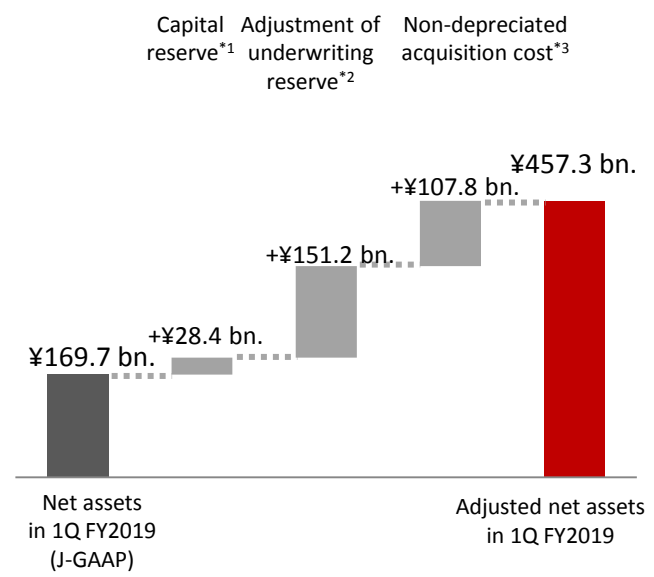
Adjusted Profit and Adjusted Net Assets – Himawari Life

◆ Adjusted profit was ¥8.2 billion which progressed favorably against full-year forecasts (¥34.0 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 1Q FY2019 Results – Nursing Care & Healthcare, etc.

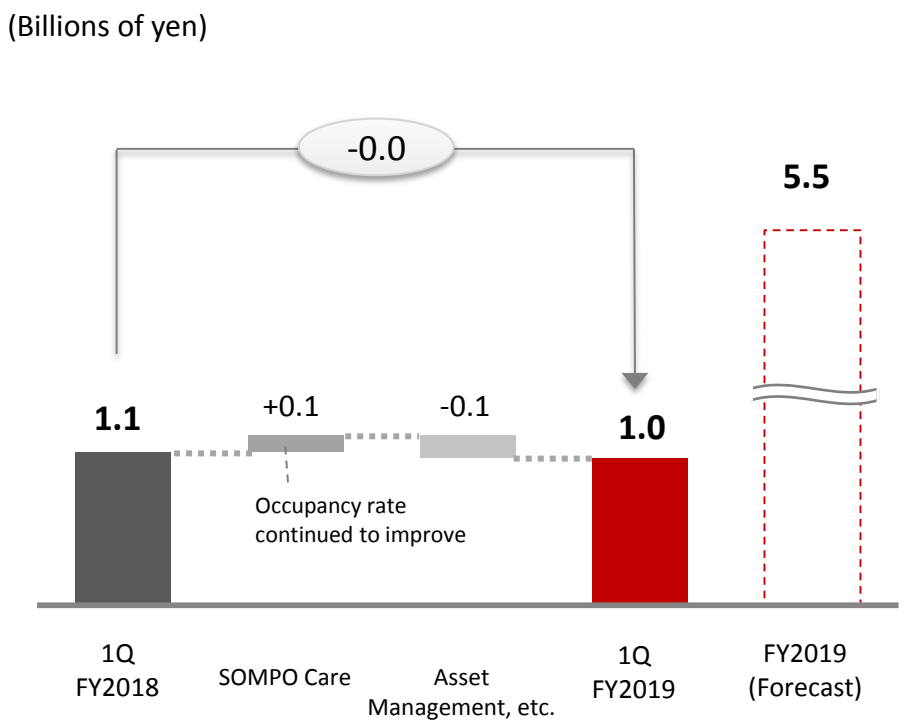
- ◆ Occupancy rate continued to improve.
- ◆ Adjusted profit in nursing care increased by ¥0.1 billion as planned.

Results of nursing care business (SOMPO Care)

(Billions of yen)	1Q FY2019		FY2019
	(Actual)	(Change)	(Forecasts)
Sales	31.4	+0.4	127.4
Net income	1.1	+0.1	4.3
Occupancy rate*1			
(SOMPO-no-le)	92.0%	+1.3pt	93.2%
(SOMPO-no-le S)	93.6%	+3.6pt	93.3%
(La vie Re)	88.3%	+2.6pt	90.0%

*1 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.

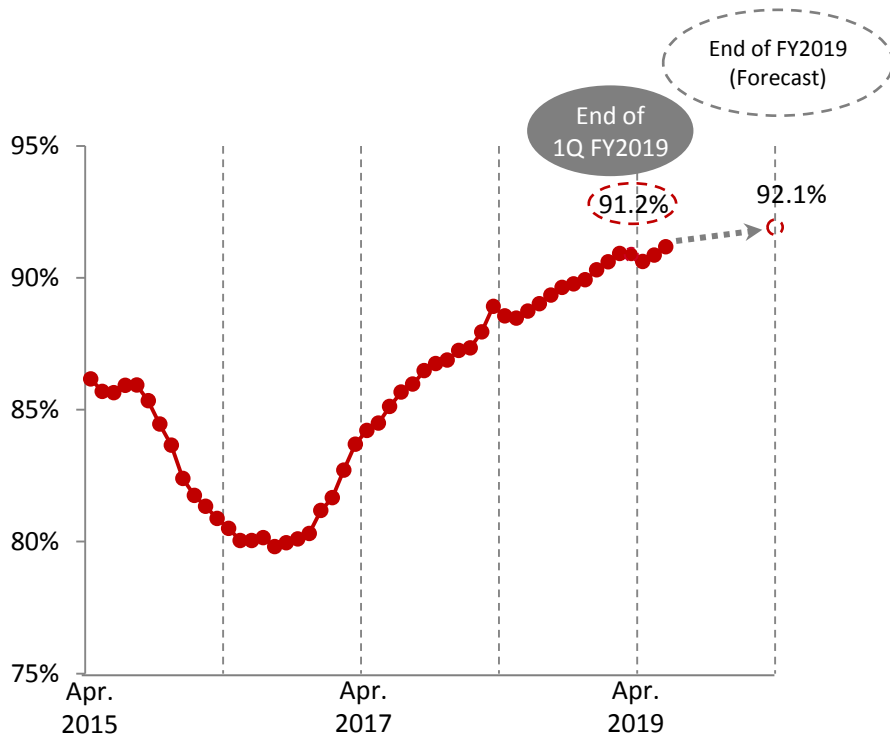
Changing factors of adjusted profit (Nursing Care & Healthcare, etc.*2)



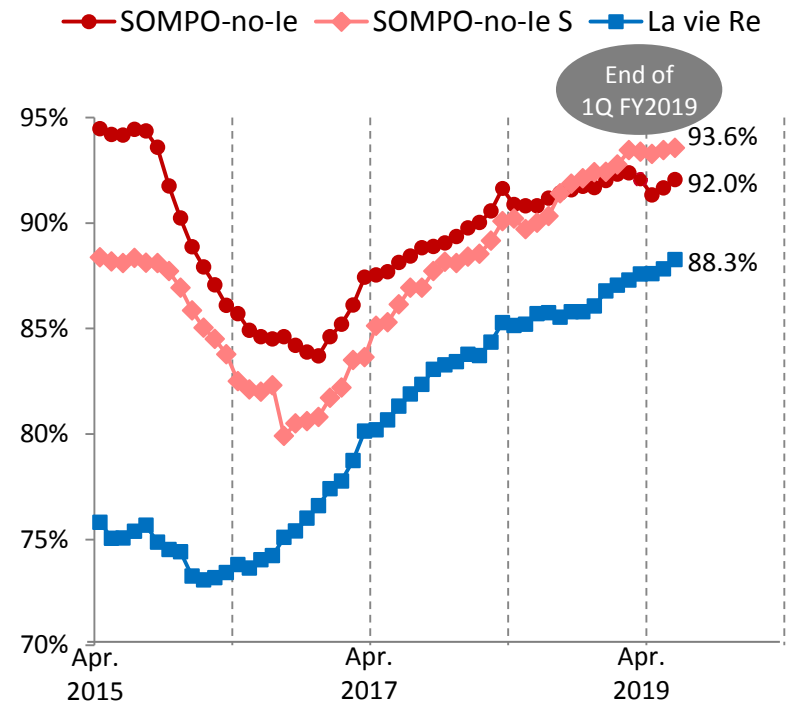
*2 Nursing care & healthcare business is the sum of SOMPO Care and asset management, etc.

(Reference) Major Indicators of SOMPO Care

Progress of occupancy rate*



Progress of occupancy rate by brand



* 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

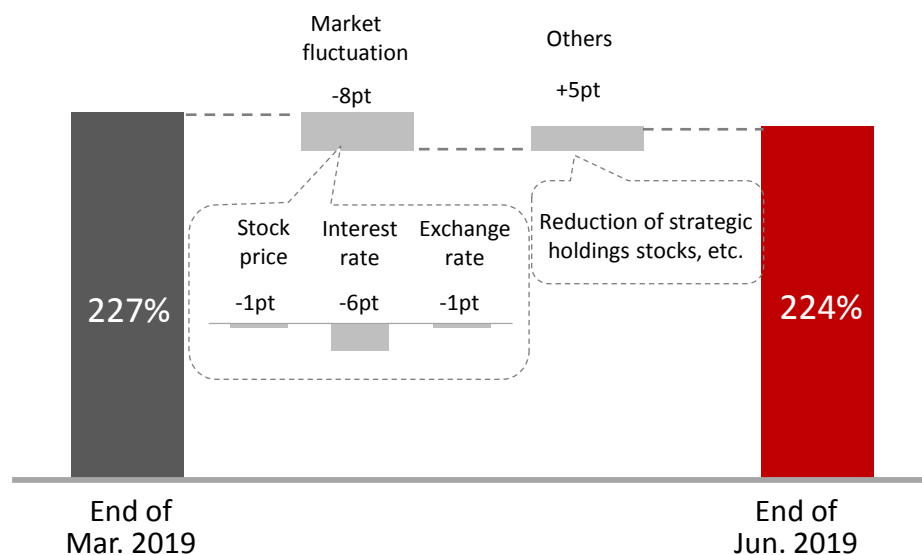
5. Nursing care & healthcare, etc.

6. ERM & asset management

Financial Soundness – ESR (99.5%VaR)

◆ ESR (99.5VaR) as of end of 1Q FY2019 was 224%, stayed at target range level.

Trend of ESR (99.5%VaR)*1



*1 In accordance with Solvency II

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

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

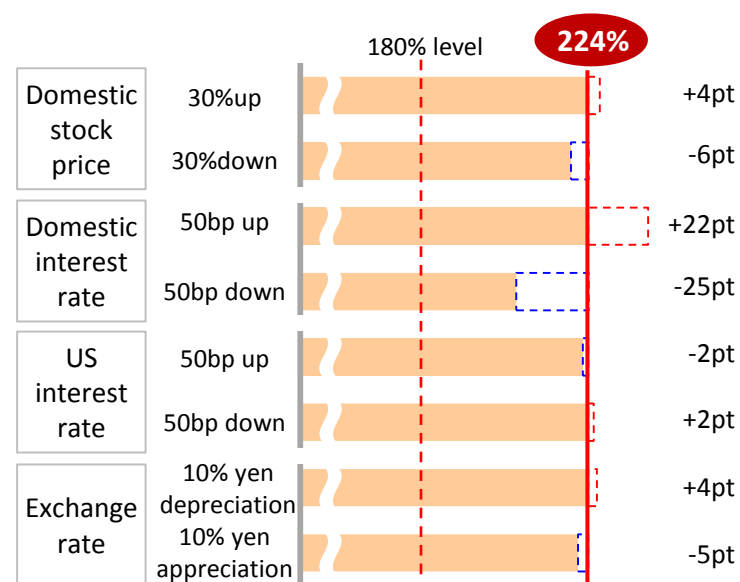
180% level: The level leading to stable financial soundness,

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)



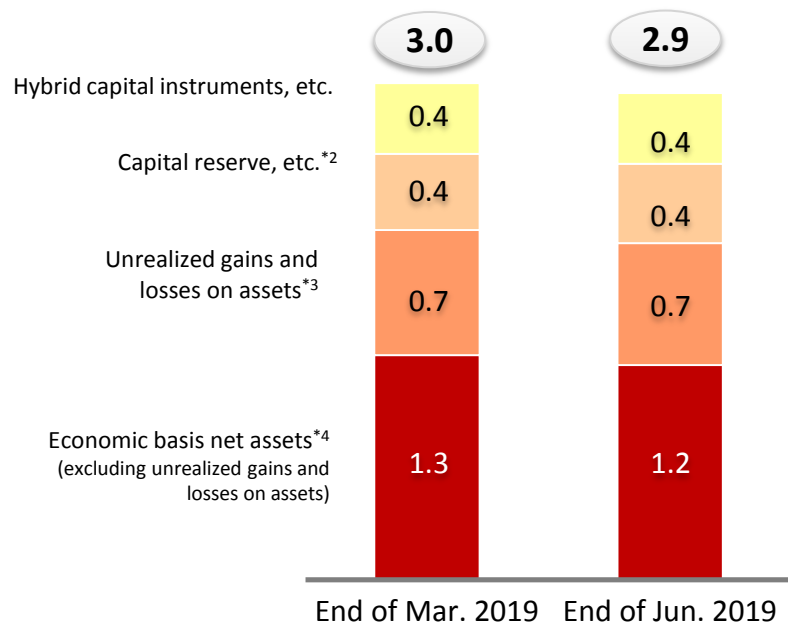
(Reference) Market indicators	End of Jun. 2019	(change*2)
Domestic stock price (Nikkei 225)	¥21,275	(+0.3%)
Domestic interest rate (30y JGB)	0.36%	(-15bp)
US interest rate	2.01%	(-40bp)
Exchange rate (JPY/USD)	¥107.79	(-2.9%)

*2 Against the end of March 2019

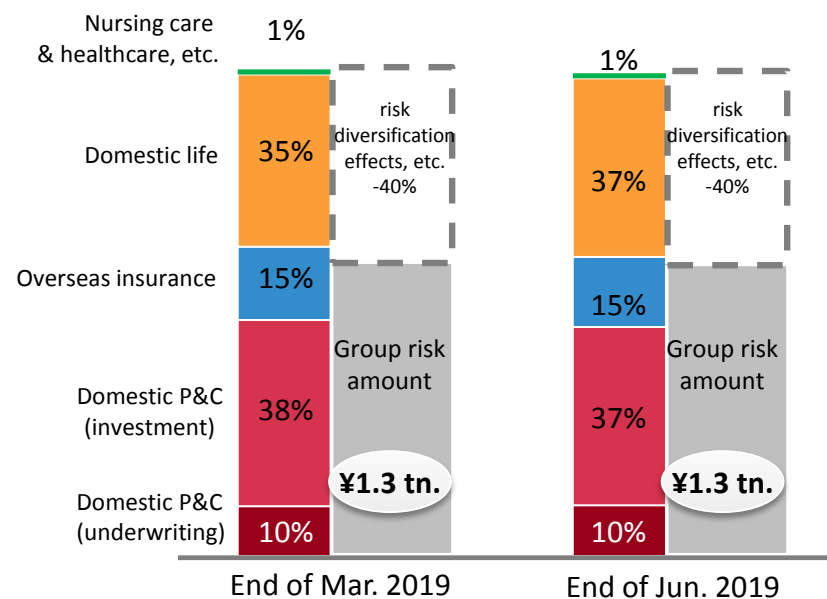
(Reference) Breakdown of Adjusted Capital and Risk

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.

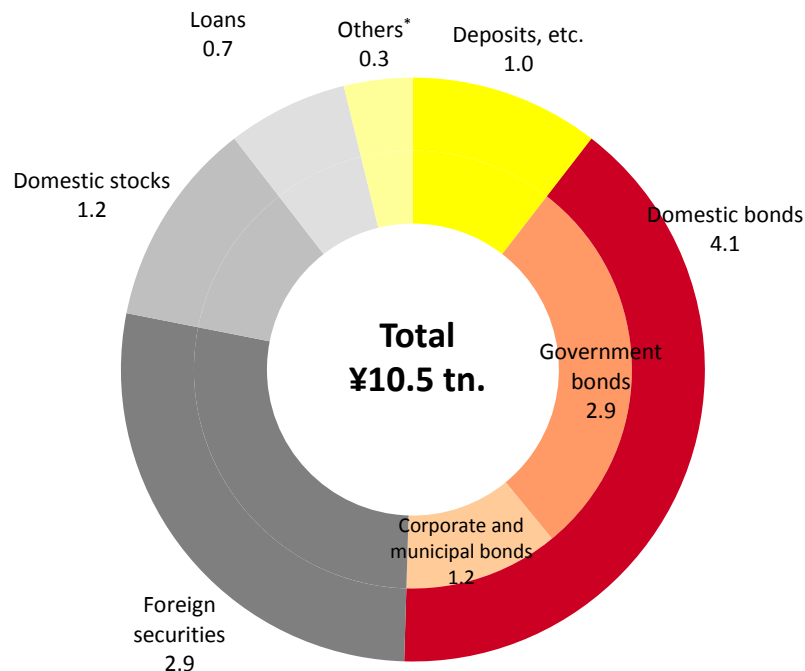
• Group total risk : Sum of risk amount of each business less risk diversification effect among businesses and tax impact.

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 June 2019, group consolidated base)

(Trillions of yen)



Investment assets by company

(Billions of yen)	Amount of investment assets	Composition
Sompo Japan Nipponkoa	5,532.7	52.6%
Overseas group subsidiaries	1,461.5	13.9%
(Of which, SI)	(1,209.8)	(11.5%)
Himawari Life (General account)	3,344.4	31.8%
Saison Automobile & Fire and Sonpo 24	64.2	0.6%
Other domestic subsidiaries	108.4	1.0%
Total	10,511.3	100.0%

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

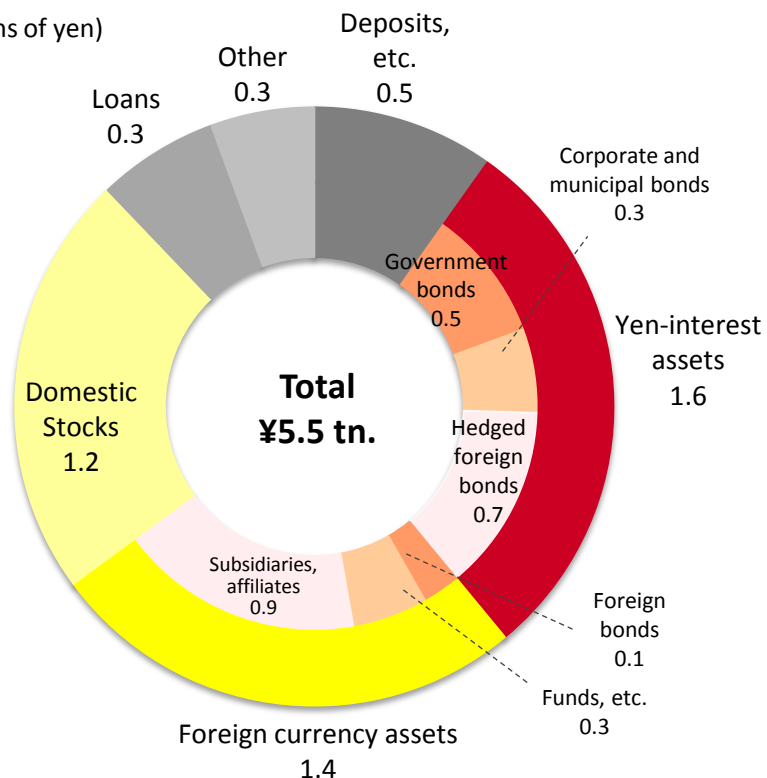
Asset Portfolio – Sompo Japan Nipponkoa

◆ Continue to manage reduction of strategic-holding stocks and maintain diversified investments.

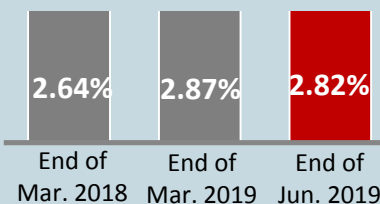
Amount of investment assets (as of end of June 2019, Sompo Japan Nipponkoa, non-consolidated)

<General account>

(Trillions of yen)



Trend of income yield*¹ (General account)



Composition by ratings*²

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

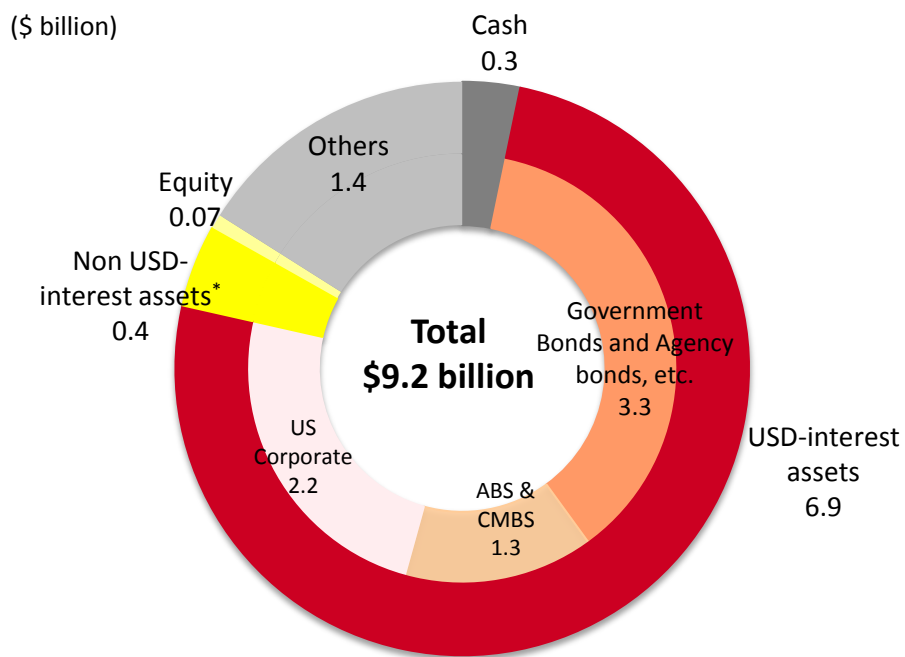
*1 Excluding overseas subsidiaries' shares, etc.

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

Asset Portfolio - SI

◆ Maintain liquid, high quality assets to meet company liabilities, while investing predominantly in USD-interest assets.

Amount of investment assets (as of end of March 2019, SI, consolidated)



Composition by ratings

Rating	Composition
BBB or above	93%
BB or below	7%

Duration (years)

	End of Dec. 2018	End of Mar. 2019
Asset	3.2	3.0
Liability	2.9	2.9

(Reference) Income yield* at the end of March 2019: 2.91%

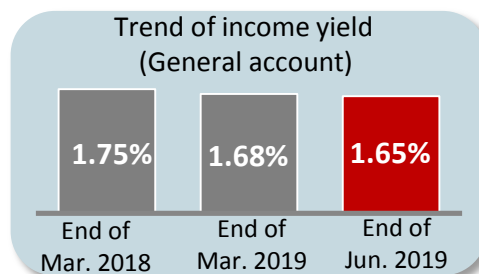
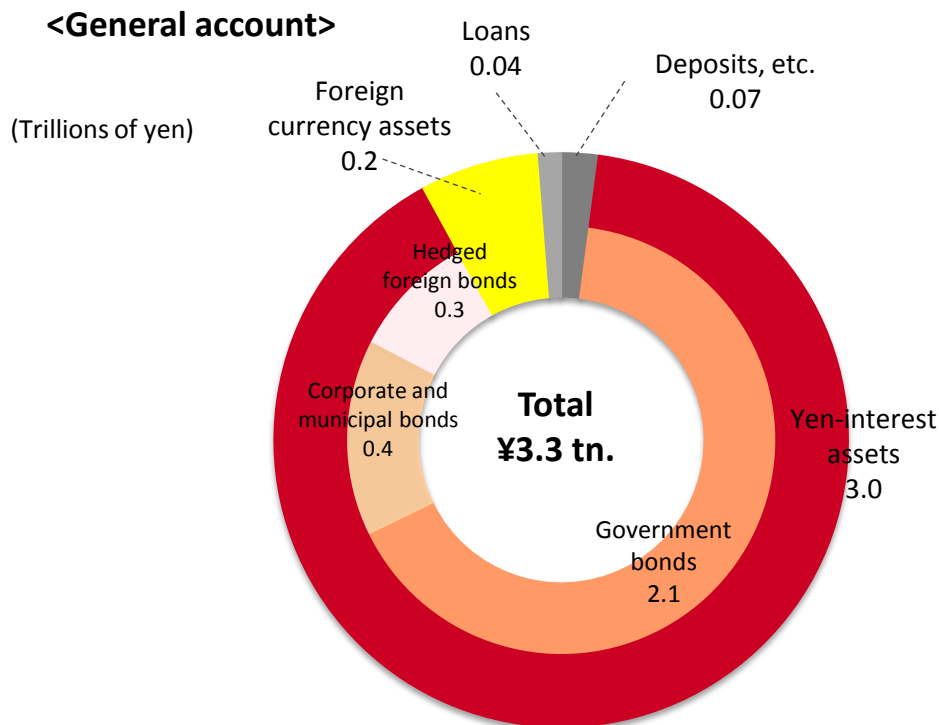
*Incl. Changes in unrealized gains and losses on certain funds, etc.

* Include cash

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 June 2019, Himawari Life, non-consolidated)



Composition by ratings*

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

Duration (years)

	End of Mar. 2019	End of Jun. 2019
Asset	14	14
Liability	25	26

(Reference) Amount of separate account (End of Jun. 2019): ¥22.6 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 and Finance Department

Telephone : +81-3-3349-3913

E-Mail : ir@sompo-hd.com

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