

Highlights of 1H FY2019 Results

November 19, 2019
Sompo Holdings, Inc.



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FY2019 exchange rate (USD/JPY)		
1H Results	107.92 (YOY -5.0%)	End of Sep.
	- Overseas* 107.79 (YOY -2.5%)	End of Jun.
Full year forecast	Revised forecast: 107.92 (Against initial forecast -2.8%)	End of Sep.
	(Reference) Initial forecast: 110.99	End of Mar.

Highlights of 1H FY2019 Results

- ◆ Consolidated ordinary profit for 1H FY2019 increased by ¥35.9 billion to ¥63.7 billion and consolidated net income for 1H FY2019 increased by ¥21.7 billion to ¥43.9 billion.
- ◆ Revise full-year business forecasts to reflect the current environment, such as large domestic natural disasters which occurred in October 2019. Consolidated ordinary profit for FY2019 is expected to be ¥185.0 billion and consolidated net income for FY2019 is expected to be ¥118.0 billion.
- ◆ As for total shareholder returns for FY2019, plan to exceed the amount of total shareholder returns for FY2018 on the premise that adjusted consolidated profit forecast doesn't change largely going forward.

1H FY2019 Actual

- Sompo Japan Nipponkoa's underwriting profit increased due to a decrease in the amount of net incurred losses from large domestic natural disasters.
 - E/I loss ratio (excluding domestic natural disasters, the impact of consumption tax hike, and large losses improved by 0.4 points to 57.1%.Investment profit progressed firmly due partly to steady reduction of strategic-holding stocks (¥58.9 billion including hedge) while the impact of foreign currency.
- Adjusted profit in overseas insurance business increased by ¥0.5 billion due to top-line growth in SI while the impact of foreign currency.
- Domestic life insurance business progressed firmly due to steady expansion of policies in force, despite the impact of temporally stop of sales of products for corporate line.
- Nursing care business progressed in line with the plan due to occupancy rate improvement.

Revision of FY2019 Forecast

- Adjust business forecasts based on current environments such as large losses and the various impacts from large domestic natural disasters including Typhoon No. 19. Consolidated ordinary profit decreased by ¥65.0 billion against initial forecast to ¥185.0 billion and consolidated net income decreased by 50.0 billion against initial forecast to ¥118.0 billion.
- Base profitability remains strong.

1. Consolidated financial results

2. Domestic P&C insurance

3. Overseas insurance

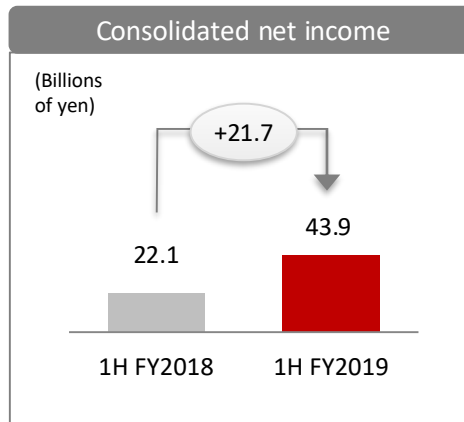
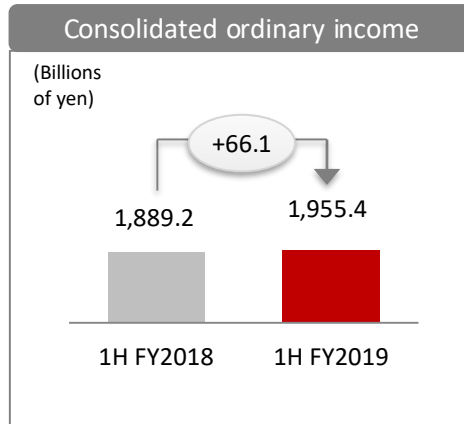
4. Domestic life insurance

5. Nursing care & healthcare, etc.

6. ERM & asset management

Overview of 1H FY2019 Results – Consolidated Basis

- ◆ SI and Sompo Japan Nipponkoa continued to perform briskly, with net premiums written increasing by ¥62.1 billion.
- ◆ Consolidated net income increased by ¥21.7 billion despite the impact of large domestic natural disasters such as Typhoon No. 15.



(Billions of yen)	1H FY2018	1H FY2019	Change	FY2019 (Revised Forecast)
Consolidated ordinary income	1,889.2	1,955.4	+66.1 (+3.5%)	-
Net premiums written (P&C)	1,440.3	1,502.4	+62.1 (+4.3%)	2,806.5
Life insurance premiums	170.4	172.9	+2.5 (+1.5%)	356.5
Consolidated ordinary profit	27.8	63.7	+35.9	185.0
Sompo Japan Nipponkoa	-3.2	33.3	+36.6	180.0
Overseas insurance subsidiaries	9.5	58.8	+49.3	86.2
Himawari Life	13.5	14.3	+0.8	24.7
Nursing care and healthcare*1	2.1	4.0	+1.9	6.9
Consolidated adjustment*2/Others	5.8	-46.9	-52.7	-113.0
Consolidated net income*3	22.1	43.9	+21.7	118.0
Sompo Japan Nipponkoa	0.1	24.9	+24.8	130.0
Overseas insurance subsidiaries	6.1	49.2	+43.0	72.8
Himawari Life	9.4	9.4	+0.0	16.0
Nursing care and healthcare	1.8	2.3	+0.4	4.1
Consolidated adjustment/Others	4.4	-42.1	-46.5	-104.9
(Reference) Adjusted profit (by business)	28.3	82.3	+53.9	128.0
Domestic P&C insurance	-19.4	34.4	+53.8	41.5
Overseas insurance	27.1	27.7	+0.5	47.0
Domestic life insurance	17.7	17.1	-0.5	34.0
Nursing care & healthcare, etc.	2.8	2.9	+0.1	5.5

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

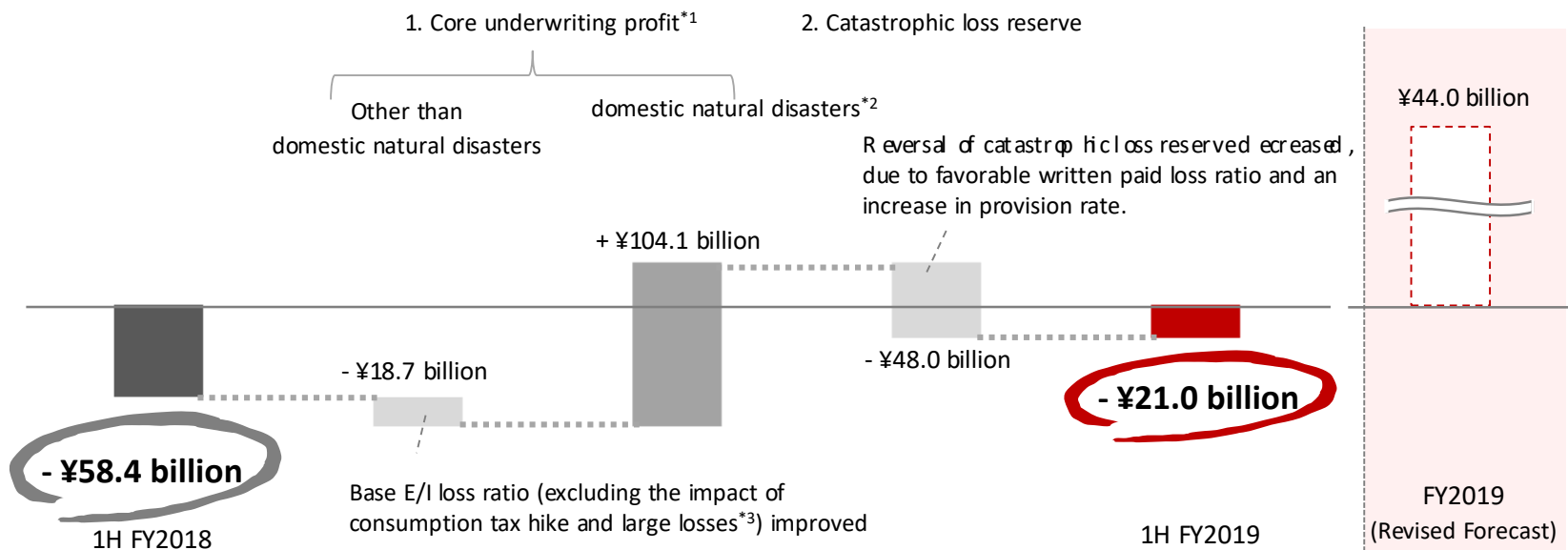
*2 "Purchase method" accounting was adopted upon the establishment of Sompo Holdings. The figures therefore include adjustments for gains/losses on sales, etc.

*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)

- ◆ Underwriting profit increased by 37.3 billion, mainly due to a decrease in impact from domestic natural disasters.
- ◆ Base loss ratio improved despite negative impacts such as an increase in reinsurance costs.

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)			
1H FY2018	- ¥61.5 billion	¥85.6 billion	- ¥147.2 billion	¥3.1 billion	- ¥58.4 billion
1H FY2019	¥23.7 billion	¥66.9 billion	- ¥43.1 billion	- ¥44.8 billion	- ¥21.0 billion

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

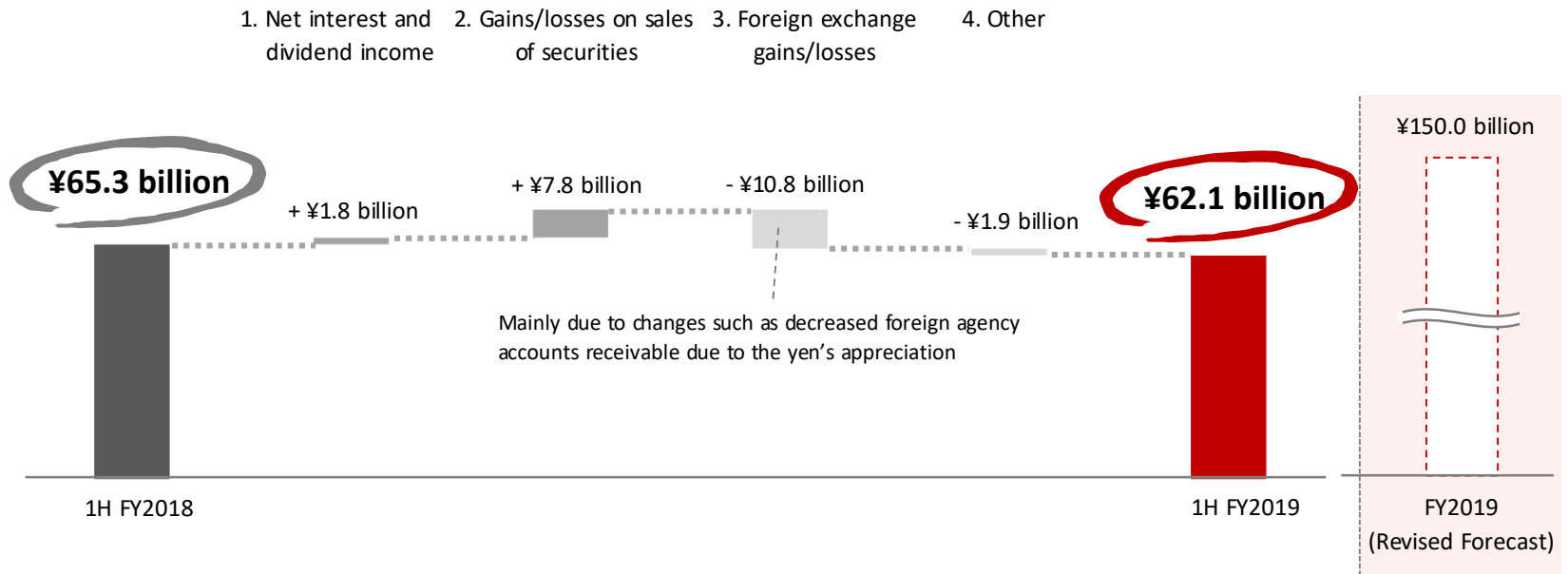
*2 Domestic natural disasters is sum of net claims paid that occurred in the current fiscal year

*3 The impact of consumption tax hike: -¥3.6 billion, increase in large losses: -¥6.8 billion

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

◆ Investment profit was ¥62.1 billion, reflecting an increase in gains on sales of securities with progress in reducing strategic holding stocks.

Changing factors of investment profit (Sompo Japan Nipponkoa)

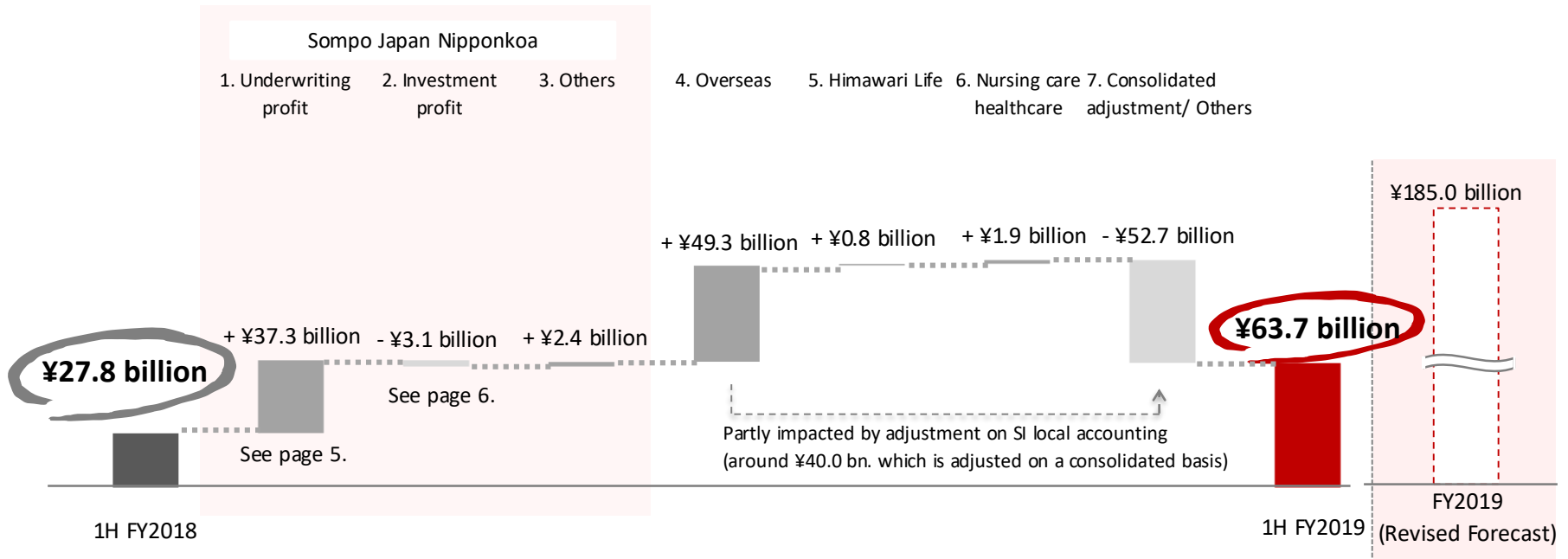


	1. Net interest and dividend income	2. Gains/losses on sales of securities	3. Foreign exchange gains/losses	4. Other	Investment profit
1H FY2018	¥36.9 billion	¥24.6 billion	¥7.2 billion	- ¥3.4 billion	¥65.3 billion
1H FY2019	¥38.8 billion	¥32.4 billion	- ¥3.6 billion	- ¥5.4 billion	¥62.1 billion

Main Points of Consolidated Results – (3) Ordinary Profit

◆ Consolidated ordinary profit was ¥63.7 billion, due to profit growth in all businesses.

Changing factors of consolidated ordinary profit



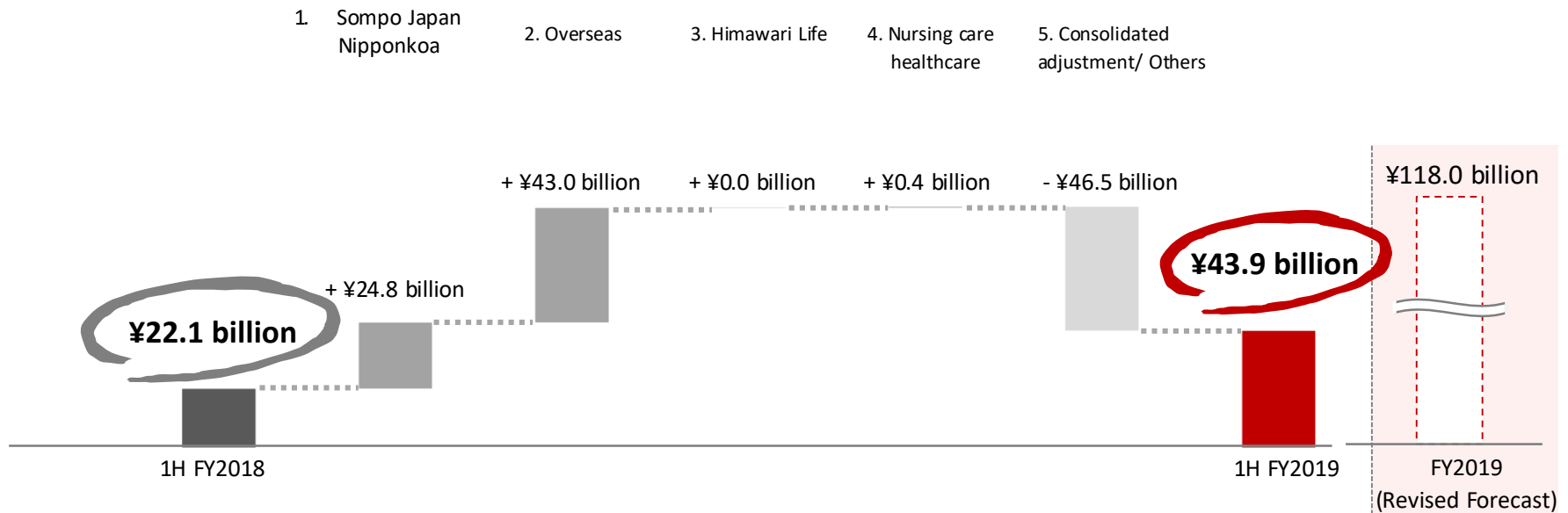
	1. Underwriting profit	2. Investment profit	3. Others	4. Overseas subsidiaries	5. Himawari Life	6. Nursing care healthcare	7. Consolidated adjustment/others	Ordinary profit
1H FY2018	- ¥58.4 billion	¥65.3 billion	- ¥10.1 billion	¥9.5 billion	¥13.5 billion	¥2.1 billion	¥5.8 billion	¥27.8 billion
1H FY2019	- ¥21.0 billion	¥62.1 billion	- ¥7.7 billion	¥58.8 billion	¥14.3 billion	¥4.0 billion	- ¥46.9 billion*	¥63.7 billion

* Net amortization amount (before tax) of goodwill and intangible assets, etc. of SI for 1H FY2019: ¥11.7 billion

Main Points of Consolidated Results – (4) Net Income

◆ Consolidated net income increased by ¥21.7 billion to ¥43.9 billion.

Changing factors of consolidated net income



	1. Somo Japan Nipponkoa	2. Overseas subsidiaries	3. Himawari Life	4. Nursing care	5. Consolidated adjustment/others	Net income
1H FY2018	¥0.1 billion	¥6.1 billion	¥9.4 billion	¥1.8 billion	¥4.4 billion	¥22.1 billion
1H FY2019	¥24.9 billion	¥49.2 billion	¥9.4 billion	¥2.3 billion	- ¥42.1 billion	¥43.9 billion

Business Forecasts for FY2019 – Consolidated Basis

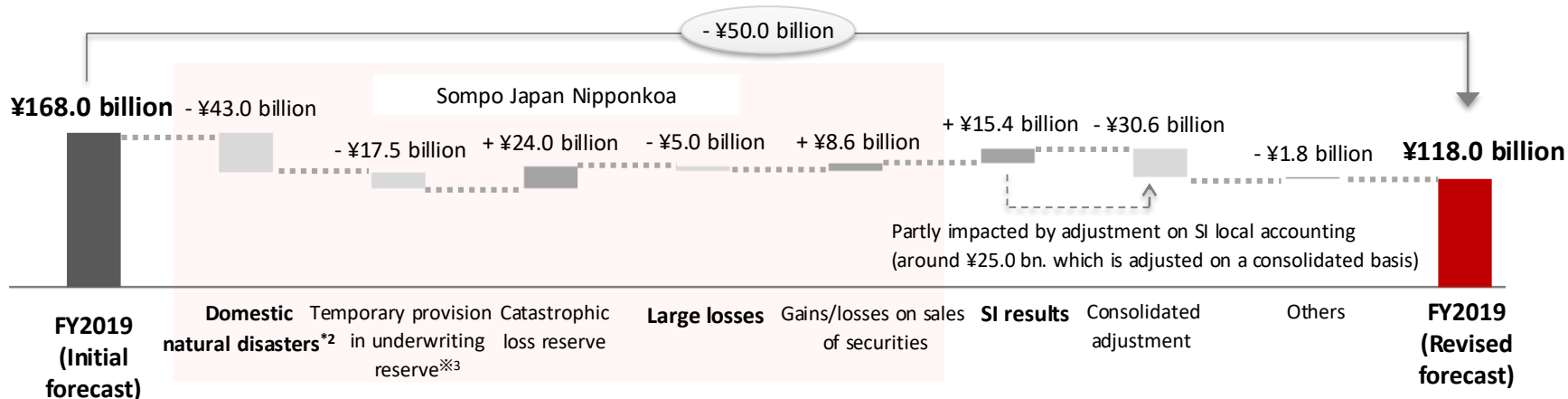
- ◆ Revise business forecasts to conservatively reflect current environment.
- ◆ Consolidated ordinary profit for FY2019 is expected to be ¥185.0 billion and consolidated net income for FY2019 is expected to be ¥118.0 billion.

(Billions of yen)	FY2018	FY2019			Change 3-1
	(Actual) 1	(Initial forecasts) 2	(Revised forecasts) 3	(Change) 3-2	
Net premiums written (P&C)	2,718.1	2,820.0	2,806.5	-13.5	+88.3 (+3.3%)
Life insurance premiums	349.6	363.0	356.5	-6.5	+6.8 (+2.0%)
Consolidated ordinary profit	198.9	250.0	185.0	-65.0	-13.9
Sompo Japan Nipponkoa	215.5	226.0	180.0	-46.0	-35.5
Overseas subsidiaries	-5.8	68.5	86.2	+17.7	+92.0
Himawari Life	23.2	24.2	24.7	+0.5	+1.4
Nursing care (SOMPO Care)	5.9	6.6	6.9	+0.3	+1.0
Consolidated adjustment/others	-39.9	-75.3	-113.0	-37.6	-73.0
Consolidated net income	146.6	168.0	118.0	-50.0	-28.6 (-19.5%)
Sompo Japan Nipponkoa	175.7	163.0	130.0	-33.0	-45.7
Overseas subsidiaries	-6.1	58.3	72.8	+14.4	+78.9
Himawari Life	15.3	16.0	16.0	-	+0.6
Nursing care (SOMPO Care)	4.2	3.8	4.1	+0.3	-0.0
Consolidated adjustment/others	-42.5	-73.2	-104.9	-31.7	-62.4
(Reference) Adjusted profit (by business)	113.5	185.0	128.0	-57.0	+14.4 (+12.7%)
Domestic P&C insurance	42.3	86.5	41.5	-45.0	-0.8
Overseas insurance	33.0	59.0	47.0	-12.0	+13.9
Domestic life insurance	32.8	34.0	34.0	-	+1.1
Nursing care & healthcare, etc.	5.2	5.5	5.5	-	+0.2

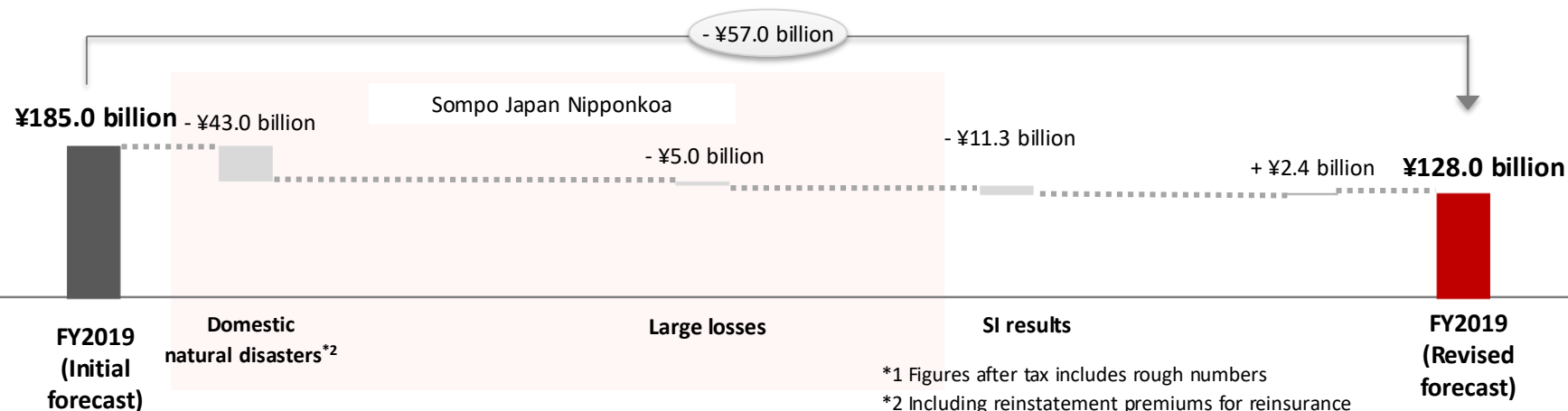
Main Points of Business Forecasts for FY2019

◆ Adjust business forecasts based on current environments such as large losses and the various impacts from large domestic natural disasters including Typhoon No. 19.

Revised factors (figures after tax*1) : Consolidated net income



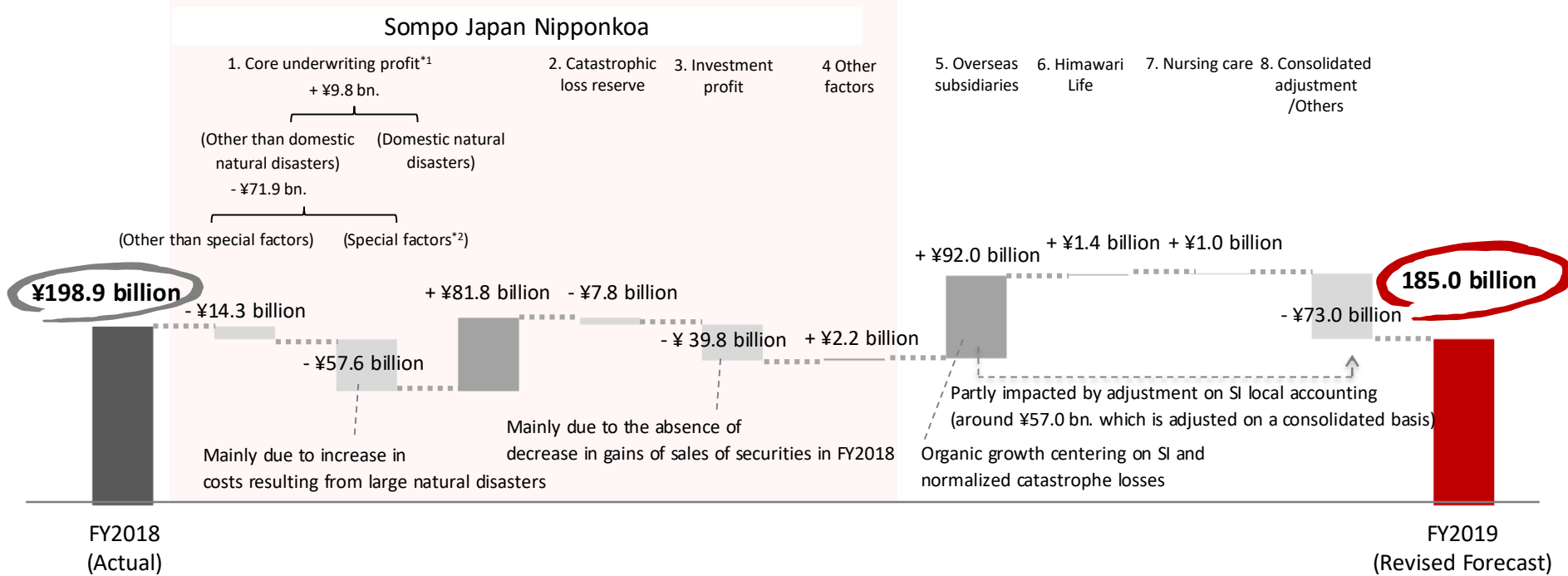
(Reference) Revised factors (figures after tax*1) : Adjusted consolidated profit



*1 Figures after tax includes rough numbers
 *2 Including reinstatement premiums for reinsurance
 *3 Underwriting reserve related to natural disasters

(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 Revised Forecasts	¥93.1 billion	- ¥96.0 billion	¥46.8 billion	¥150.0 billion	- ¥14.0 billion	¥86.2 billion*3	¥24.7 billion	¥6.9 billion	- ¥113.0 billion*3	¥185.0 billion
(Reference) FY2019 Initial Forecasts	¥137.4 billion	- ¥53.0 billion	¥13.5 billion	¥143.1 billion	- ¥15.1 billion	¥68.5 billion*3	¥24.2 billion	¥6.6 billion	- ¥75.3 billion*3	¥250.0 billion

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

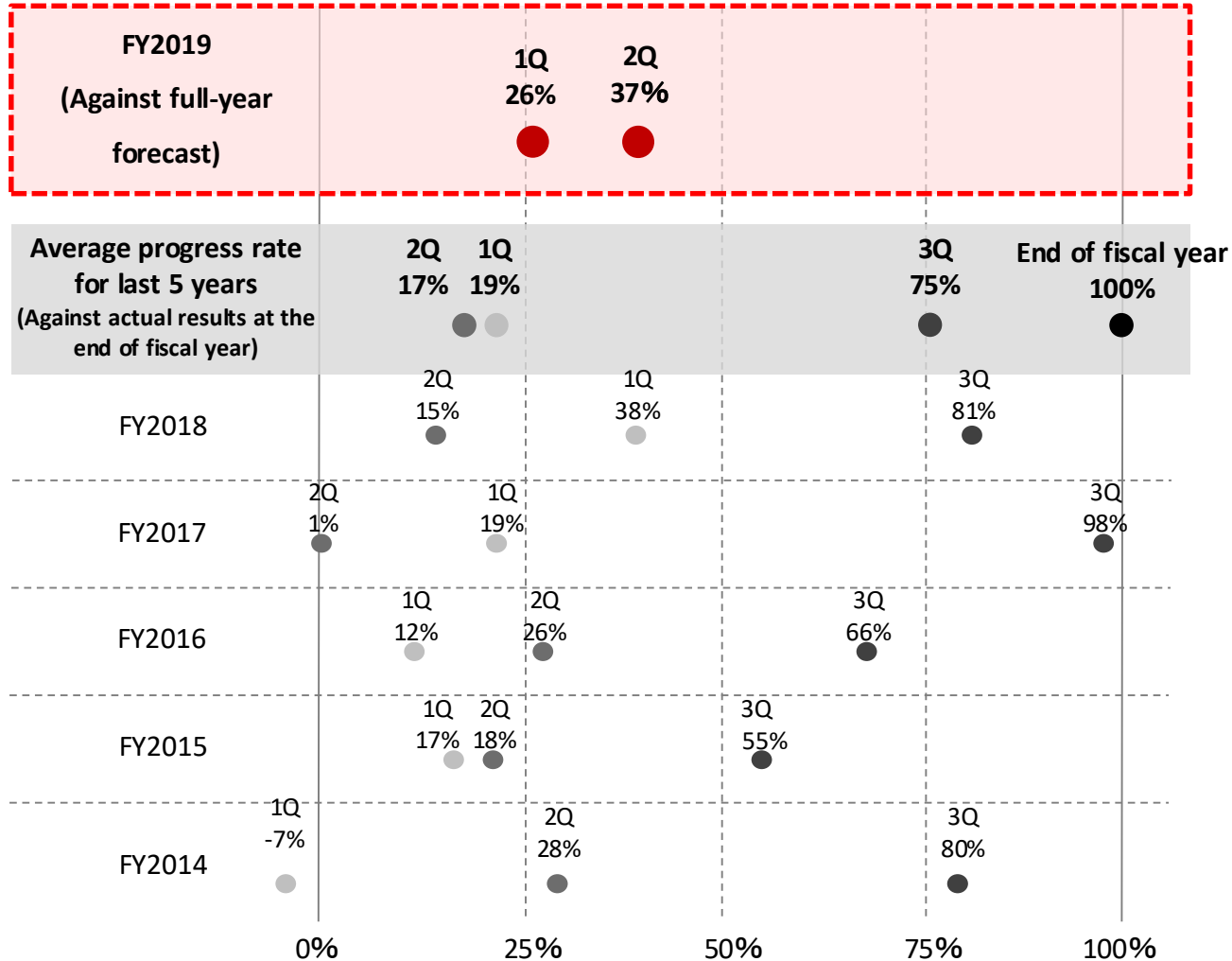
*2 Temporary provisions in underwriting reserve(Underwriting reserve related to natural disasters), reinstatement premiums for reinsurance and the impact of consumption tax hike

*3 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 ¥23.4 billion for FY2019 Revised 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)	(1H Actual)	(Revised Forecasts)	(Plan)
Domestic P&C insurance	42.3	34.4	41.5	Over 95.0
Overseas insurance	33.0	27.7	47.0	Over 65.0
Domestic life insurance	32.8	17.1	34.0	Over 37.0
Nursing care & healthcare, etc.	5.2	2.9	5.5	Over 8.0
Total (Adjusted consolidated profit)	113.5	82.3	128.0	205.0 to 215.0
Adjusted consolidated ROE*²	4.5%	-	5.3%	Around 8%
ROE (J-GAAP)	8.0%	-	6.9%	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 1H FY2019 Results – Sompo Japan Nipponkoa

◆ Net income increased by 24.8 billion, mainly due to decrease in net incurred losses from domestic natural disasters despite the impact of increased reinsurance costs, etc.

(Billions of yen)	1H FY2018	1H FY2019	Change	FY2019 (Revised Forecasts)
Net premiums written	1,093.4	1,128.1	+34.6 (+3.2%)	2,185.5
(excl. CALI, household earthquake)	954.2	982.2	+27.9 (+2.9%)	1,902.9
Net premiums earned (excl. CALI, household earthquake)	936.3	937.5	+1.1 (+0.1%)	1,884.7
E/I loss ratio (excl. CALI, household earthquake)	73.4%	63.0%	-10.4pt	64.8%
W/P Loss ratio	63.4%	57.8%	-5.6pt	66.0%
(excl. CALI, household earthquake)	60.8%	55.7%	-5.1pt	64.4%
Net expense ratio	32.1%	31.7%	-0.4pt	32.0%
(excl. CALI, household earthquake)	33.5%	33.1%	-0.5pt	33.4%
Combined ratio (W/P) (excl. CALI, household earthquake)	94.3%	88.8%	-5.5pt	97.9%
(Reference) Combined ratio (E/I)* ¹ (excl. CALI, household earthquake)	106.9%	96.0%	-10.9pt	98.2%
Underwriting profit	-58.4	-21.0	+37.3	44.0
Investment profit	65.3	62.1	-3.1	150.0
Ordinary profit	-3.2	33.3	+36.6	180.0
Net income	0.1	24.9	+24.8	130.0
+ Provisions for catastrophic loss reserve (after tax)	-2.2	32.4	+34.7	-33.5
+ Provisions for reserve for price fluctuation (after tax)	1.5	1.4	-0.0	2.8
- Gains/losses on sales of securities and impairment losses on securities (after tax)	17.2	22.6	+5.3	50.0
- Special factors (after tax)* ²	-0.6	-0.2	+0.4	1.7
Adjusted profit	-17.1	36.5	+53.7	47.4

(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 continued growth.

Net premiums written by product line

(Billions of yen)	1H FY2018	1H FY2019	Change		FY2019 (Revised Forecasts)
Fire and Allied Lines	130.4	149.8	+19.3	(+14.9%)	276.2
Marine	23.3	24.1	+0.8	(+3.5%)	48.2
Personal Accident	93.8	91.3	-2.4	(-2.6%)	168.2
Voluntary Automobile	534.0	540.5	+6.4	(+1.2%)	1,088.3
CALI	138.9	145.6	+6.6	(+4.8%)	281.8
Other	172.8	176.5	+3.7	(+2.1%)	322.4
of which Liability	97.0	97.6	+0.6	(+0.7%)	169.2
Total	1,093.4	1,128.1	+34.6	(+3.2%)	2,185.5
Total (excl. CALI, household earthquake)	954.2	982.2	+27.9	(+2.9%)	1,902.9

(Reference) Year-on-Year comparison of voluntary automobile insurance (April - September 2019)

(Performance evaluation basis)

	# of vehicles*	Unit premium	Total Premium
Non-fleet	-0.3%	+2.0%	+1.6%
Fleet	+7.4%	-2.7%	+4.6%
Total	+1.3%	+0.8%	+2.1%

* 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

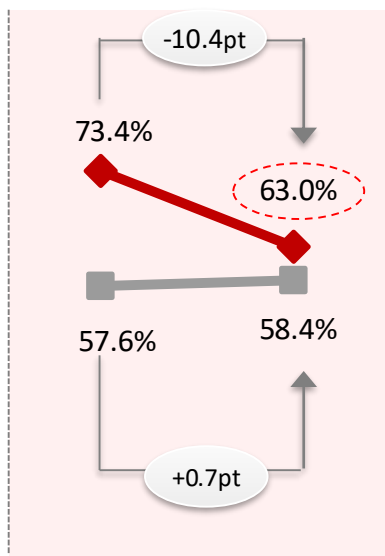
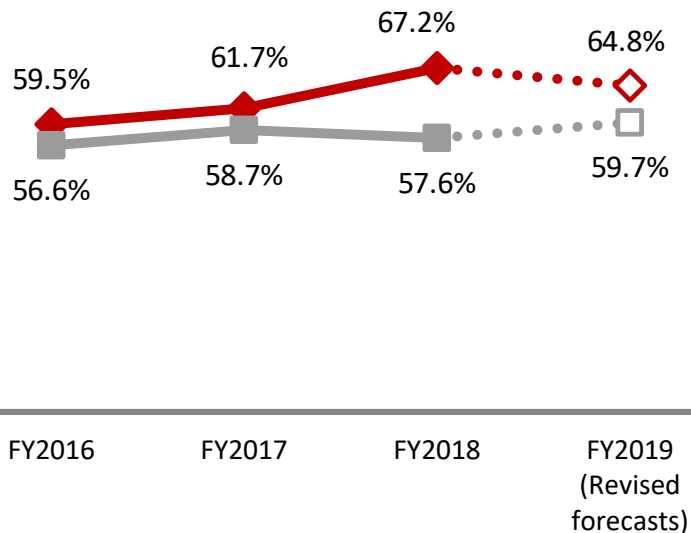
Other: Maintained strong sales of packaged products for small and medium-sized enterprises

Loss Ratio (E/I)

- ◆ E/I loss ratio for 1H FY2019 improved, mainly due to a decrease in net losses incurred from domestic natural disasters.
- ◆ Revise forecast for FY2019 to reflect conservatively domestic natural disasters and large losses.

Loss ratio (E/I) by product line

Trend of 1H Results



(Reference) Loss ratio (E/I) by product line

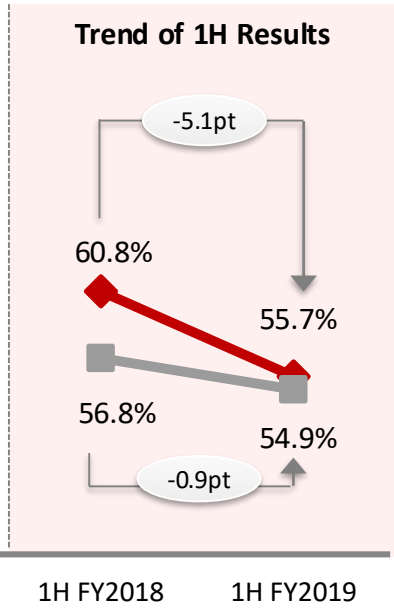
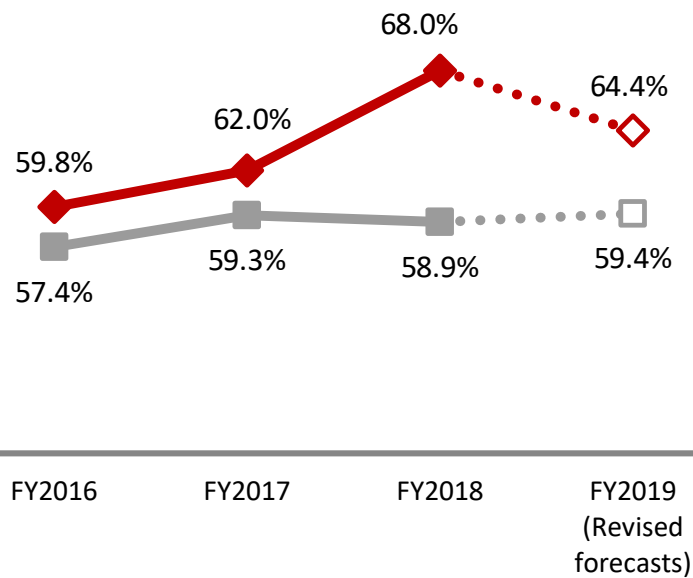
	1H FY2019	Change	FY2019 Revised forecast
	Loss Ratio		Loss Ratio
Fire and Allied lines (excl. household earthquake)*	77.5%	-60.7pt	79.4%
Marine	88.9%	-10.6pt	73.9%
Personal Accident	53.4%	-1.4pt	53.2%
Voluntary Automobile*	60.8%	-0.7pt	63.2%
Other	59.0%	-0.4pt	62.4%
Total (excl. CALI, household earthquake)	63.0%	-10.4pt	64.8%

* Loss ratio (E/I) excluding domestic natural disasters are
 Fire and Allied lines(excl. household earthquake) : 51.8% (YoY +5.0pt)
 Voluntary Automobile : 60.1% (YoY +0.4pt)

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

(Reference) Loss Ratio (Written Paid)

Loss ratio(W/P)



(Reference) Loss ratio (W/P) by product line

	1H FY2019	
	Loss Ratio	Change
Fire and Allied lines (excl. household earthquake)	59.9%	-18.9pt
Marine	55.7%	+6.8pt
Personal Accident	49.6%	-2.8pt
Voluntary Automobile	58.3%	-3.2pt
Other	47.6%	-3.8pt
Total (excl. CALI, household earthquake)	55.7%	-5.1pt

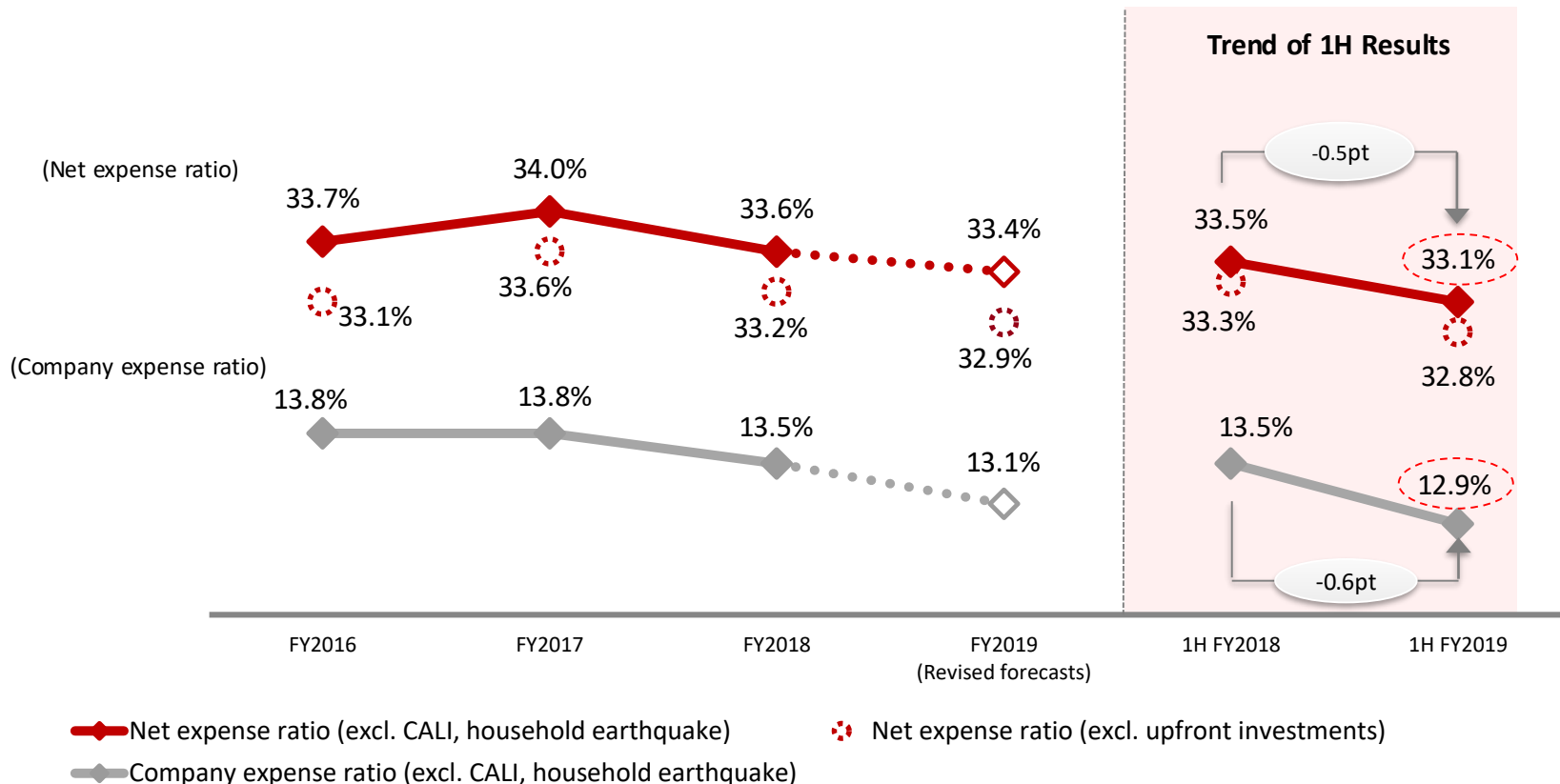
◆ Loss ratio (excl. CALI, household earthquake)

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

Net Expense Ratio

◆ Net expenses were controlled as planned by steadily reducing company expenses, etc.

Net expense ratio, Company expense ratio* (excl. CALI, household earthquake)



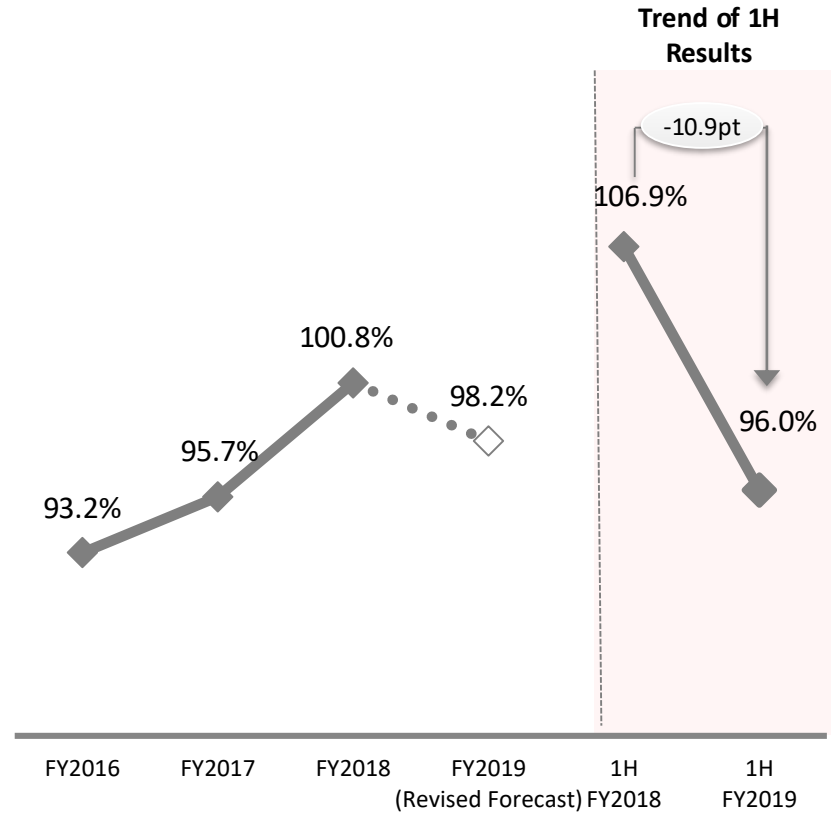
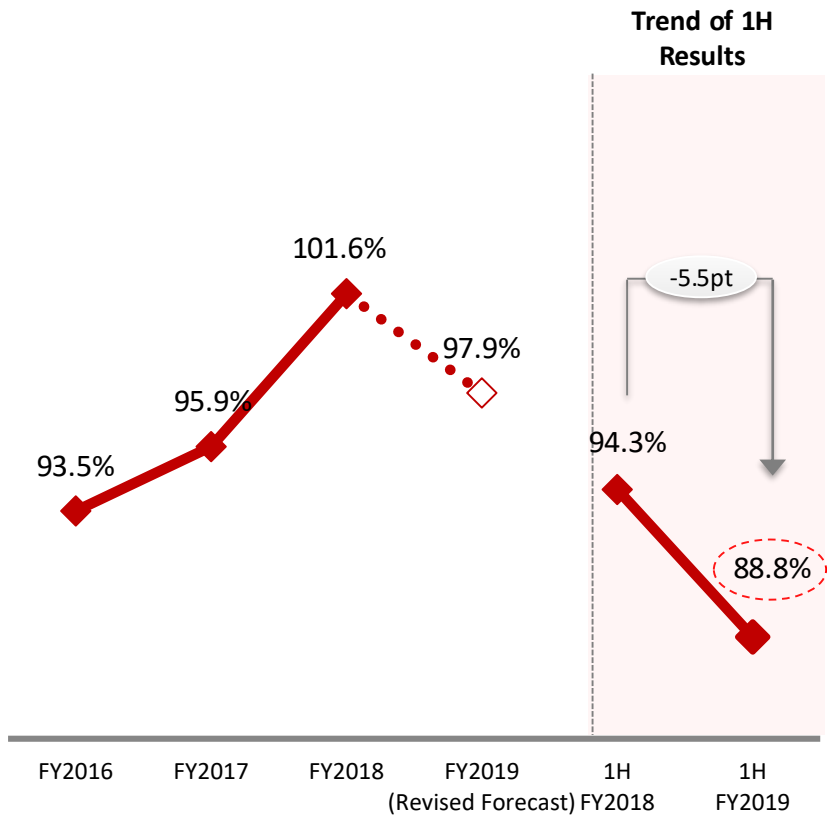
* Ratio of general administrative and selling expense related with underwriting to net premium written

Combined Ratio

- ◆ Combined ratio for 1H FY2019 improved by 5.5 points year on year to 88.8%, mainly due to a decrease in domestic natural disasters.
- ◆ Expected to be 97.9% on full-year due to progress of claims paid related to domestic natural disasters.

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

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



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

Investment profit (Sompo Japan Nipponkoa, non-consolidated)

(Billions of yen)		1H FY2018	1H FY2019	Change	FY2019 (Revised Forecasts)
Net interest and dividend income	1	36.9	38.8	+1.8	91.3
Interest and dividend income* ¹		55.7	57.2	+1.5	127.9
of which, dividends from overseas subsidiaries		0.0	0.2	+0.2	23.3
Gains on sales of securities* ¹	2	24.6	32.4	+7.8	71.4
of which, domestic stocks		37.8	21.1	-16.7	57.7
Impairment losses on securities	3	-0.6	-1.0	-0.3	-2.0
of which, domestic stocks		-0.4	-0.8	-0.3	-0.7
Gains on derivatives	4	-6.3	-3.5	+2.7	-7.7
Other investment income	5	10.6	-4.4	-15.1	-2.9
Investment profit	1+2+3+4+5	65.3	62.1	-3.1	150.0

(Reference)
Reduction of strategic-holding stocks

Actual* ²	¥35.5 billion
Stock future* ³	¥23.3 billion
Total	¥58.9 billion

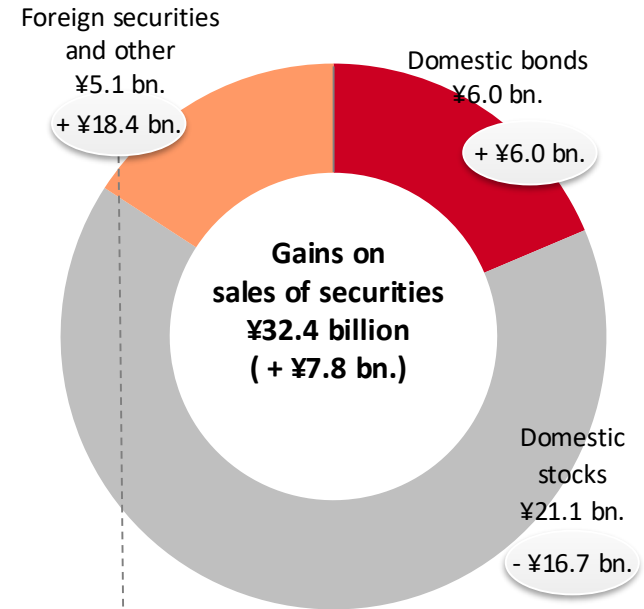
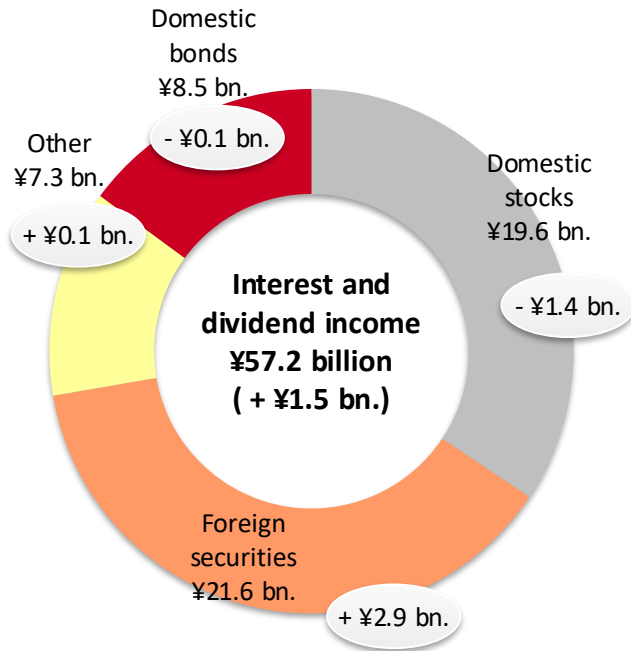
*2 Net reduction on fair value basis
(market value of sales minus market value of purchase)
The target amount of reduction in FY2019 on a full-year basis: around ¥100.0 billion

*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 and gains on sales of securities (1H FY2019)



Mainly rebound of the impact of loss on sale of subsidiary stocks (-¥11.3 billion), which is eliminated on a consolidated basis



Changes from 1H FY2018

(Reference) Business Forecasts for FY2019 – Sompo Japan Nipponkoa

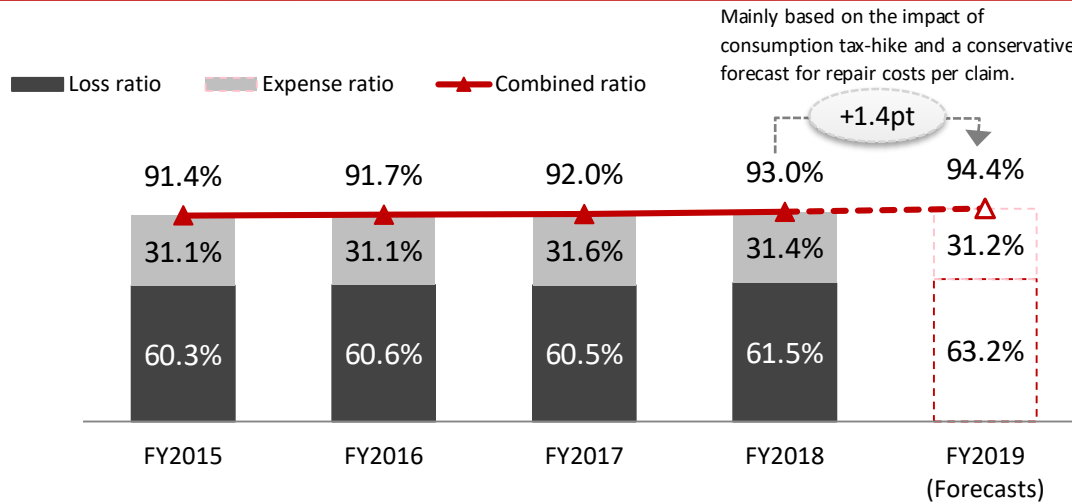
(Billions of yen)	FY2018 (Actual) ¹	FY2019			Change 3-1
		(Initial forecasts) ²	(Revised forecasts) ³	(Change) 3-2	
Net premiums written	2,148.6	2,172.0	2,185.5	+13.5 (+0.6%)	+36.8 (+1.7%)
(excl. CALI, household earthquake)	1,869.8	1,892.6	1,902.9	+10.3 (+0.5%)	+33.1 (+1.8%)
Net premiums earned (excl. CALI, household earthquake)	1,869.2	1,885.5	1,884.7	-0.7 (-0.0%)	+15.4 (+0.8%)
E/I loss ratio (excl. CALI, household earthquake)	67.2%	61.7%	64.8%	+3.1pt	-2.4pt
Written paid (W/P) loss ratio	69.8%	65.0%	66.0%	+1.0pt	-3.8pt
(excl. CALI, household earthquake)	68.0%	63.0%	64.4%	+1.4pt	-3.6pt
Net expense ratio	32.1%	32.0%	32.0%	-0.1pt	-0.1pt
(excl. CALI, household earthquake)	33.6%	33.5%	33.4%	-0.0pt	-0.1pt
Combined ratio (W/P) (excl. CALI, household earthquake)	101.6%	96.5%	97.9%	+1.4pt	-3.7pt
Combined ratio (E/I) (excl. CALI, household earthquake)	100.8%	95.2%	98.2%	+3.0pt	-2.5pt
Underwriting profit	41.9	98.0	44.0	-54.0 (-55.1%)	+2.0 (+5.0%)
Investment profit	189.8	143.1	150.0	+6.8 (+4.8%)	-39.8 (-21.0%)
Ordinary profit	215.5	226.0	180.0	-46.0 (-20.4%)	-35.5 (-16.5%)
Net income	175.7	163.0	130.0	-33.0 (-20.2%)	-45.7 (-26.0%)
(Reference) Adjusted profit					
+Provisions for catastrophic loss reserve (after tax)	-39.2	-9.4	-33.5	-24.0	+5.6
+Provisions for reserve for price fluctuation (after tax)	2.8	2.9	2.8	-0.0	-0.0
-Gains/losses on sales of securities and impairment losses on securities (after tax)	68.6	42.1	50.0	+7.8	-18.6
-Special factors (after tax)*	23.9	22.3	1.7	-20.6	-22.1
Adjusted profit	46.7	91.8	47.4	-44.4 (-48.3%)	+0.6 (+1.5%)

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

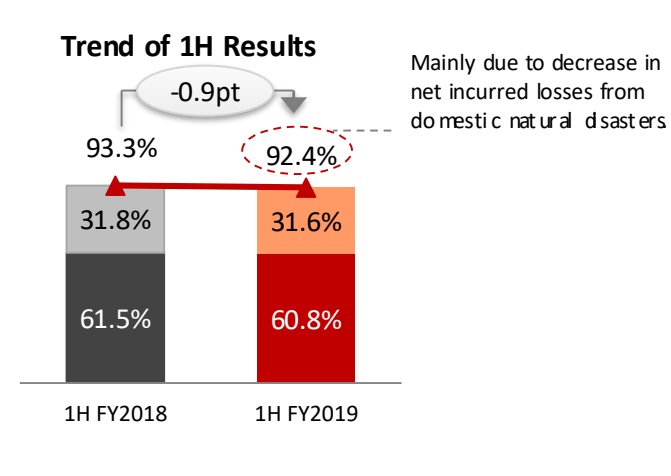
(Reference) Assumption of Business Forecasts for FY2019

	Initial forecasts	Revised forecasts
Losses from domestic natural disasters (occurring in the fiscal year)	¥53.0 billion	¥96.0 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)	Net reversal : ¥46.8 billion (Fire and allied lines: net reversal ¥52.0 billion, Voluntary automobile: net reversal ¥3.7 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%	(Unchanged)
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.	(Stock) Nikkei 225 : ¥21,755 (Interest yield) 10y JGB : -0.21% (Foreign exchange) 1US\$: ¥107.92 1Euro : ¥118.02 * Assumptions for market indicators are based on ones as of end of September 2019.
Interest and dividend income	Gross : ¥128.1 billion Net : ¥91.5 billion	Gross : ¥127.9 billion Net : ¥91.3 billion
Realized gains on securities	Realized gains on security sales : ¥59.5 billion Impairment losses on securities : ¥1.0 billion	Realized gains on security sales : ¥71.4 billion Impairment losses on securities : ¥2.0 billion
Reserve for price fluctuation	Net provision : ¥4.0 billion	Net provision : ¥3.9 billion

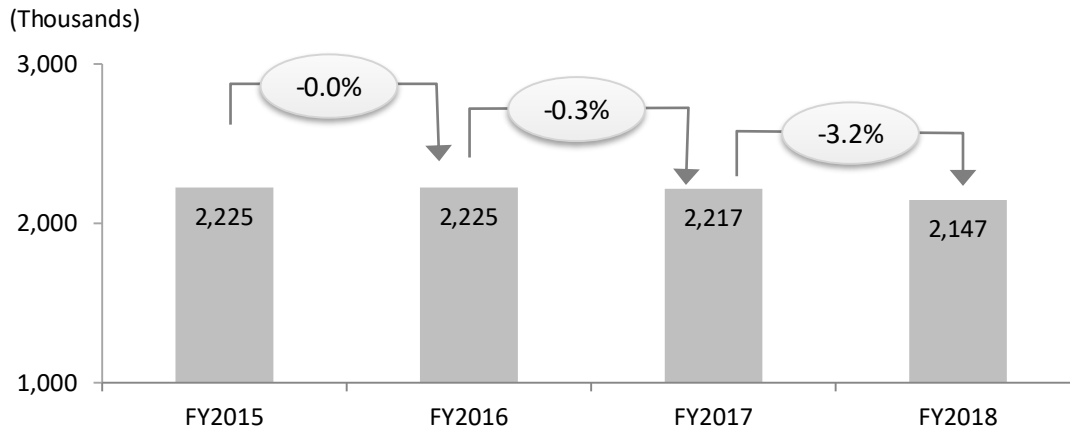
Combined ratio (E/I)



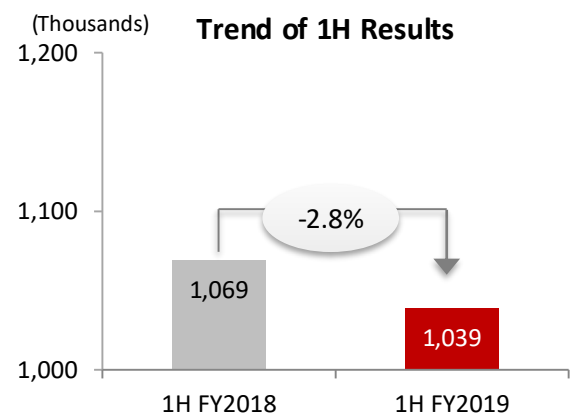
* Loss ratio is on a E/I basis (including loss adjustment expense)



The number of reported claims



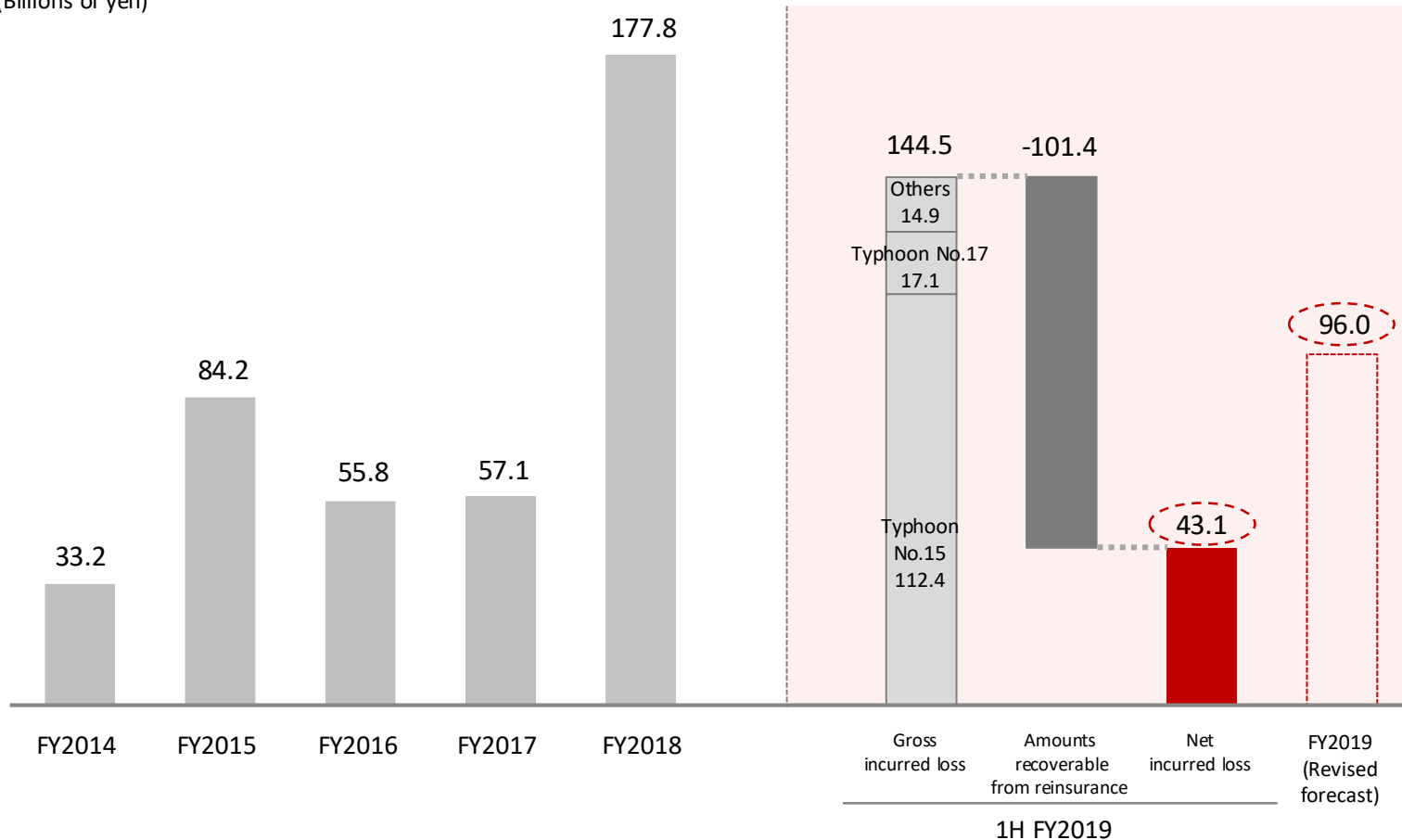
* Exclude certain natural disasters, whose incurred loss exceeds certain threshold



(Reference) Domestic Natural Disasters

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

(Billions of yen)



* excl. CALI, household earthquake

Underwriting reserves and reserve for outstanding losses and claims (at the end of 1H 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	728.5	+10.8	157.7	+22.6	141.9	+17.9
Marine	17.9	+3.2	45.2	+1.4	32.8	+6.3
Personal accident	136.0	+10.4	72.3	+2.9	56.1	-2.0
Voluntary automobile	317.5	+3.1	47.7	+8.7	401.1	+11.5
CALI* ²	455.0	+16.2	-	-	71.8	-2.1
Other	355.3	+14.7	213.3	+9.1	222.4	+9.1
Total	2,010.5	+58.7	536.4	+44.8	926.4	+40.7
Total (excluding CALI and household earthquake)	1,549.7	+42.2	536.4	+44.8	854.6	+42.9
	Amount	Change				Change
Reserve for saving-type products* ³	1,275.2	-21.3			Impact of exchange rates on reserve for outstanding losses and claims	-3.6

*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.

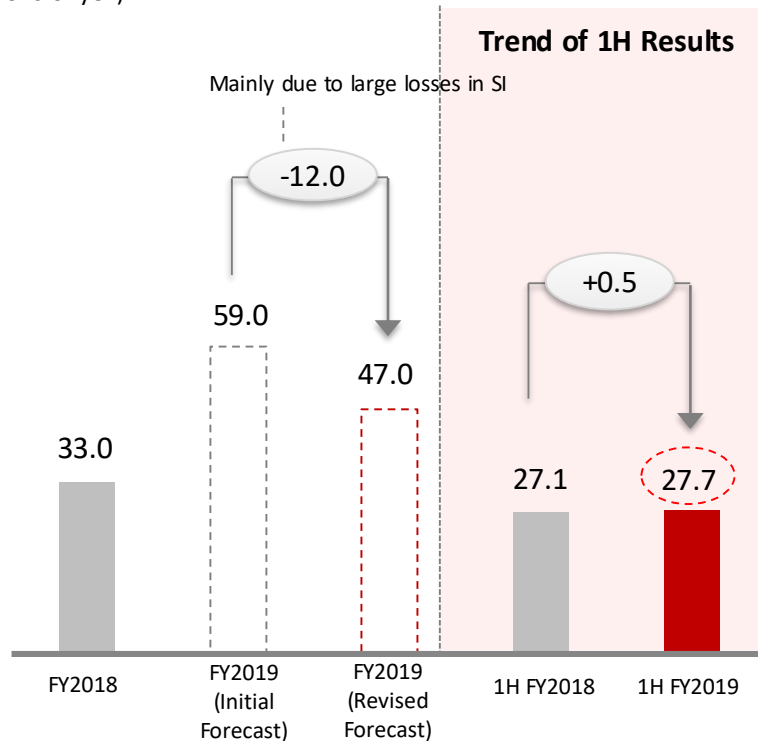
6. ERM & asset management

Overview of 1H FY2019 Results – Overseas Insurance

- ◆ Adjusted profit for 1H FY2019 increased by ¥0.5 billion to ¥27.7 billion, mainly due to profit growth at SI and Sigorta despite of the impact of foreign currency exchange.
- ◆ Based on the current environment, decreased full-year adjusted profit to ¥47.0 billion by ¥12.0 billion against initial forecast.

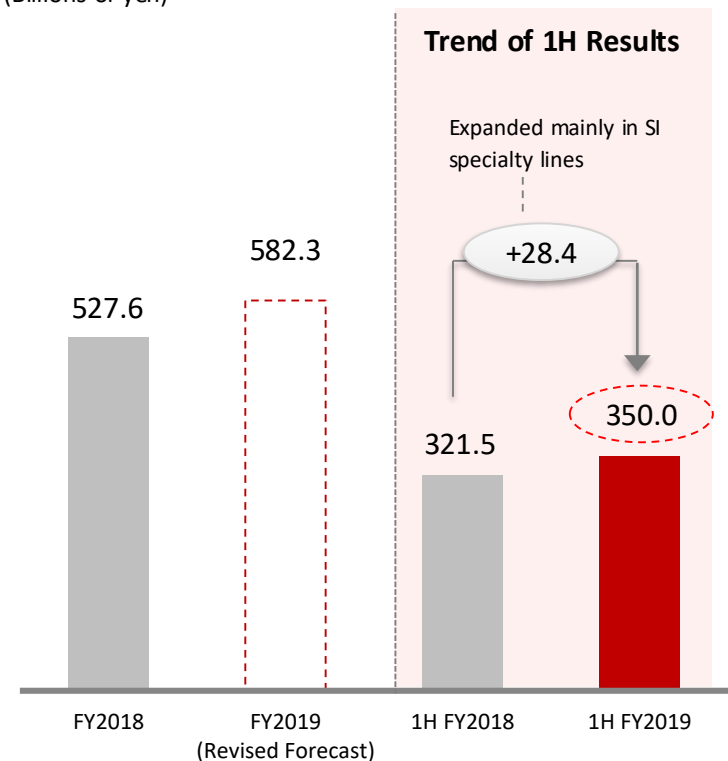
Adjusted profit*

(Billions of yen)



(Reference) Net premiums written*

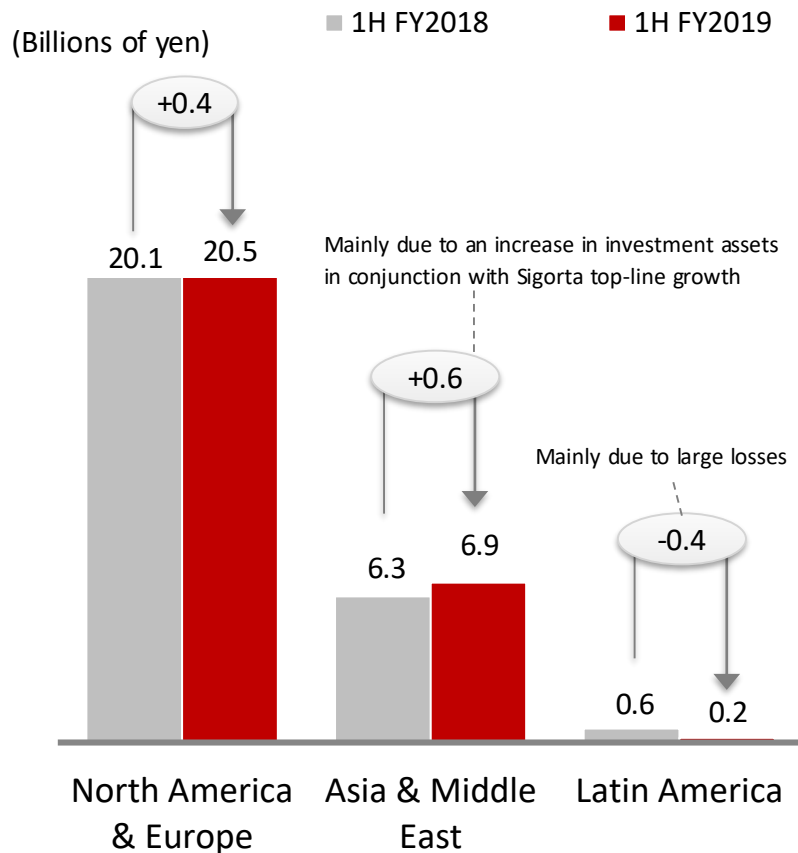
(Billions of yen)



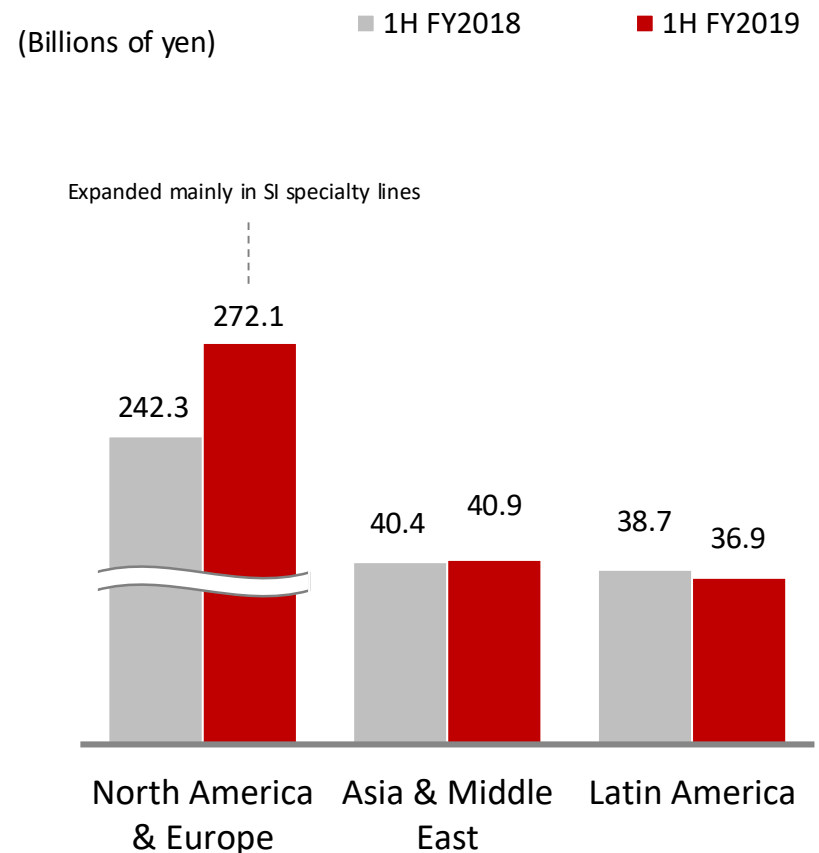
* Net premiums written of subsidiaries and affiliates reflect holding shares of each company. This treatment does not coincide with financial statements. Adjusted profits have been adjusted to reflect shareholdings and other factors.

(Reference) Business Results by Region

Adjusted profit (by region)



Net premiums written (by region)



(Reference) Business Results by Company

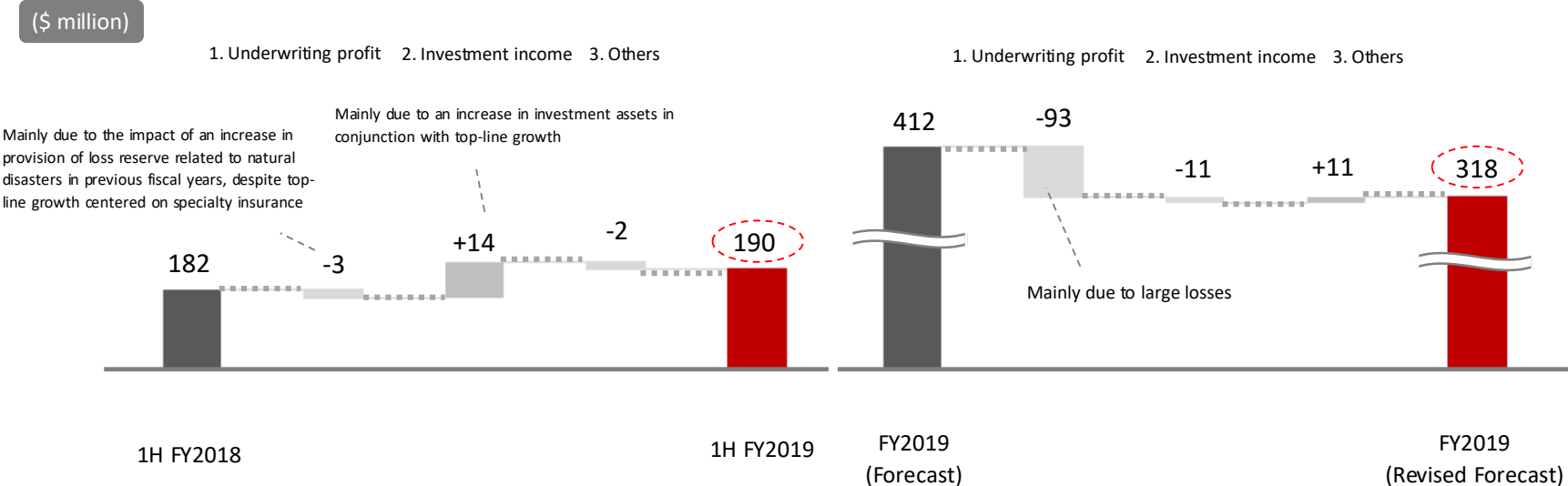
(Billions of yen)		Net premiums written (FY2019)				Adjusted profit (FY2019)				Key points	(Reference) Exchange rate	
		1H Actual		Forecasts		1H Actual		Forecasts			Jun. 2019*2	
			Change	Initial	Revised		Change	Initial	Revised		(YoY Change)	
North America & Europe	SI	272.1	+29.7	430.6	417.5	20.5	+0.4	45.7	34.3	*Refer to page32 and 33	107.79 JPY/USD	(-2.5%)
Asia & Middle East	Sompo Sigorta (Turkey)	17.7	+0.2	34.3	32.9	4.2	+0.6	7.1	6.8	Top-line grew driven by automobile and fire insurance, with investment income also performing favorably. Adjusted profit progressed briskly.	18.69 JPY/TRY	(-22.3%)
	Sompo Singapore	3.9	+0.1	7.9	7.5	0.1	-0.1	0.6	0.2	Loss ratio deteriorated, mainly in automobile insurance.	79.68 JPY/SGD	(-1.4%)
	Berjaya Sompo (Malaysia)	7.3	+0.3	15.2	14.8	0.7	+0.1	1.4	1.3	-	26.02 JPY/MYR	(-4.8%)
	Sompo Indonesia	2.3	-0.8	9.8	8.7	0.2	+0.1	0.5	0.5	-	0.0077 JPY/IDR	(-)
	Sompo China NK China	3.0	+0.1	5.5	6.0	0.7	-0.1	0.4	0.7	Loss ratio improved.	15.69 JPY/RMB	(-5.8%)
	Sompo Hong Kong	1.8	-0.1	3.5	3.1	0.1	-0.1	0.4	0.2	Due to the impact of large losses.	13.79 JPY/HKD	(-2.1%)
	Universal Sompo (India)	2.9	+0.7	8.4	8.0	0.2	-0.0	0.3	0.3	-	1.54 JPY/INR	(-2.5%)
Latin America	Sompo Seguros (Brazil)	36.9	-1.8	89.2	79.7	0.2	-0.4	2.0	1.8	Top-line growth has been basically in line with the plan, mainly in automobile insurance, offset by impacts from large losses, etc.	28.22 JPY/BRL	(-1.4%)
Other (non-consolidated)*1		1.7	-0.1	3.0	3.6	0.4	+0.1	0.2	0.3	-	-	-
Total		350.0	+28.4	607.9	582.3	27.7	+0.5	59.0	47.0	-	-	-

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

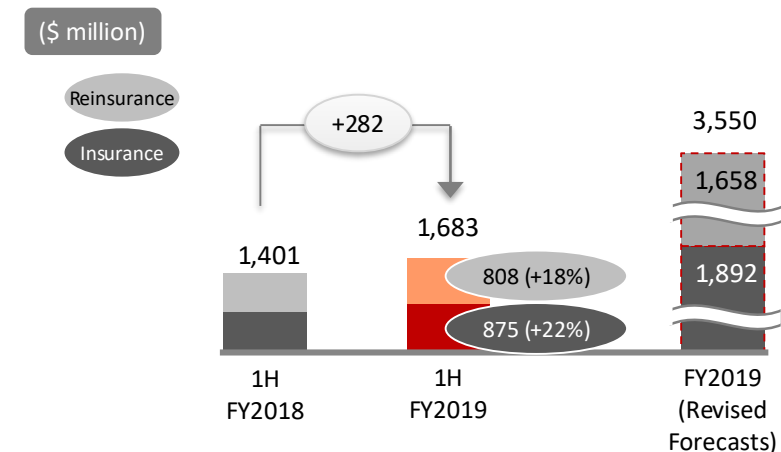
*2 Universal Sompo's exchange rate is based at the end of September 2019. Exchange rate for Revised forecasts for FY2019 is based at the end of September 2019.

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

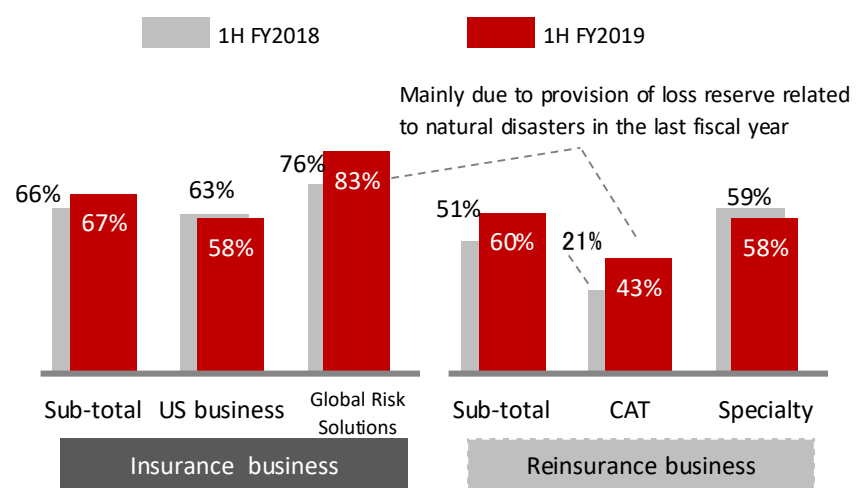
Change factors of adjusted profit (1H FY2019)



Net premiums earned



Loss ratio (Main lines of business)



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

(\$ million)	FY2018	1H FY2019		FY2019		
	(Actual)	(Actual)	YoY Change	(Revised Forecasts)	YoY Change	
Gross premiums written	5,960	4,324	+509	6,681	+720	Driven mainly by steady rate-hike
Net premiums written	3,319	2,524	+332	3,869	+549	
Net premiums earned	3,086	1,683	+282	3,550	+464	
Net losses and loss expenses	2,114	1,070	+245	2,348	+233	
Expense	952	501	+41	1,063	+110	
Loss ratio* ¹	68.5%	63.6%	+4.7pt	66.1%	-2.4pt	Mainly due to provision of loss reserve related to natural disasters in the last fiscal year
Expense ratio* ¹	30.9%	29.8%	-3.0pt	30.0%	-0.9pt	
Combined ratio* ¹	99.4%	93.4%	+1.7pt	96.1%	-3.3pt	Both commission ratio and company expense ratio improved
Underwriting income	24	114	-3	151	+126	
Net investment income	244	152	+14	289	+44	
Other income	-175	188	+293	205	+380	Mainly due to increase in unrealized gains and losses on securities
Net income (After Preferred dividend)	72	397	+273	567	+495	
(Reference) Adjusted profit						
+) Net foreign exchange gains	-15	-4	+3	-5	+9	
+) Net realized and unrealized gains, net impairment losses, etc.* ²	123	-233	-303	-280	-404	
+) Income tax expense	-1	30	+34	37	+39	
+) Others	-	-	-	-	-	
Adjusted profit	177	190	+8	318	+140	

*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.

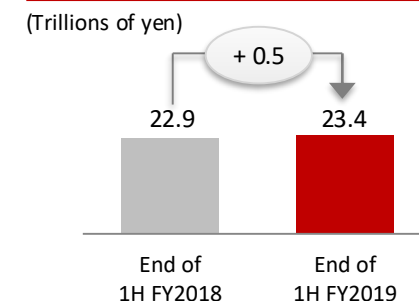
6. ERM & asset management

- ◆ Expansion of policies in force centered on protection type products led to premium and other income increases.
- ◆ Net income was ¥9.4 billion which progressed favorably against full-year forecasts (¥16.0 billion).

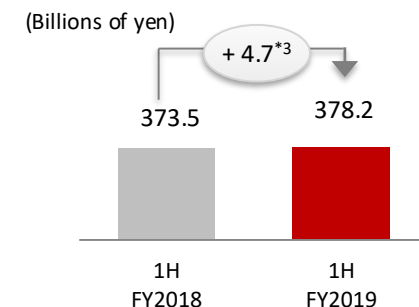
Major indicators

(Billions of yen)	1H FY2018	1H FY2019	Change		FY2019 (Revised Forecasts)
Annualized new premium	17.9	12.0	-5.8	(-32.8%)	28.0
Premium and other income ^{*1}	216.0	217.7	+1.6	(+0.8%)	447.0
Paid claims, etc.	32.5	34.9	+2.4	(+7.6%)	71.4
Expense	45.0	42.1	-2.8	(-6.3%)	92.3
Investment profit	23.0	22.7	-0.3	(-1.3%)	45.5
of which, general account	21.6	22.5	+0.9	(+4.2%)	45.1
Basic profit	16.6	16.0	-0.6	(-3.7%)	30.1
Ordinary profit ^{*1}	15.4	15.8	+0.4	(+2.7%)	28.3
Net income	9.4	9.4	+0.0	(+0.1%)	16.0
Adjusted profit	17.7	17.1	-0.5	(-3.1%)	34.0

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



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



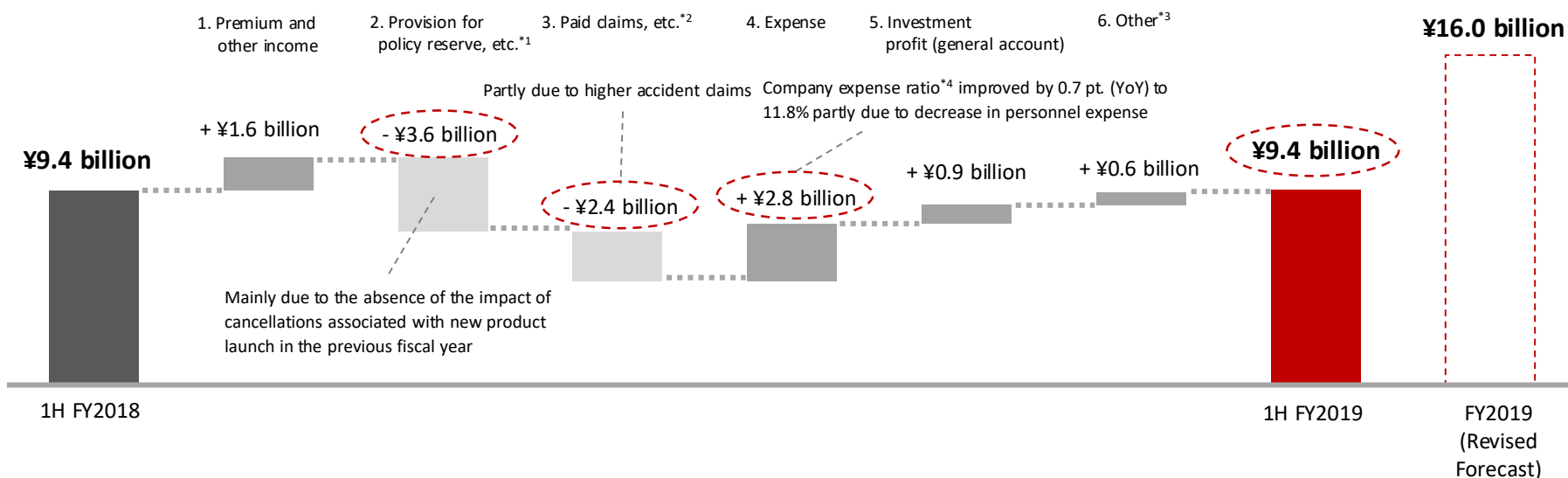
*1 Figures based on legally required format for life insurance companies (which differs from the consolidated format).

*2 The sum of individual insurance and individual annuities.

*3 Of which protection-type +¥6.6 bn.

◆ Driven mainly by streamlining expense, net income progress rate was 59% 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
1H FY2018	¥216.0 billion	- ¥143.5 billion	- ¥32.5 billion	- ¥45.0 billion	¥21.6 billion	- ¥7.1 billion	¥9.4 billion
1H FY2019	¥217.7 billion	- ¥147.1 billion	- ¥34.9 billion	- ¥42.1 billion	¥22.5 billion	- ¥6.4 billion	¥9.4 billion
FY2019 Revised Forecasts	¥447.0 billion	- ¥297.7 billion	- ¥71.4 billion	- ¥92.3 billion	¥45.1 billion	- ¥14.6 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

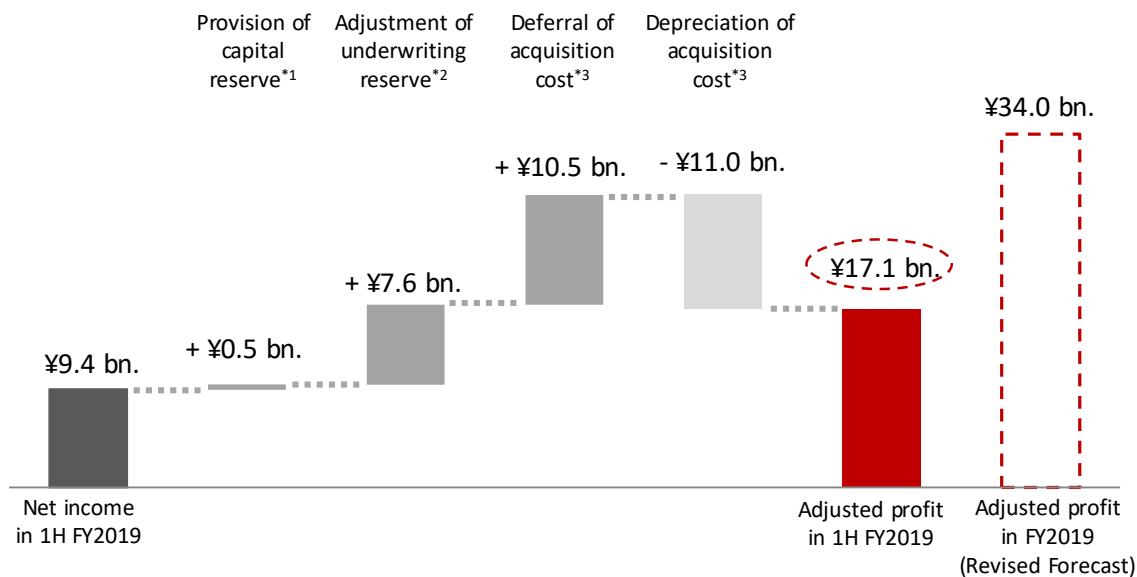
*2 Include the effect of provision or reversal of reserve for outstanding claims (excluding maturity insurance amount and survival benefits)

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

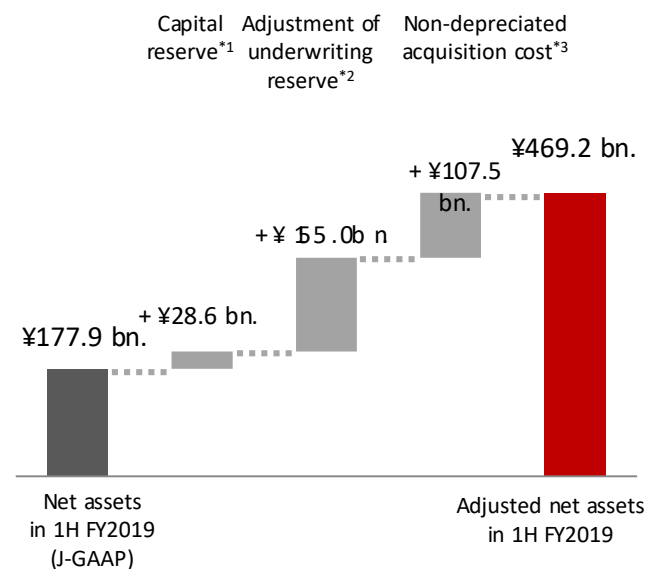
*4 General administrative cost / premiums

◆ Adjusted profit was ¥17.1 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 1H FY2019 Results – Nursing Care & Healthcare, etc.

- ◆ Occupancy rate continued to improve.
- ◆ Adjusted profit in nursing care increased by ¥0.3 billion as planned.

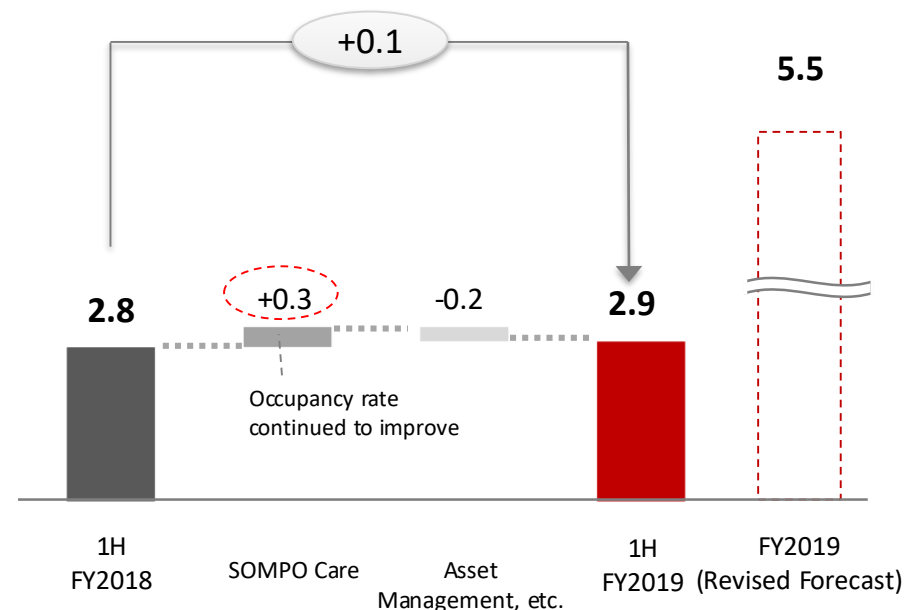
Results of nursing care business (SOMPO Care)

(Billions of yen)	1H FY2019		FY2019
	(Actual)	(Change)	(Revised Forecasts)
Sales	63.3	+1.4	127.8
Net income	2.5	+0.3	4.3
Occupancy rate* ¹			
(SOMPO-no-le)	93.0%	+1.4pt	93.2%
(SOMPO-no-le S)	94.0%	+2.1pt	93.3%
(La vie Re)	88.7%	+2.9pt	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.

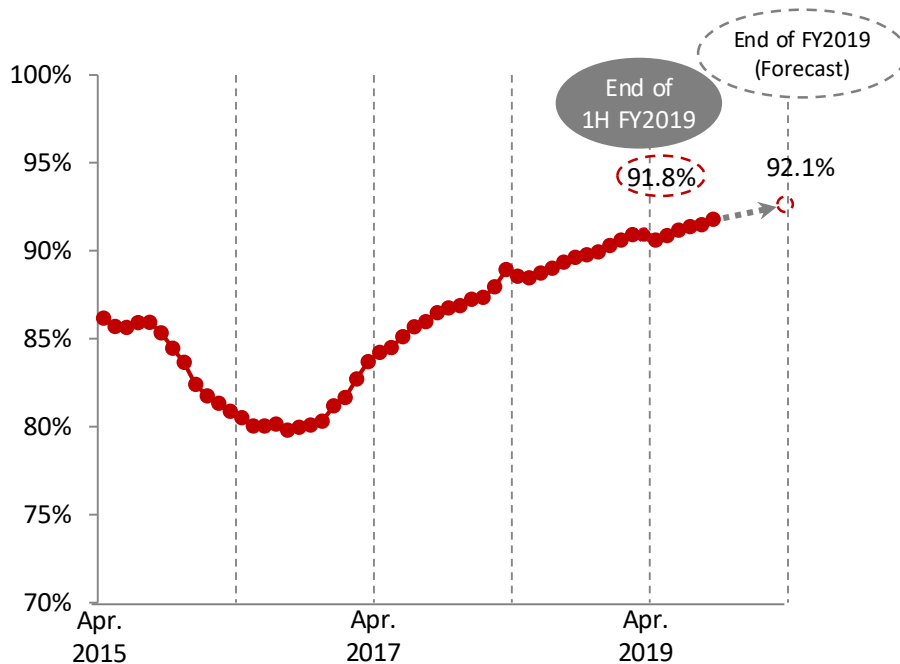
Changing factors of adjusted profit (Nursing Care & Healthcare, etc.*²)

(Billions of yen)

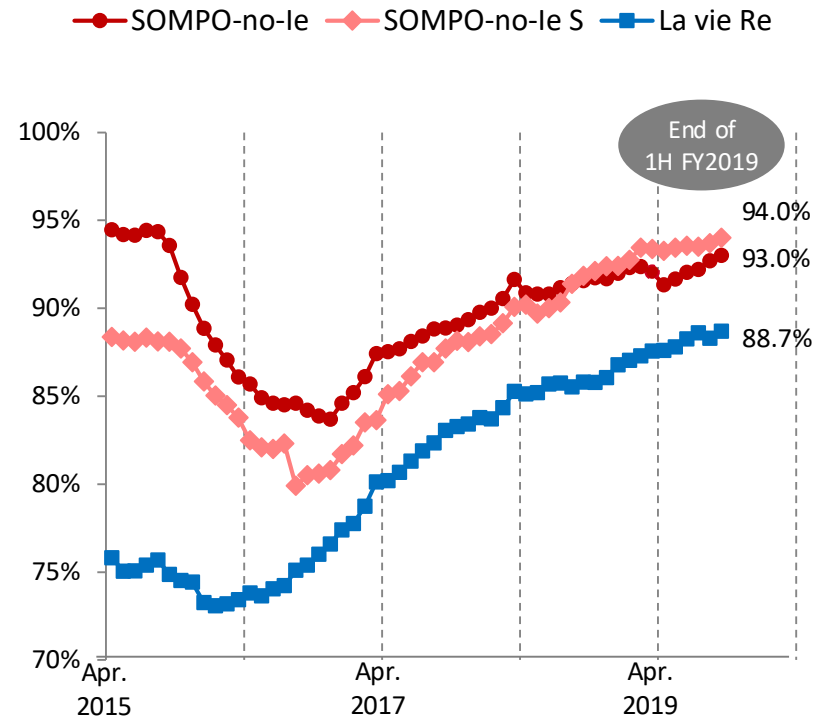


*2 Nursing care & healthcare business is the sum of SOMPO Care and asset management, etc.

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

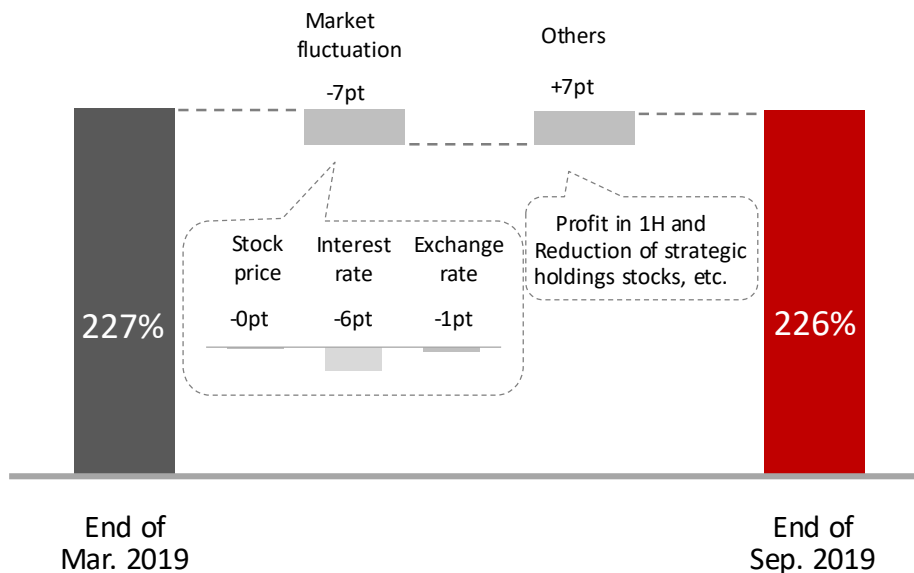
5. Nursing care & healthcare, etc.

6. ERM & asset management

Financial Soundness – ESR (99.5%VaR)

◆ ESR (99.5%VaR) as of end of 1H FY2019 was 226%, 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).

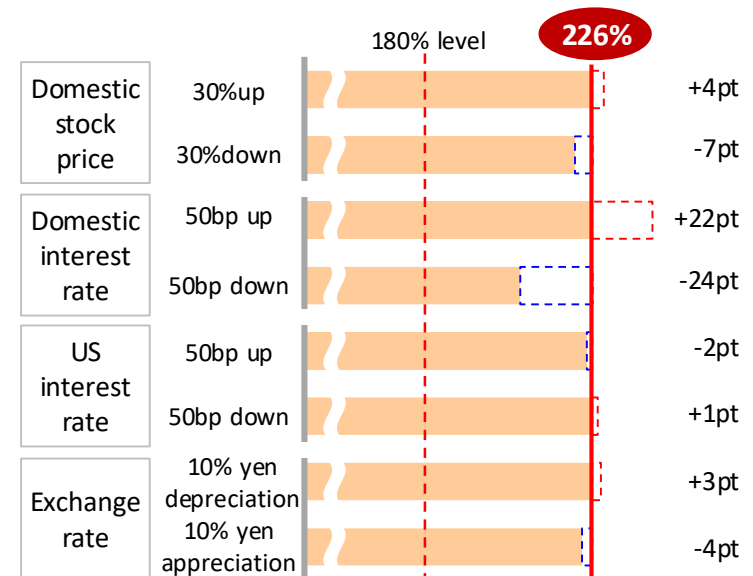
180% level: The level leading to stable financial soundness, based on the result of stress test, etc.

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)



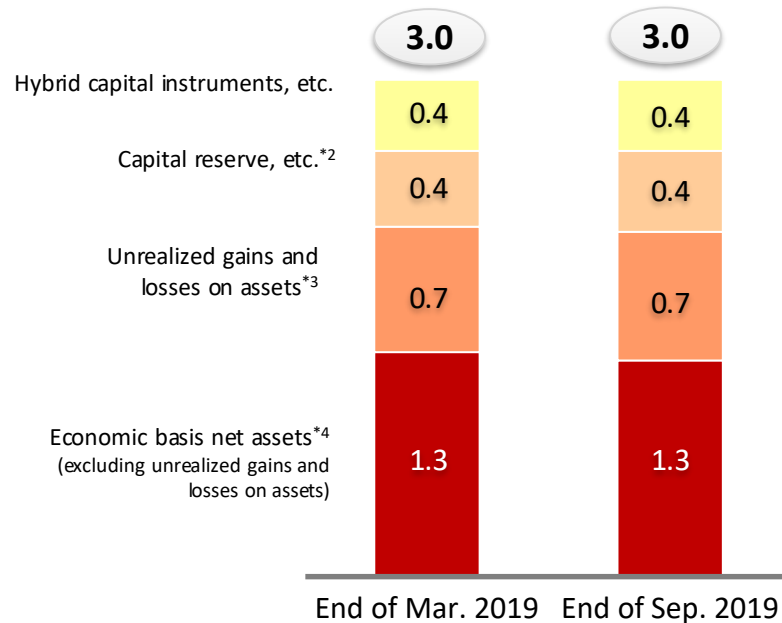
(Reference) Market indicators	End of Sep. 2019	(change*2)
Domestic stock price (Nikkei 225)	¥21,755	(+2.6%)
Domestic interest rate (30y JGB)	0.37%	(-13bp)
US interest rate	1.66%	(-74bp)
Exchange rate (JPY/USD)	¥107.92	(-2.8%)

*2 Against the end of March 2019

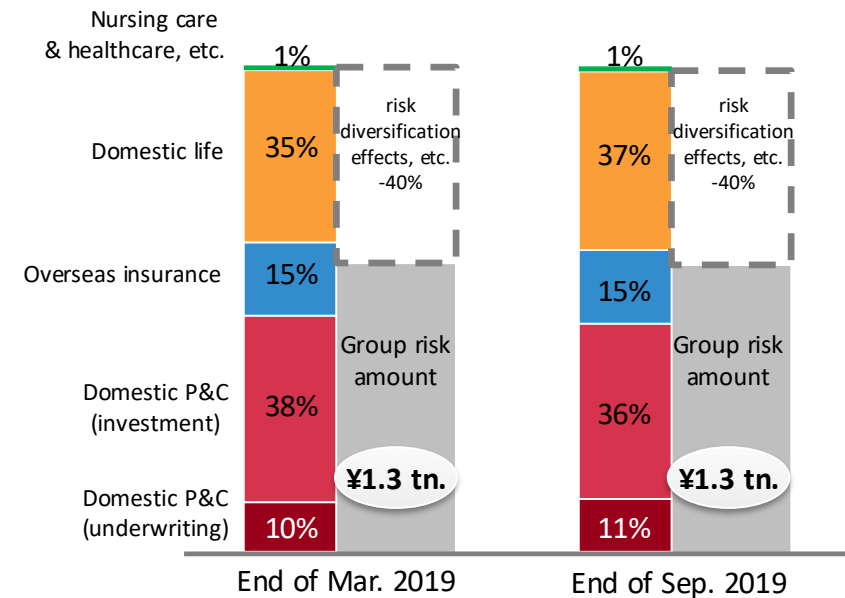
(Reference) Breakdown of Adjusted Capital and Risk

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.

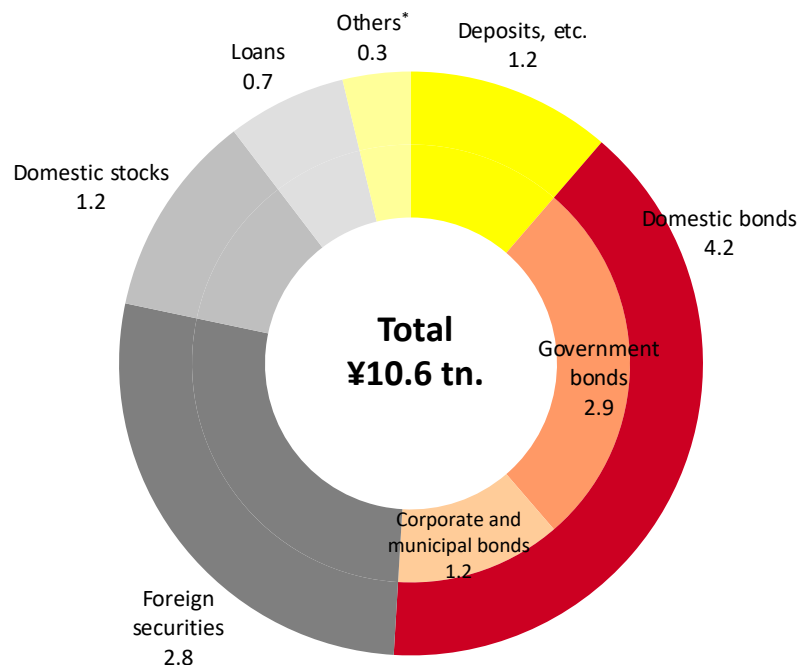
• Group total risk : Sum of risk amount of each business less risk diversification effect among businesses and tax impact.

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 September 2019, group consolidated base)

(Trillions of yen)



Investment assets by company

(Billions of yen)	Amount of investment assets	Composition
Sompo Japan Nipponkoa	5,637.6	53.0%
Overseas group subsidiaries	1,431.1	13.4%
(Of which, SI)	(1,188.1)	(11.2%)
Himawari Life (General account)	3,410.3	32.0%
Saison Automobile & Fire	63.1	0.6%
Other domestic subsidiaries	101.6	1.0%
Total	10,643.9	100.0%

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

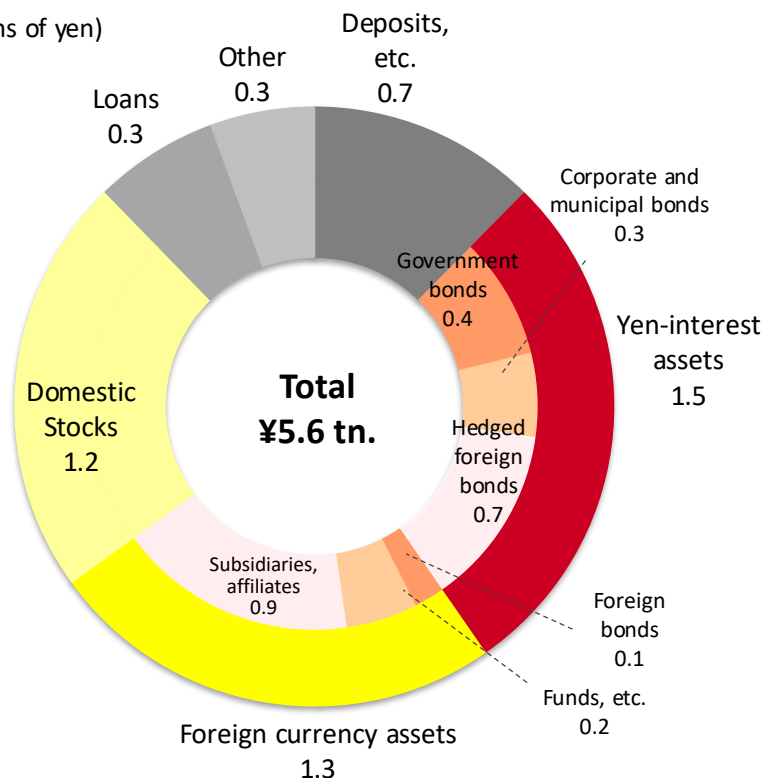
Asset Portfolio – Sompo Japan Nipponkoa

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

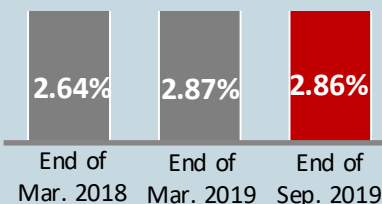
Amount of investment assets (as of end of September 2019, Sompo Japan Nipponkoa, non-consolidated)

<General account>

(Trillions of yen)



Trend of income yield*¹ (General account)



Composition by ratings*²

Internal rating	Composition	Duration (years)	
		End of Mar. 2019	End of Sep. 2019
BBB or above	100%	Asset 7.8	8.1
BB or below	0%	Liability 8.5	8.6

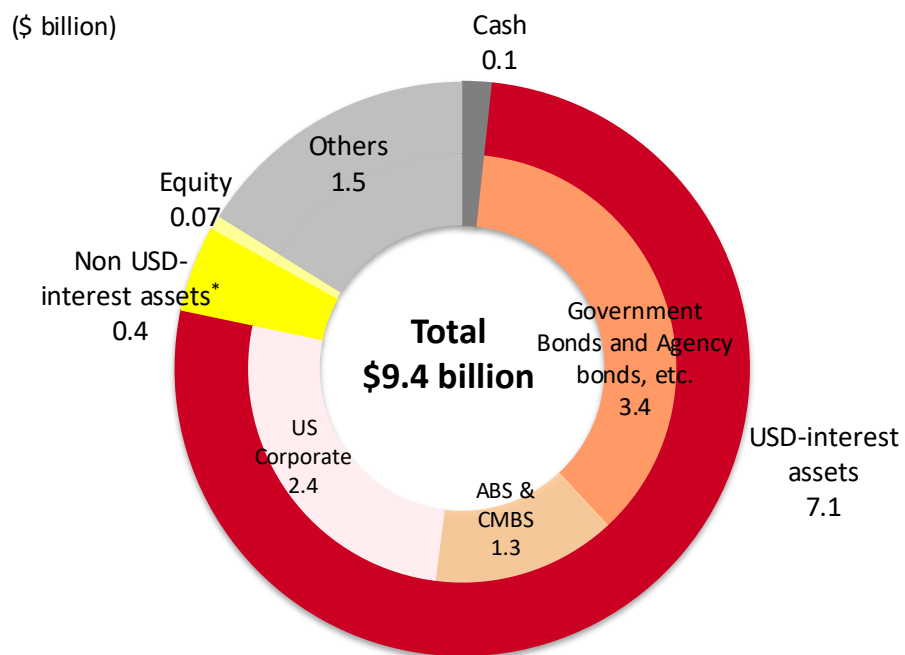
*1 Excluding overseas subsidiaries' shares, etc.

*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 June 2019, SI, consolidated)



Composition by ratings

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

Duration (years)

	End of Dec. 2018	End of Jun. 2019
Asset	3.2	2.8
Liability	2.9	3.0

(Reference) Income yield* at the end of June 2019: 2.81%

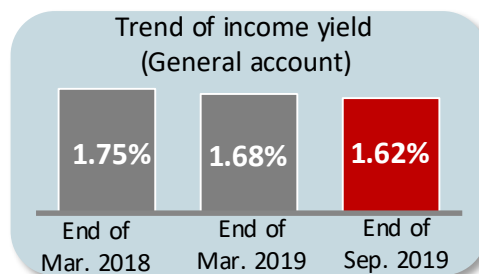
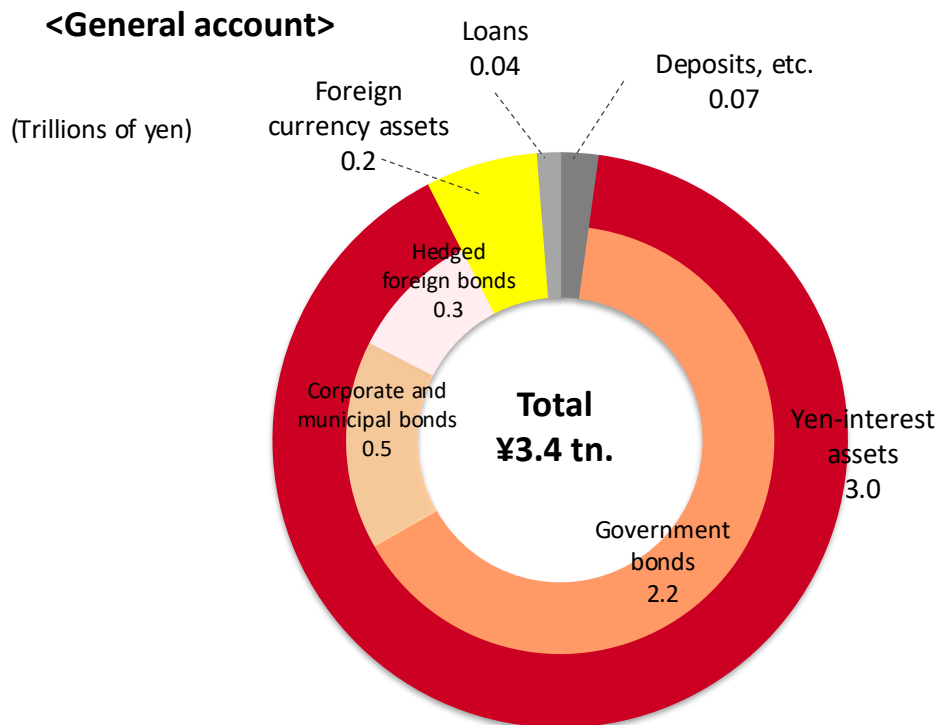
*Incl. Changes in unrealized gains and losses on certain funds, etc.

* Including 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 September 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 Sep. 2019
Asset	14	14
Liability	25	26

(Reference) Amount of separate account (End of Sep. 2019): ¥22.7 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



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