

Highlights of 3Q FY2019 Results

February 14, 2020
Sompo Holdings, Inc.



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FY2019 exchange rate (USD/JPY)		
3Q Results	109.56 (YOY -1.3%)	End of Dec.
	- Overseas* 107.92 (YOY -5.0%)	End of Sep.
Full year forecast	forecast: 107.92 (Against initial forecast -2.8%)	End of Sep.
	(Reference) Initial forecast: 110.99	End of Mar.

Highlights of 3Q FY2019 Results

- ◆ Consolidated ordinary profit for 3Q FY2019 decreased by ¥9.4 billion to ¥153.9 billion.
- ◆ Consolidated net income for 3Q FY2019 decreased by ¥9.6 billion to ¥108.7 billion. The progress rate against full-year forecasts was 92%.

Sompo Japan Nipponkoa

- Underwriting profit decreased by ¥37.0 billion partly due to lower amount of reversal for catastrophic loss reserve in light of favorable W/P loss ratio*, reinsurance cost hike and the impact of consumption tax hike, partly offset by a decrease in the amount of net incurred losses from domestic natural disasters. On the other hand, reversal for catastrophic loss reserve is expected to increase in connection with the progress of claim settlement going forward.
 - * W/P loss ratio of automobile insurance improved by 1.6pt against 3Q FY2018.
 - The number of reported claims also decreased favorably by 2.7%.
- The amount of reduction in strategic holding stocks was ¥96.7 billion. (including hedge)
 - * Full-year reduction plan: approximately ¥100.0 billion
- Adjusted profit was ¥35.6 billion, the progress rate against full-year forecasts (¥47.4 billion) was 75%.

Overseas insurance

- Adjusted profit in overseas insurance increased by ¥14.3 billion to ¥41.4 billion, due to the absence of the recording of catastrophes impact in the U.S. which occurred in 4Q FY2018 and profit growth centered on SI. (The progress rate against full-year forecasts: 88%)

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. In addition, cost reduction with higher efficiency progressed steadily.

* 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

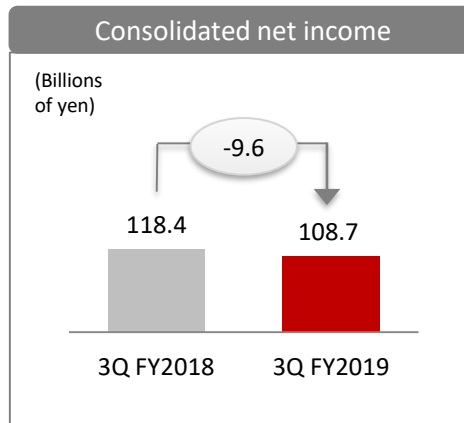
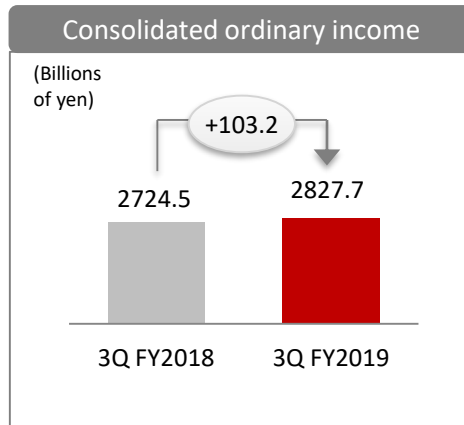
4. Domestic life insurance

5. Nursing care & healthcare, etc.

6. ERM & asset management

Overview of 3Q FY2019 Results – Consolidated Basis

- ◆ SI and Sompo Japan Nipponkoa continued to expand, with net premiums written increasing by ¥81.3 billion.
- ◆ Both consolidated ordinary profit and net income decreased, but progressed favorably against full-year forecasts.



(Billions of yen)	3Q FY2018	3Q FY2019	Change	FY2019 (forecast)
Consolidated ordinary income	2,724.5	2,827.7	+103.2(+3.8%)	-
Net premiums written (P&C)	2,065.8	2,147.1	+81.3(+3.9%)	2,806.5
Life insurance premiums	254.5	259.0	+4.5 (+1.8%)	356.5
Consolidated ordinary profit	163.3	153.9	-9.4	185.0
Sompo Japan Nipponkoa	144.4	110.3	-34.0	180.0
Overseas insurance subsidiaries	11.0	79.4	+68.4	86.2
Himawari Life	20.2	22.0	+1.8	24.7
Nursing care and healthcare*1	4.0	7.2	+3.2	6.9
Consolidated adjustment*2/Others	-16.3	-65.2	-48.8	-113.0
Consolidated net income*3	118.4	108.7	-9.6	118.0
Sompo Japan Nipponkoa	108.4	82.2	-26.2	130.0
Overseas insurance subsidiaries	8.2	67.4	+59.1	72.8
Himawari Life	13.4	14.3	+0.8	16.0
Nursing care and healthcare	3.1	4.3	+1.2	4.1
Consolidated adjustment/Others	-14.9	-59.6	-44.7	-104.9
(Reference) Adjusted profit (by business)	60.9	106.0	+45.0	128.0
Domestic P&C insurance	4.1	33.0	+28.9	41.5
Overseas insurance	27.1	41.4	+14.3	47.0
Domestic life insurance	25.5	25.9	+0.3	34.0
Nursing care & healthcare, etc.	4.0	5.5	+1.4	5.5

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

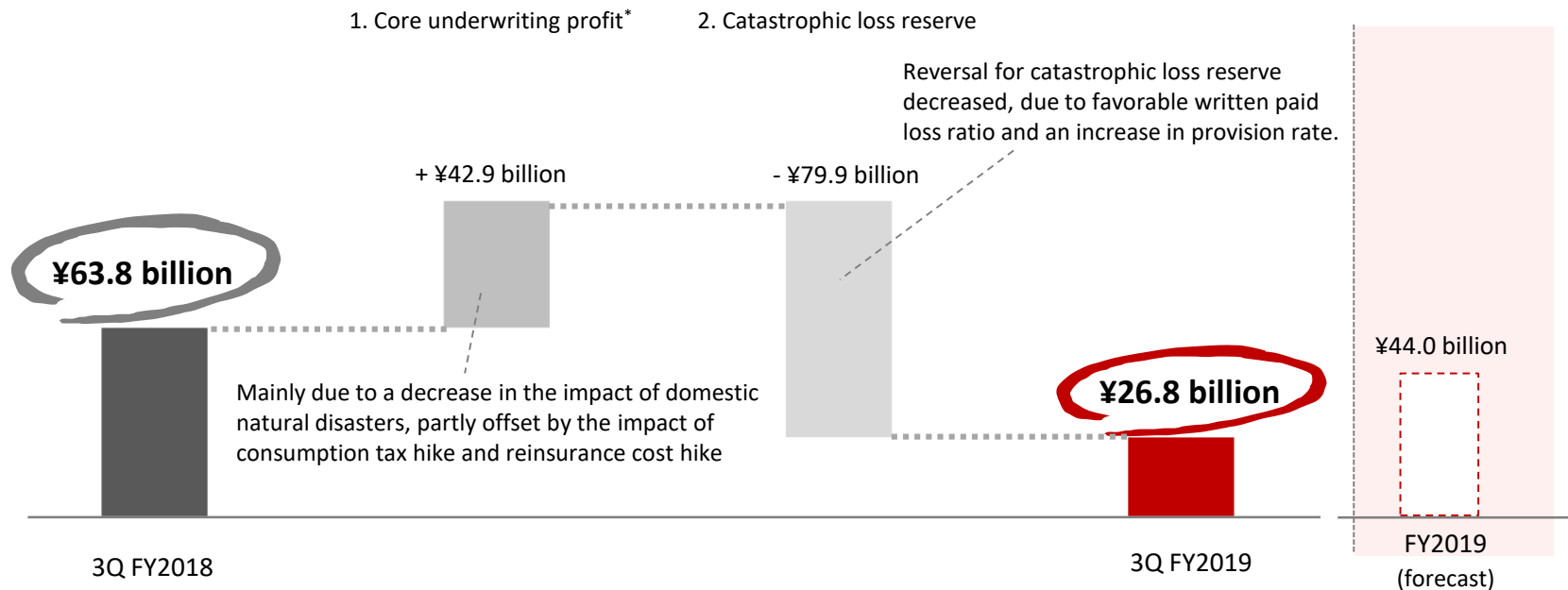
*2 "Purchase method" accounting was adopted upon the establishment of Sompo Holdings. The figures therefore include adjustments for gains/losses on sales, etc.

*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)

- ◆ Core underwriting profit increased by 42.9 billion, mainly due to a decrease in impact from domestic natural disasters.
- ◆ Reversal for catastrophic loss reserve is expected to increase in connection with the progress of claim settlement going forward.

Changing factors of underwriting profit (Sompo Japan Nipponkoa)



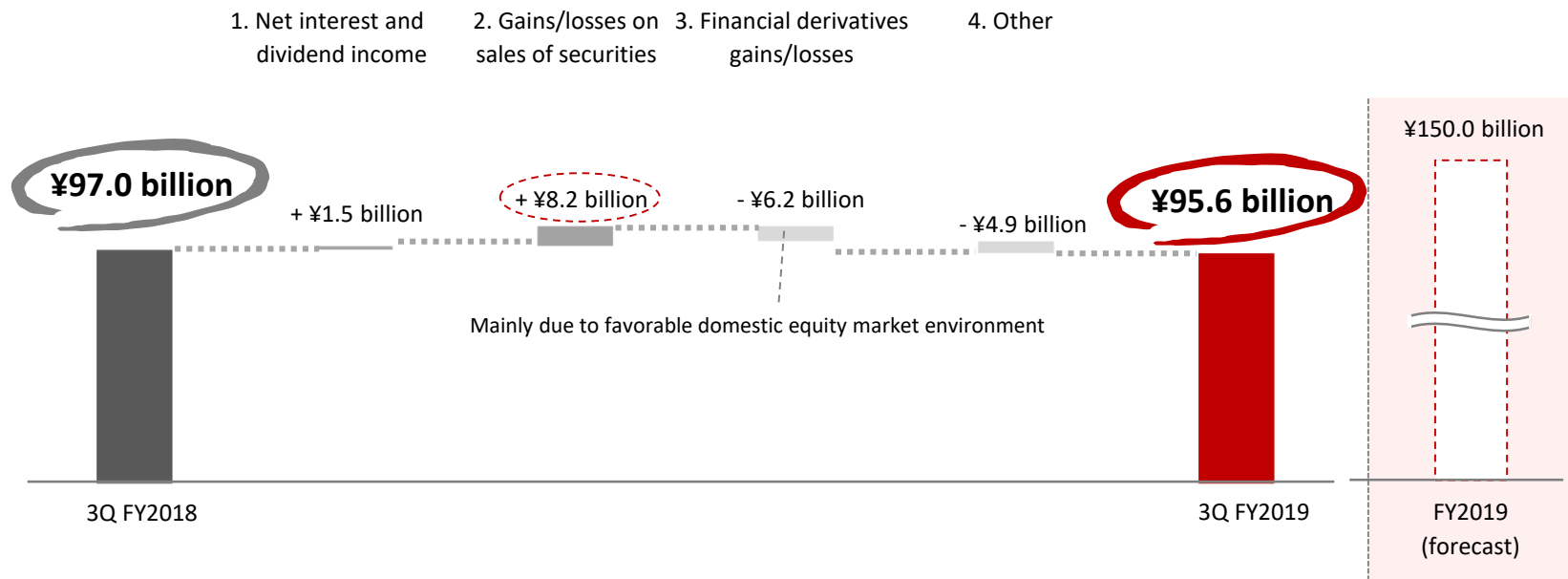
	1. Core underwriting profit	2. Catastrophic loss reserve	Underwriting profit
3Q FY2018	- ¥40.2 billion	¥104.0 billion	¥63.8 billion
3Q FY2019	¥2.7 billion	¥24.0 billion	¥26.8 billion

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

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

- ◆ Investment profit was ¥95.6 billion, reflecting an increase in gains on sales of securities offset by financial derivative losses and Other.

Changing factors of investment profit (Sompo Japan Nipponkoa)

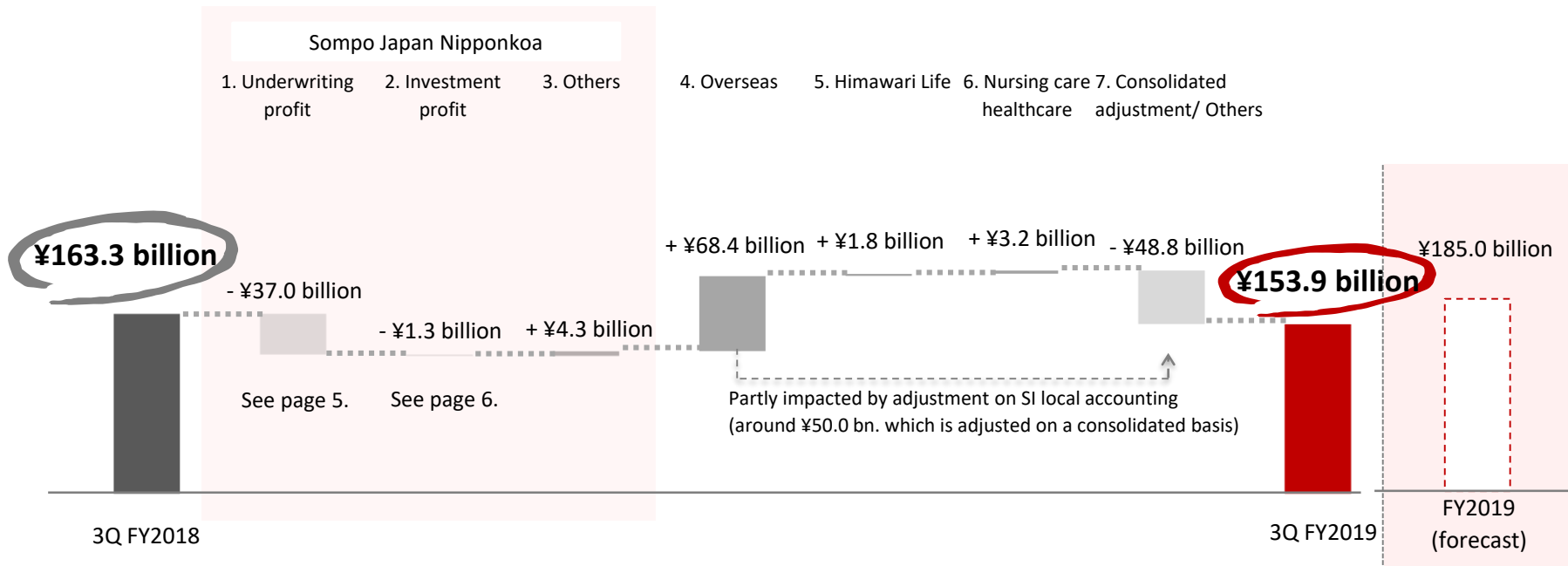


	1. Net interest and dividend income	2. Gains/losses on sales of securities	3. Financial derivatives gains/losses	4. Other	Investment profit
3Q FY2018	¥55.9 billion	¥39.7 billion	- ¥2.2 billion	¥3.6 billion	¥97.0 billion
3Q FY2019	¥57.4 billion	¥47.9 billion	- ¥8.5 billion	- ¥1.2 billion	¥95.6 billion

Main Points of Consolidated Results – (3) Ordinary Profit

- ◆ Consolidated ordinary profit decreased by ¥9.4 billion, due to the impact of a decrease in reversal for catastrophic loss reserve reflecting favorable W/P loss ratio, partly offset by profit growth in other businesses.

Changing factors of consolidated ordinary profit



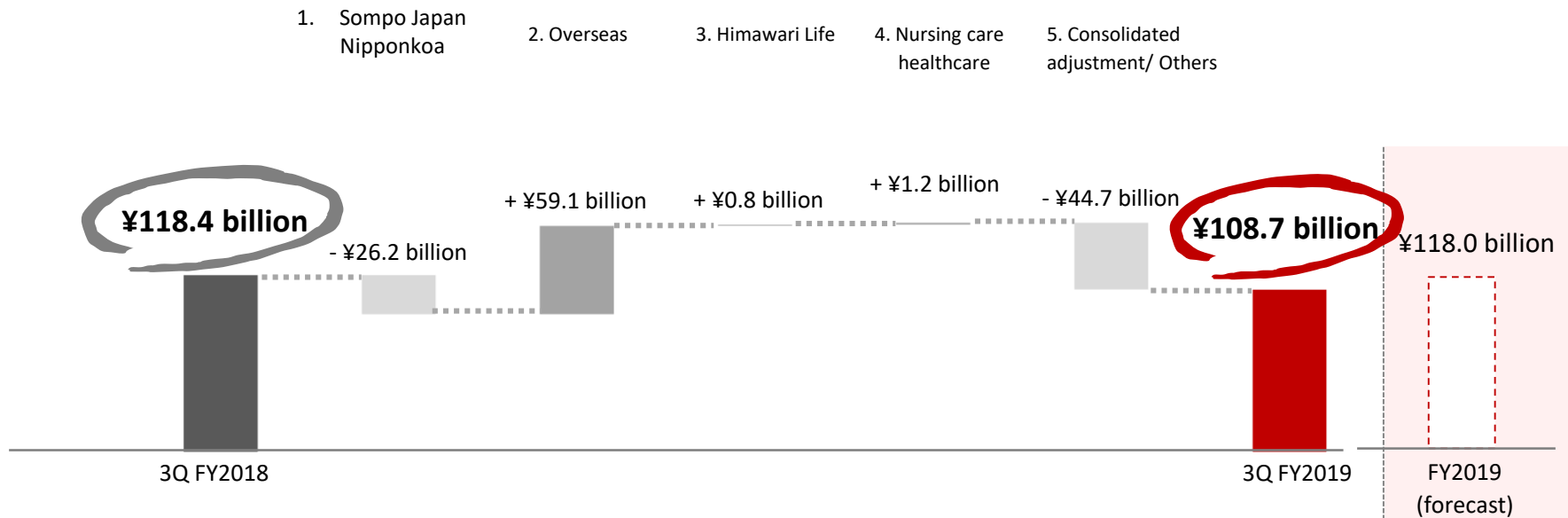
	1. Underwriting profit	2. Investment profit	3. Others	4. Overseas subsidiaries	5. Himawari Life	6. Nursing care healthcare	7. Consolidated adjustment/others	Ordinary profit
3Q FY2018	¥63.8 billion	¥97.0 billion	- ¥16.4 billion	¥11.0 billion	¥20.2 billion	¥4.0 billion	- ¥16.3 billion	¥163.3 billion
3Q FY2019	¥26.8 billion	¥95.6 billion	- ¥12.1 billion	¥79.4 billion	¥22.0 billion	¥7.2 billion	- ¥65.2 billion*	¥153.9 billion

* Net amortization amount (before tax) of goodwill and intangible assets, etc. of SI for 3Q FY2019: ¥17.6 billion

Main Points of Consolidated Results – (4) Net Income

◆ Consolidated net income was ¥108.7 billion. The progress rate against full-year forecasts was 92%.

Changing factors of consolidated net income



	1. Sompo Japan Nipponkoa	2. Overseas subsidiaries	3. Himawari Life	4. Nursing care	5. Consolidated adjustment/others	Net income
3Q FY2018	¥108.4 billion	¥8.2 billion	¥13.4 billion	¥3.1 billion	- ¥14.9 billion	¥118.4 billion
3Q FY2019	¥82.2 billion	¥67.4 billion	¥14.3 billion	¥4.3 billion	- ¥59.6 billion	¥108.7 billion

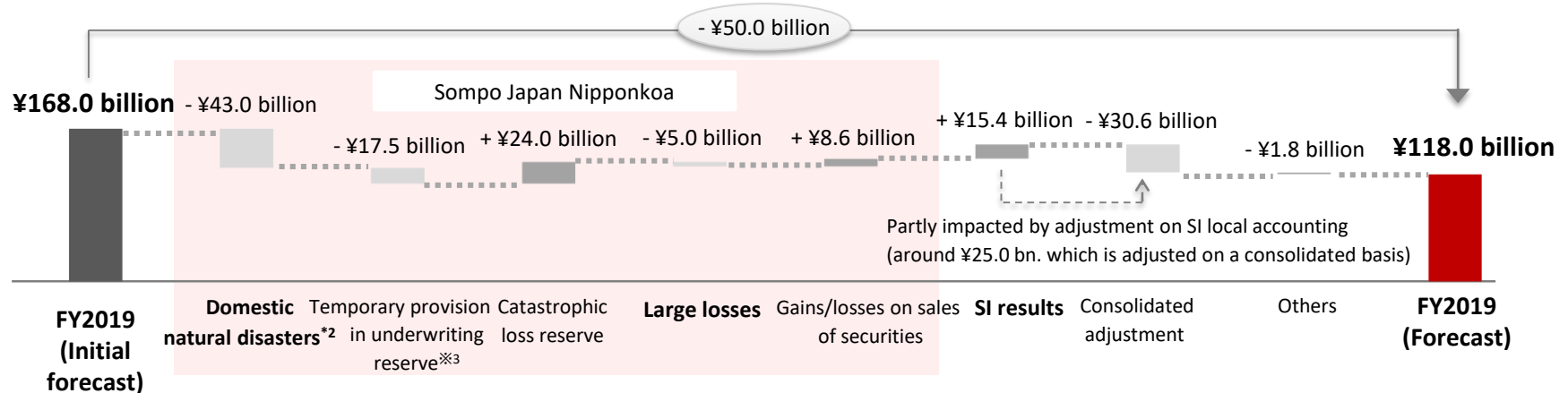
(Reference) Business Forecasts for FY2019 – Consolidated Basis

(Billions of yen)	FY2018 (Actual)	FY2019 (Forecasts)	Change
Net premiums written (P&C)	2,718.1	2,806.5	+88.3 (+3.3%)
Life insurance premiums	349.6	356.5	+6.8 (+2.0%)
Consolidated ordinary profit	198.9	185.0	-13.9
Sompo Japan Nipponkoa	215.5	180.0	-35.5
Overseas subsidiaries	-5.8	86.2	+92.0
Himawari Life	23.2	24.7	+1.4
Nursing care (SOMPO Care)	5.9	6.9	+1.0
Consolidated adjustment/others	-39.9	-113.0	-73.0
Consolidated net income	146.6	118.0	-28.6 (-19.5%)
Sompo Japan Nipponkoa	175.7	130.0	-45.7
Overseas subsidiaries	-6.1	72.8	+78.9
Himawari Life	15.3	16.0	+0.6
Nursing care (SOMPO Care)	4.2	4.1	-0.0
Consolidated adjustment/others	-42.5	-104.9	-62.4
(Reference) Adjusted profit (by business)	113.5	128.0	+14.4 (+12.7%)
Domestic P&C insurance	42.3	41.5	-0.8
Overseas insurance	33.0	47.0	+13.9
Domestic life insurance	32.8	34.0	+1.1
Nursing care & healthcare, etc.	5.2	5.5	+0.2

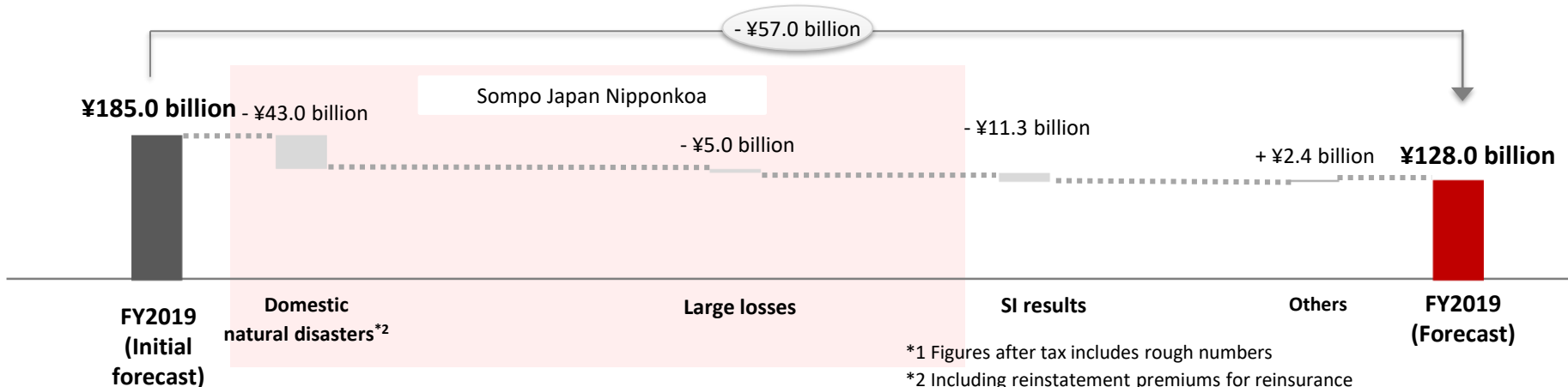
(Reference) Main Points of Business Forecasts for FY2019

- ◆ 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



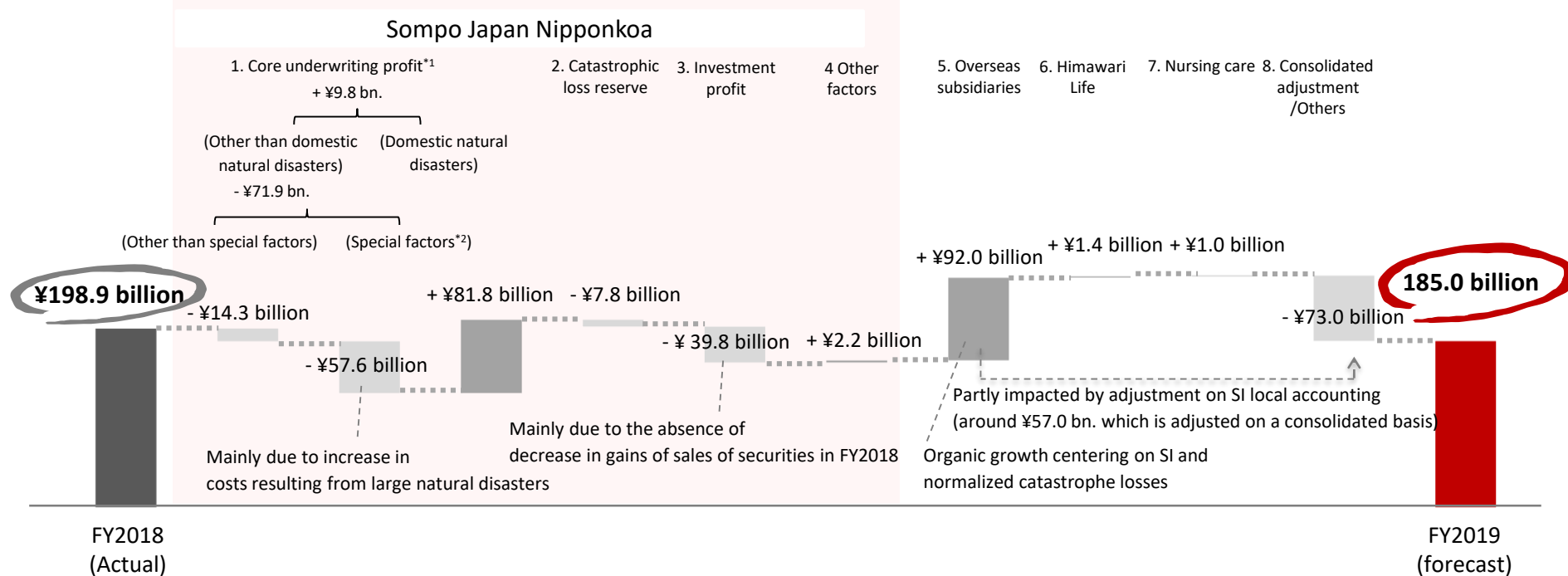
*1 Figures after tax includes rough numbers

*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 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.

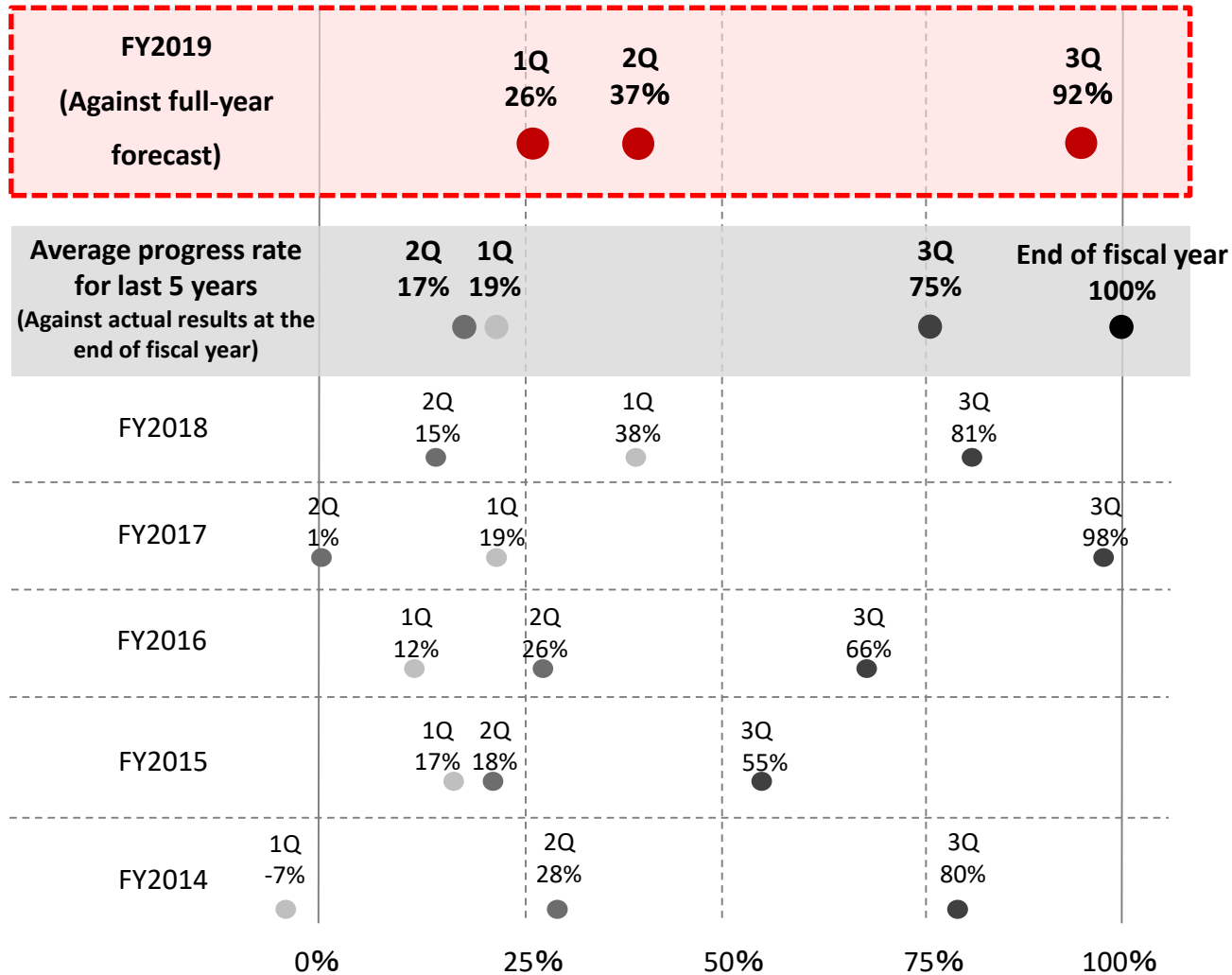
*2 Temporary provisions in underwriting reserve(Underwriting reserve related to natural disasters), reinstatement premiums for reinsurance and the impact of consumption tax hike

*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 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)	(3Q Actual)	(forecasts)	(Plan)
Domestic P&C insurance	42.3	33.0	41.5	Over 95.0
Overseas insurance	33.0	41.4	47.0	Over 65.0
Domestic life insurance	32.8	25.9	34.0	Over 37.0
Nursing care & healthcare, etc.	5.2	5.5	5.5	Over 8.0
Total (Adjusted consolidated profit)	113.5	106.0	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 3Q FY2019 Results – Sampo Japan Nipponkoa

- ◆ Net income decreased by 26.2 billion, mainly due to lower amount of reversal for catastrophic loss reserve in light of favorable W/P loss ratio, reinsurance cost hike and the impact of consumption tax hike, partly offset by a decrease in the amount of net incurred losses from domestic natural disasters.
- ◆ On the other hand, adjusted profit increased by ¥28.3 billion.

(Billions of yen)	3Q FY2018	3Q FY2019	Change	FY2019 (forecasts)
Net premiums written	1,614.3	1,654.4	+40.0 (+2.5%)	2,185.5
(excl. CALI, household earthquake)	1,406.9	1,440.7	+33.8 (+2.4%)	1,902.9
Net premiums earned (excl. CALI, household earthquake)	1,406.2	1,411.4	+5.2 (+0.4%)	1,884.7
E/I loss ratio (excl. CALI, household earthquake)	69.4%	65.5%	-3.9pt	64.8%
W/P Loss ratio	70.1%	63.9%	-6.3pt	66.0%
(excl. CALI, household earthquake)	68.0%	62.3%	-5.7pt	64.4%
Net expense ratio	32.3%	32.0%	-0.3pt	32.0%
(excl. CALI, household earthquake)	33.8%	33.5%	-0.3pt	33.4%
Combined ratio (W/P) (excl. CALI, household earthquake)	101.8%	95.8%	-6.0pt	97.9%
(Reference) Combined ratio (E/I)*1 (excl. CALI, household earthquake)	103.2%	99.0%	-4.2pt	98.2%
Underwriting profit	63.8	26.8	-37.0	44.0
Investment profit	97.0	95.6	-1.3	150.0
Ordinary profit	144.4	110.3	-34.0	180.0
Net income	108.4	82.2	-26.2	130.0
(Reference) Adjusted profit				
+ Provisions for catastrophic loss reserve (after tax)	-75.0	-17.1	+57.8	-33.5
+ Provisions for reserve for price fluctuation (after tax)	2.2	2.1	-0.0	2.8
- Gains/losses on sales of securities and impairment losses on securities (after tax)	26.4	34.1	+7.6	50.0
- Special factors (after tax)*2	2.0	-2.4	-4.4	1.7
Adjusted profit	7.2	35.6	+28.3	47.4

*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.

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

Net premiums written by product line

(Billions of yen)	3Q FY2018	3Q FY2019	Change		FY2019 (forecasts)
Fire and Allied Lines	199.2	220.7	+21.5	(+10.8%)	276.2
Marine	34.4	35.0	+0.6	(+2.0%)	48.2
Personal Accident	131.9	129.1	-2.8	(-2.1%)	168.2
Voluntary Automobile	799.9	809.5	+9.6	(+1.2%)	1,088.3
CALI	206.9	213.3	+6.3	(+3.1%)	281.8
Other	241.8	246.5	+4.7	(+2.0%)	322.4
of which Liability	132.2	132.8	+0.5	(+0.4%)	169.2
Total	1,614.3	1,654.4	+40.0	(+2.5%)	2,185.5
Total (excl. CALI, household earthquake)	1,406.9	1,440.7	+33.8	(+2.4%)	1,902.9

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

(Performance evaluation basis)

	# of vehicles*	Unit premium	Total Premium
Non-fleet	-0.4%	+1.9%	+1.5%
Fleet	+4.7%	-2.0%	+2.6%
Total	+0.7%	+1.0%	+1.7%

* 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 fleet contracts

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

◆ E/I loss ratio for 3Q FY2019 improved by 3.9pt, mainly due to a decrease in net losses incurred from domestic natural disasters.

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

(Billions of yen)	3Q FY2019				FY2019 (Forecast)
	Net incurred loss*2		Loss ratio		
	Change		Change		
Fire and Allied lines(excl. household earthquake)	188.2	-55.6	91.4%	-23.0pt	79.4%
Marine	21.2	-11.7	61.9%	-33.5pt	73.9%
Personal Accident	67.1	-4.1	54.1%	-1.5pt	53.2%
Voluntary Automobile	502.4	+6.2	62.0%	+0.3pt	63.2%
Other	145.6	+13.6	61.4%	+3.2pt	62.4%
of which Liability	68.6	+2.8	56.0%	+1.1pt	57.6%
Total (excl. CALI, household earthquake)	924.6	-51.6	65.5%	-3.9pt	64.8%

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

Due to one-time factor related to large losses

		3Q FY2019	
(Reference) W/P Loss ratio*3		loss ratio	change
Fire and Allied lines(excl. household earthquake)		80.5%	-32.3pt
Marine		59.7%	-3.6pt
Personal Accident		52.8%	-2.4pt
Voluntary Automobile		61.0%	-1.6pt
Other		55.7%	-1.0pt
Total (excl. CALI, household earthquake)		62.3%	-5.7pt

*1 Outstanding loss reserve is calculated by compendium method for 3Q FY2019 results

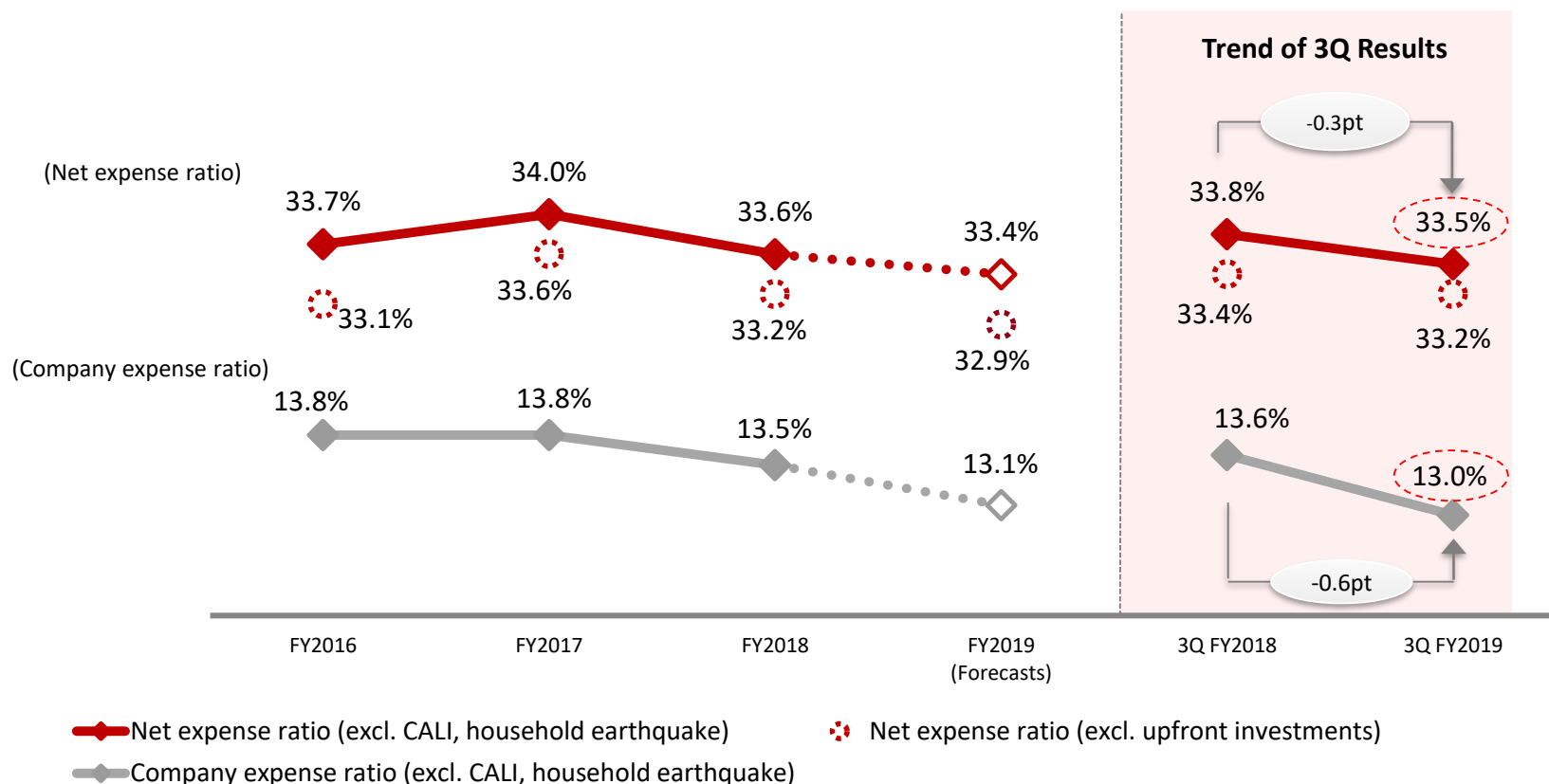
*2 Include loss adjustment expenses

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

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

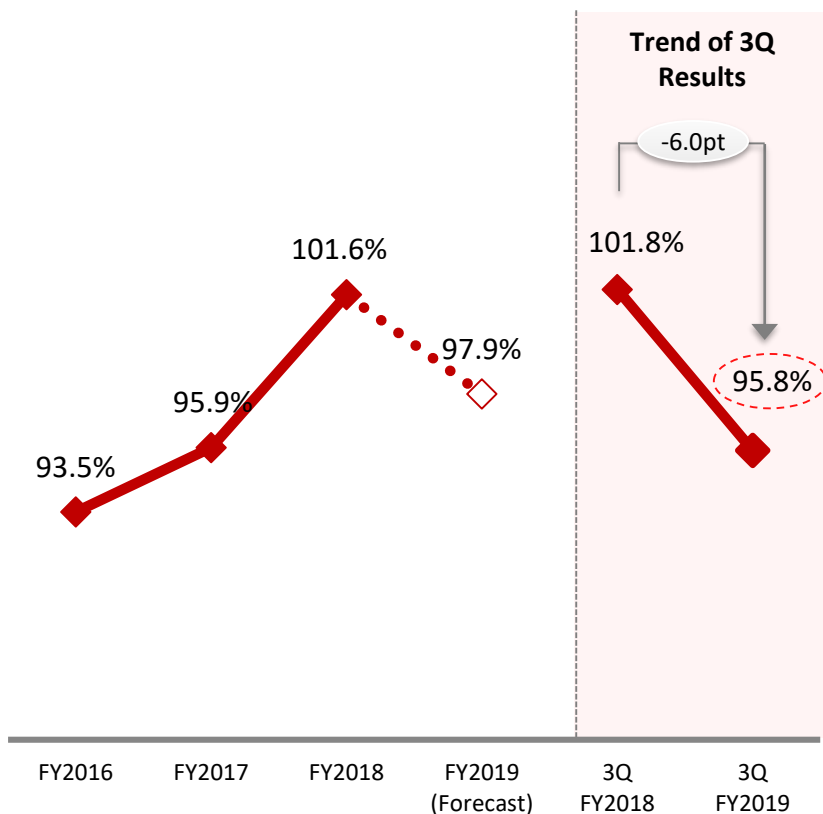


* Ratio of general administrative and selling expense related with underwriting to net premium written

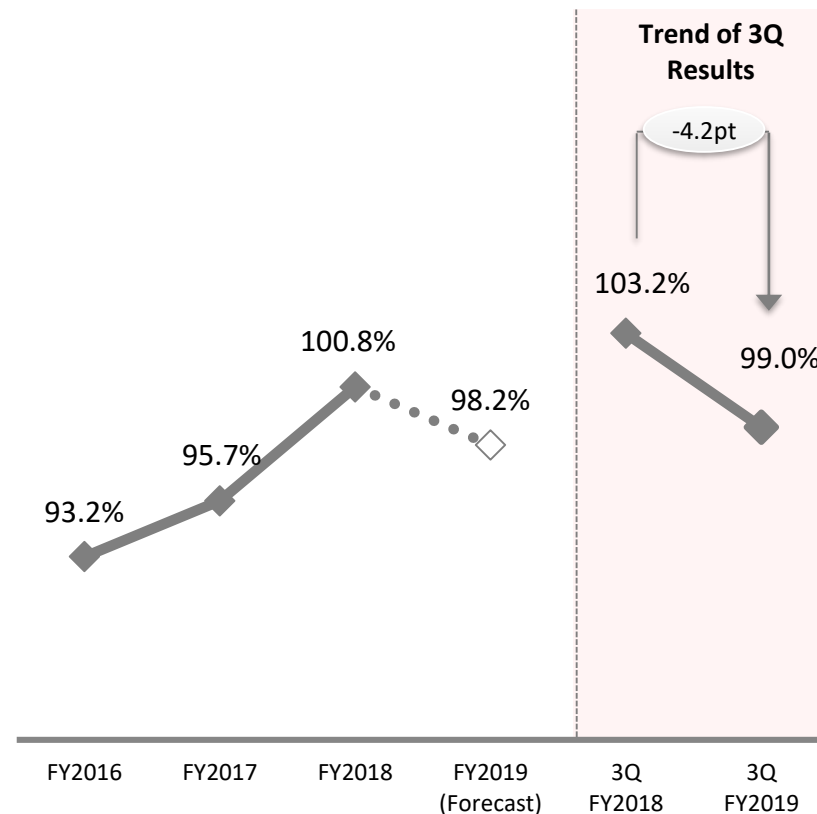
Combined Ratio

◆ Combined ratio for 3Q FY2019 improved by 6.0 points year on year to 95.8%.

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



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



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

Investment profit (Sompo Japan Nipponkoa, non-consolidated)

(Billions of yen)		3Q FY2018	3Q FY2019	Change	FY2019 (forecasts)
Net interest and dividend income	1	55.9	57.4	+1.5	91.3
Interest and dividend income* ¹		83.8	84.7	+0.9	127.9
of which, dividends from overseas subsidiaries		0.0	0.2	+0.2	23.3
Gains on sales of securities* ¹	2	39.7	47.9	+8.2	71.4
of which, domestic stocks		46.5	34.8	-11.6	57.7
Impairment losses on securities	3	-3.0	-0.6	+2.4	-2.0
of which, domestic stocks		-2.8	-0.2	+2.6	-0.7
Gains on derivatives	4	-2.2	-8.5	-6.2	-7.7
Other investment income	5	6.7	-0.6	-7.3	-2.9
Investment profit 1+2+3+4+5		97.0	95.6	-1.3	150.0

(Reference)
Reduction of strategic-holding stocks

Actual* ²	¥57.5 billion
Stock future* ³	¥39.1 billion
Total	¥96.7 billion

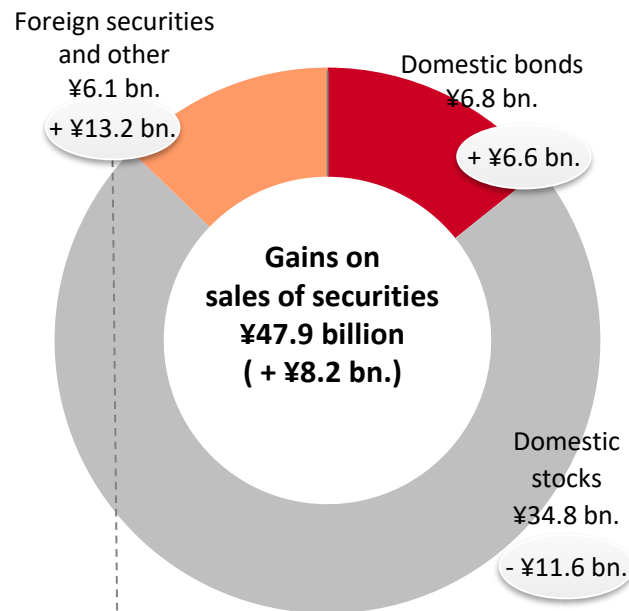
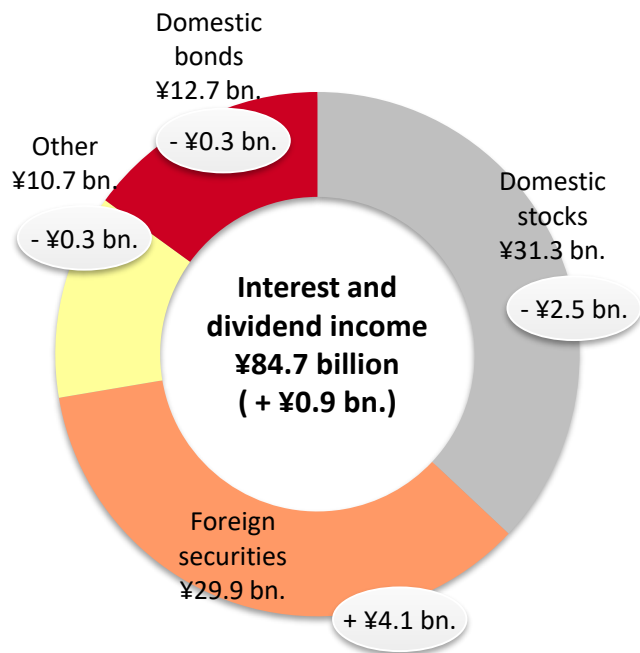
*² Net reduction on fair value basis
(market value of sales minus market value of purchase)
The target amount of reduction in FY2019 on a full-year basis: around ¥100.0 billion

*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 (3Q FY2019)



Mainly rebound of the impact of loss on sale of subsidiary stocks (-¥10.9 billion), which is eliminated on a consolidated basis

Changes from 3Q FY2018

(Reference) Business Forecasts for FY2019 – Sompo Japan Nipponkoa

(Billions of yen)	FY2018 (Actual)	FY2019 (Forecasts)	Change
Net premiums written	2,148.6	2,185.5	+36.8 (+1.7%)
(excl. CALI, household earthquake)	1,869.8	1,902.9	+33.1 (+1.8%)
Net premiums earned (excl. CALI, household earthquake)	1,869.2	1,884.7	+15.4 (+0.8%)
E/I loss ratio (excl. CALI, household earthquake)	67.2%	64.8%	-2.4pt
Written paid (W/P) loss ratio	69.8%	66.0%	-3.8pt
(excl. CALI, household earthquake)	68.0%	64.4%	-3.6pt
Net expense ratio	32.1%	32.0%	-0.1pt
(excl. CALI, household earthquake)	33.6%	33.4%	-0.1pt
Combined ratio (W/P) (excl. CALI, household earthquake)	101.6%	97.9%	-3.7pt
Combined ratio (E/I) (excl. CALI, household earthquake)	100.8%	98.2%	-2.5pt
Underwriting profit	41.9	44.0	+2.0 (+5.0%)
Investment profit	189.8	150.0	-39.8 (-21.0%)
Ordinary profit	215.5	180.0	-35.5 (-16.5%)
Net income	175.7	130.0	-45.7 (-26.0%)
+Provisions for catastrophic loss reserve (after tax)	-39.2	-33.5	+5.6
+Provisions for reserve for price fluctuation (after tax)	2.8	2.8	-0.0
-Gains/losses on sales of securities and impairment losses on securities (after tax)	68.6	50.0	-18.6
-Special factors (after tax)*	23.9	1.7	-22.1
Adjusted profit	46.7	47.4	+0.6 (+1.5%)

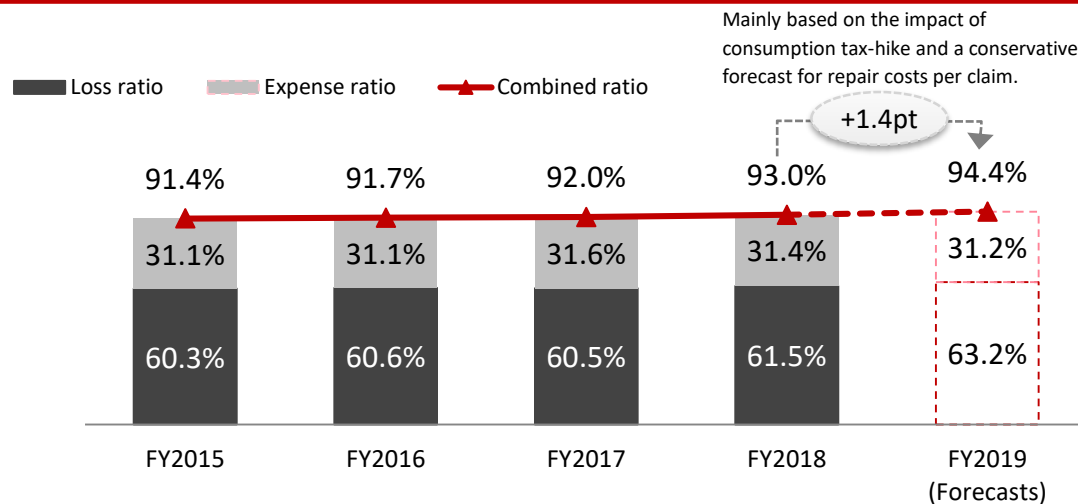
* Gains /losses related to stock future and dividend from consolidated subsidiaries, etc.

(Reference) Assumption of Business Forecasts for FY2019

Losses from domestic natural disasters (occurring in the fiscal year)	¥96.0 billion
Catastrophic loss reserve	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%
Market indicators	(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 : ¥127.9 billion Net : ¥91.3 billion
Realized gains on securities	Realized gains on security sales : ¥71.4 billion Impairment losses on securities : ¥2.0 billion
Reserve for price fluctuation	Net provision : ¥3.9 billion

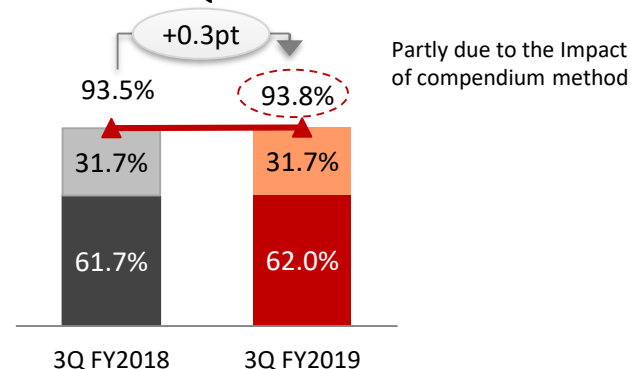
(Reference) Indicators Related to Automobile Insurance

Combined ratio (E/I)



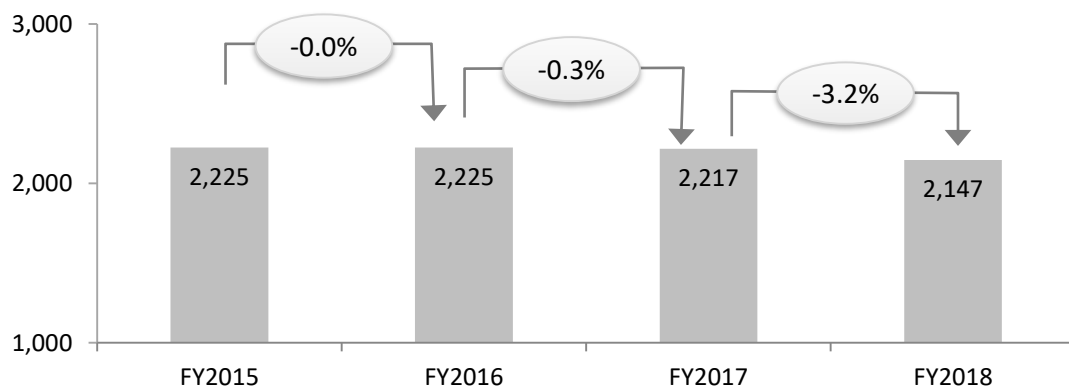
* Loss ratio is on a E/I basis (including loss adjustment expense)

Trend of 3Q Results



The number of reported claims

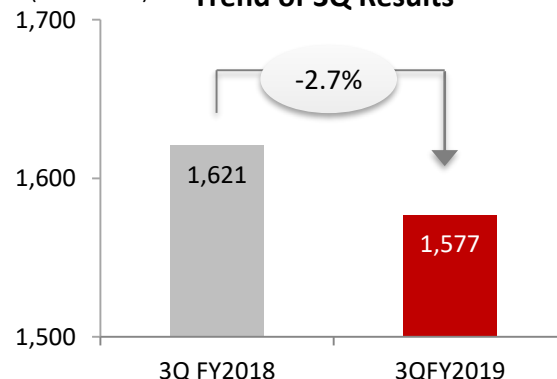
(Thousands)



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

(Thousands)

Trend of 3Q Results



(Reference) Domestic Natural Disasters

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

(Billions of yen)	3Q FY2018	3Q FY2019	Change
Fire and Allied lines	117.4	58.2	-59.2
Marine	1.9	0.0	-1.8
Personal Accident	0.0	0.1	+0.0
Voluntary Automobile	12.2	11.1	-1.1
Other	6.8	2.6	-4.1
Total	138.6	72.2	-66.4

* Assumption of FY2019 business forecasts for net losses incurred from domestic natural disasters (occurring in the fiscal year): ¥96.0 billion
Since outstanding loss reserve is calculated by compendium method for 3Q results, incurred losses related to natural disasters were not aggregated.

Underwriting reserves and reserve for outstanding losses and claims (at the end of 3Q 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	732.4	+14.7	107.2	-27.9	134.7	+10.7
Marine	17.9	+3.2	45.6	+1.8	26.8	+0.2
Personal accident	130.6	+5.0	73.3	+3.8	57.1	-1.1
Voluntary automobile	314.1	-0.2	27.7	-11.3	397.8	+8.2
CALI* ²	456.1	+17.3	-	-	71.8	-2.1
Other	348.7	+8.0	213.5	+9.4	221.6	+8.3
Total	2,000.0	+48.2	467.5	-24.0	910.1	+24.3
Total (excluding CALI and household earthquake)	1,538.0	+30.5	467.5	-24.0	838.2	+26.5
	Amount	Change				Change
Reserve for saving-type products* ³	1,244.6	-51.9			Impact of exchange rates on reserve for outstanding losses and claims	-1.1

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

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

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

1. Consolidated financial results

2. Domestic P&C insurance

3. Overseas insurance

4. Domestic life insurance

5. Nursing care & healthcare, etc.

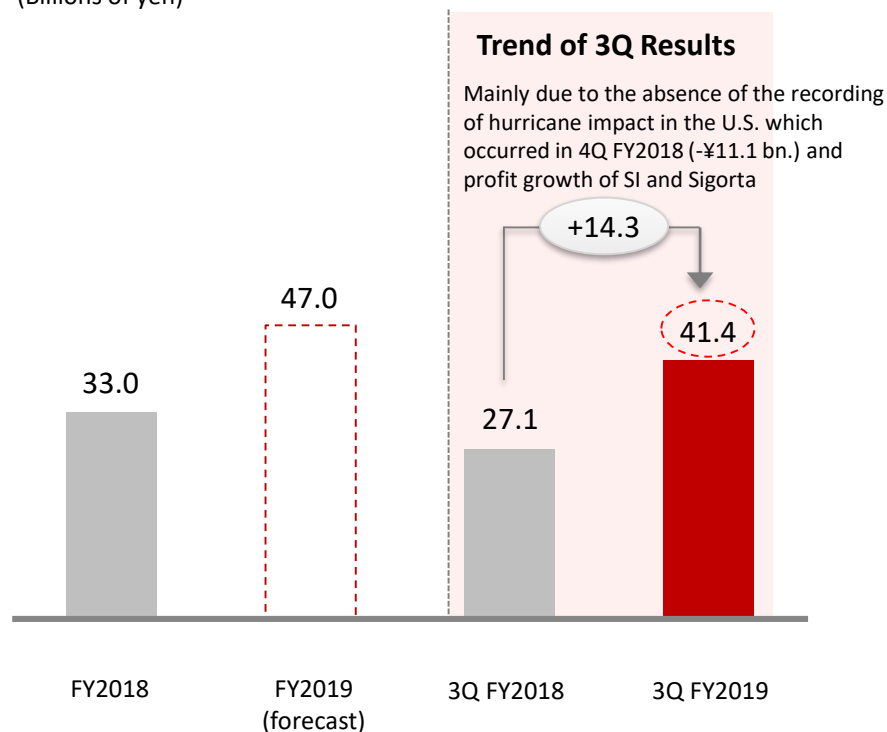
6. ERM & asset management

Overview of 3Q FY2019 Results – Overseas Insurance

- ◆ Adjusted profit for 3Q FY2019 increased by ¥14.3 billion, mainly due to the absence of the recording of hurricane impact in the U.S. which occurred in 4Q FY2018 and profit growth of SI and Sigorta.

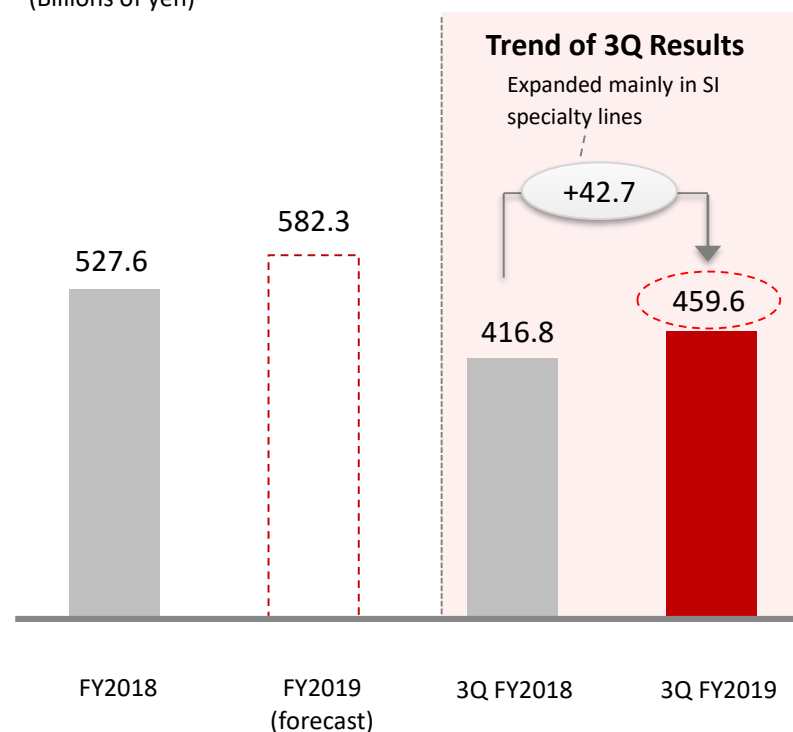
Adjusted profit*

(Billions of yen)



(Reference) Net premiums written*

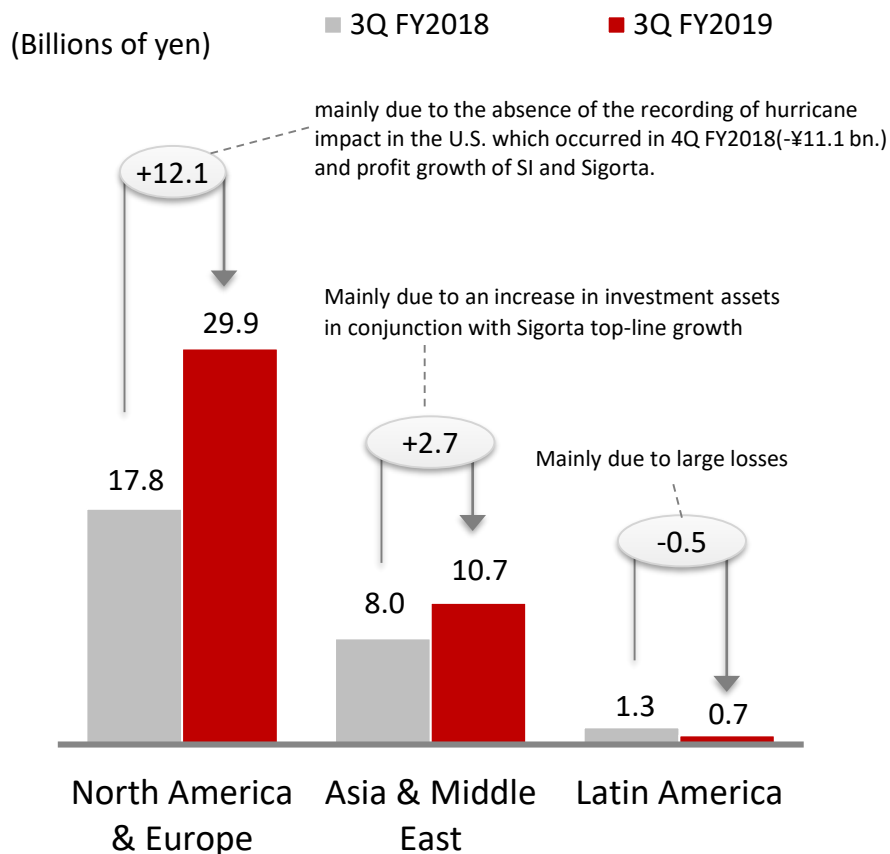
(Billions of yen)



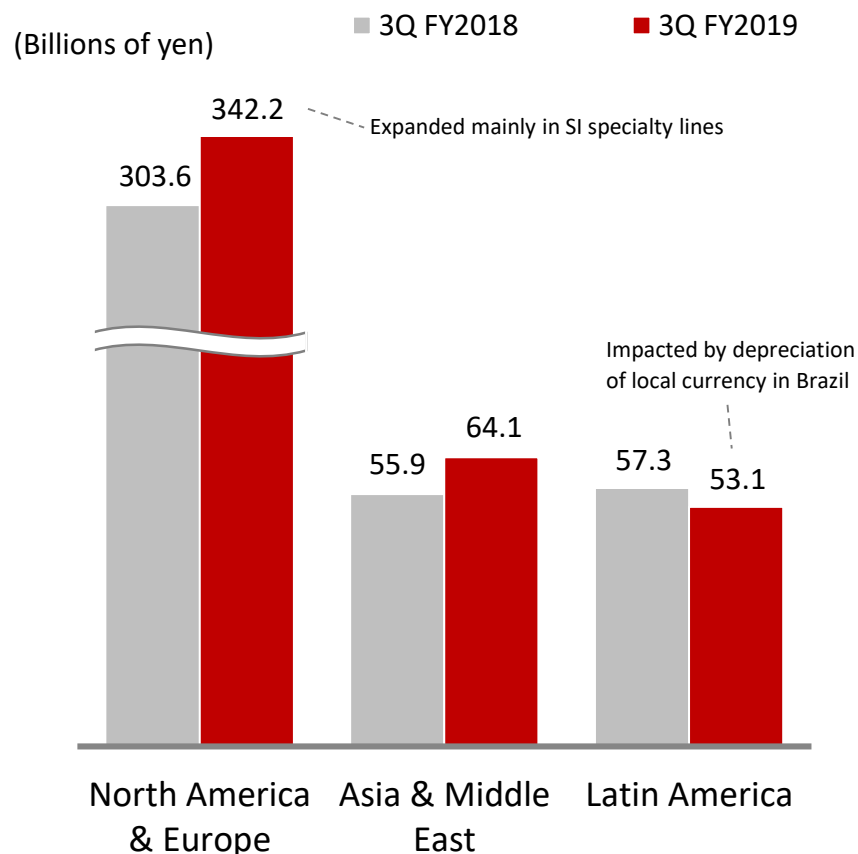
* Net premiums written of subsidiaries and affiliates reflect holding shares of each company. This treatment does not coincide with financial statements.
Adjusted profits have been adjusted to reflect shareholdings and other factors.

(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	
		3Q		Forecasts	3Q		Forecasts		Sep. 2019*2 (YoY Change)	
		Actual	Change		Actual	Change				
North America & Europe	SI	342.2	+38.6	417.5	29.9	+12.1	34.3	*Refer to page31 and 32	107.92 JPY/USD	(-5.0%)
Asia & Middle East	Sompo Sigorta (Turkey)	28.6	+8.0	32.9	6.7	+2.1	6.8	Top-line grew driven by automobile and fire insurance, with investment income also performing favorably. Adjusted profit progressed briskly.	19.07 JPY/TRY	(+0.6%)
	Sompo Singapore	5.5	-0.1	7.5	0.2	-0.1	0.2	-	78.08 JPY/SGD	(-5.9%)
	Berjaya Sompo (Malaysia)	10.6	-0.2	14.8	1.1	+0.0	1.3	-	25.77 JPY/MYR	(-6.0%)
	Sompo Indonesia	3.7	-0.8	8.7	0.3	+0.2	0.5	While top-line progressed below the plan, adjusted profit progressed almost in line the plan mainly due to improvement of loss ratio.	0.0076 JPY/IDR	(-)
	Sompo China NK China	4.4	+0.3	6.0	1.0	+0.2	0.7	Loss ratio improved.	15.13 JPY/RMB	(-8.3%)
	Sompo Hong Kong	2.9	-0.1	3.1	0.1	-0.0	0.2	Due to the impact of large losses.	13.76 JPY/HKD	(-5.3%)
	Universal Sompo (India)	5.6	+1.4	8.0	0.3	+0.0	0.3	-	1.54 JPY/INR	(-3.1%)
Latin America	Sompo Seguros (Brazil)	53.1	-4.1	79.7	0.7	-0.5	1.8	Top-line progressed basically in line with the plan mainly in automobile insurance. Adjusted profit has been drastically improving since 3Q FY2019 driven by favorable loss ratio.	25.94 JPY/BRL	(-8.3%)
Other (non-consolidated)*1		2.6	-0.2	3.6	0.5	+0.1	0.3	-	-	
Total		459.6	+42.7	582.3	41.4	+14.3	47.0	-	-	

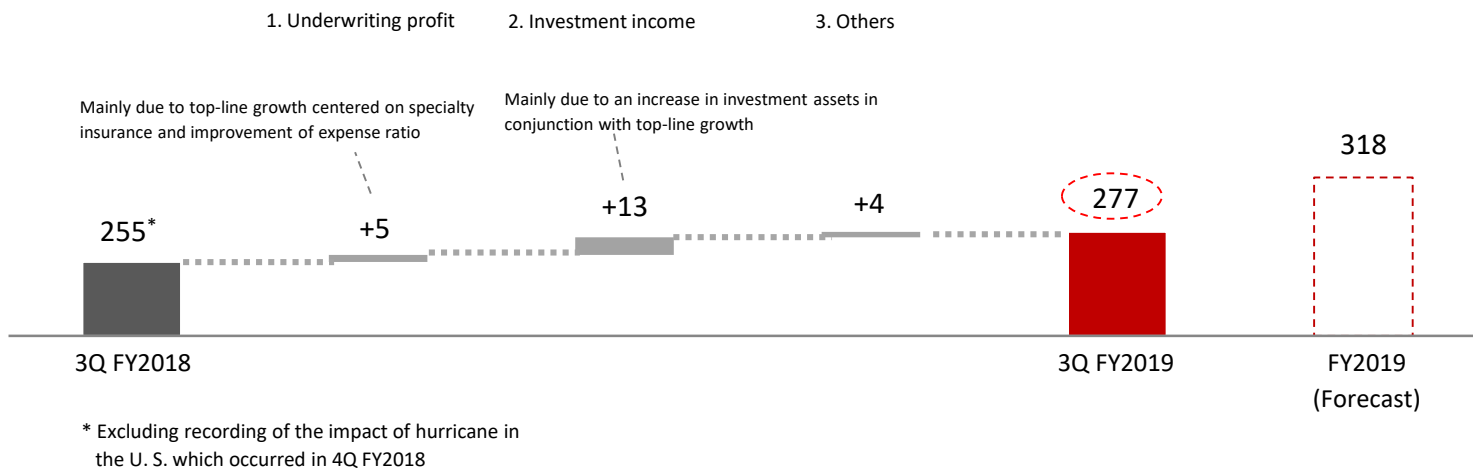
*1 Sum of Sompo Thailand, PGA Sompo (Philippines), United Insurance (Vietnam).

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

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

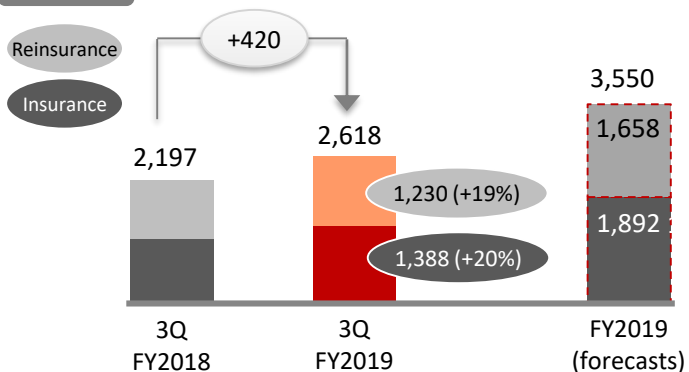
Change factors of adjusted profit (3Q FY2019)

(\$ million)

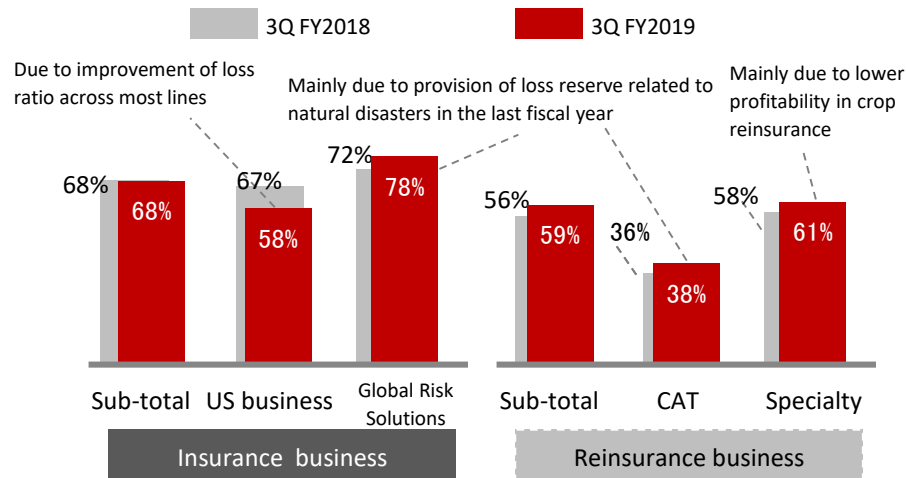


Net premiums earned

(\$ million)



Loss ratio (Main lines of business)



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

	FY2018 (Actual)	3Q FY2019		FY2019		
		(Actual)	YoY Change	(forecasts)	YoY Change	
(\$ million)						
Gross premiums written	5,960	5,519	+648	6,681	+720	Driven by improving pricing and organic growth
Net premiums written	3,319	3,171	+497	3,869	+549	
Net premiums earned	3,086	2,618	+420	3,550	+464	
Net losses and loss expenses	2,114	1,682	+314	2,348	+233	
Expense	952	781	+102	1,063	+110	
Loss ratio* ¹	68.5%	64.3%	+2.0pt	66.1%	-2.4pt	Mainly due to lower profitability of crop insurance
Expense ratio* ¹	30.9%	29.9%	-1.1pt	30.0%	-0.9pt	Both commission ratio and company expense ratio improved
Combined ratio* ¹	99.4%	94.1%	+1.0pt	96.1%	-3.3pt	
Underwriting income	24	159	+5	151	+126	
Net investment income	244	219	+13	289	+44	
Other income	-175	223	+372	205	+380	Mainly due to increase in unrealized gains on securities
Net income (After Preferred dividend)	72	526	+346	567	+495	
+) Net foreign exchange gains	-15	-5	+1	-5	+9	
+) Net realized and unrealized gains, net impairment losses, etc.* ²	+123	-281	-366	-280	-404	
+) Income tax expense	-1	37	+40	37	+39	
+) Others	-	-	+100	-	-	Due to absence of recording of hurricane in the U.S. which occurred in 4Q FY2018
Adjusted profit	177	277	+123	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

Overview of 3Q FY2019 Results – Himawari Life

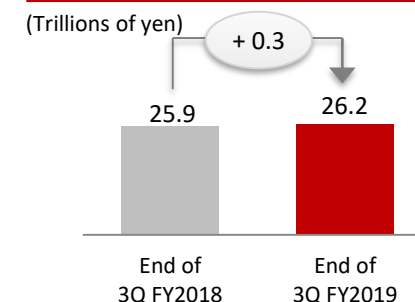
- ◆ Expansion of policies in force centered on protection type products led to premium and other income increases.
- ◆ Net income was ¥14.3 billion which progressed favorably against full-year forecasts (¥16.0 billion).

Major indicators

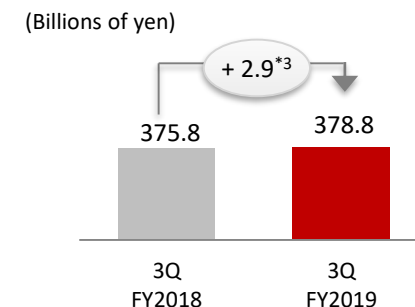
(Billions of yen)	3Q FY2018	3Q FY2019	Change		FY2019 (forecasts)
Annualized new premium	26.8	18.3	-8.4	(-31.5%)	28.0
Premium and other income ^{*1}	323.5	326.4	+2.8	(+0.9%)	447.0
Paid claims, etc.	49.2	53.4	+4.1	(+8.4%)	71.4
Expense	67.5	63.2	-4.3	(-6.4%)	92.3
Investment profit	32.2	36.0	+3.7	(+11.7%)	45.5
of which, general account	33.1	34.5	+1.4	(+4.3%)	45.1
Basic profit	24.2	24.2	+0.0	(+0.2%)	30.1
Ordinary profit ^{*1}	23.0	24.3	+1.3	(+5.7%)	28.3
Net income	13.4	14.3	+0.8	(+6.5%)	16.0
Adjusted profit	25.5	25.9	+0.3	(+1.5%)	34.0

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

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



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



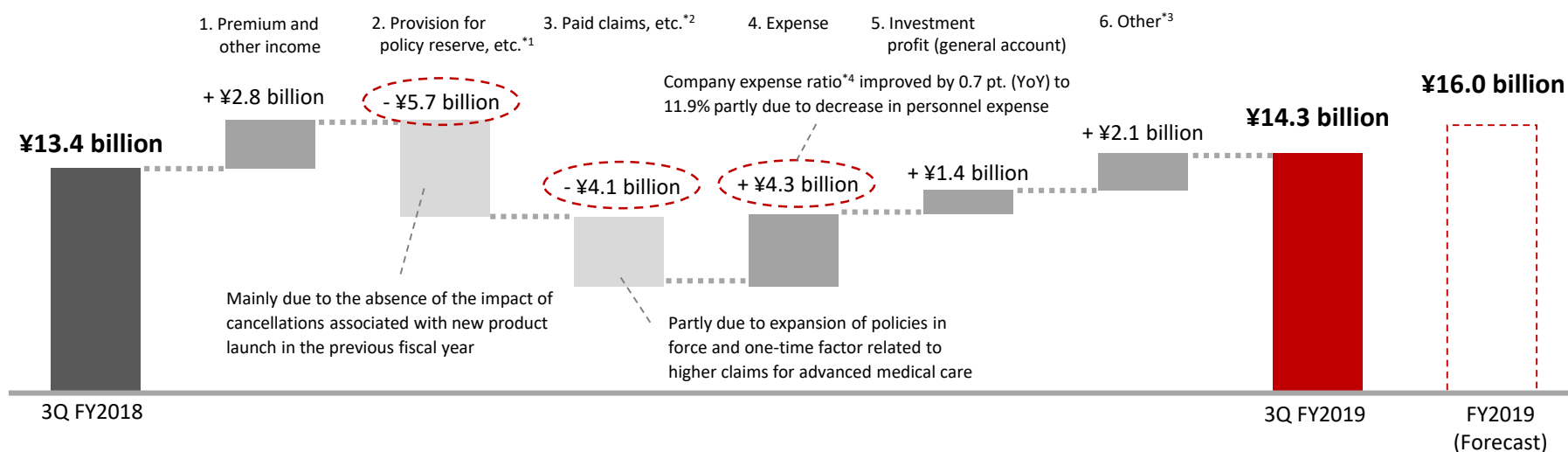
^{*2} The sum of individual insurance and individual annuities.

^{*3} Of which protection-type +¥6.3 bn.

Net Income (J-GAAP) – Himawari Life

◆ Driven mainly by streamlining expenses, net income progress rate was 89% 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
3Q FY2018	¥323.5 billion	- ¥214.9 billion	- ¥49.2 billion	- ¥67.5 billion	¥33.1 billion	- ¥11.4 billion	¥13.4 billion
3Q FY2019	¥326.4 billion	- ¥220.7 billion	- ¥53.4 billion	- ¥63.2 billion	¥34.5 billion	- ¥9.2 billion	¥14.3 billion
FY2019 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 for reserve for outstanding claims (excluding maturity insurance amount and survival benefits)

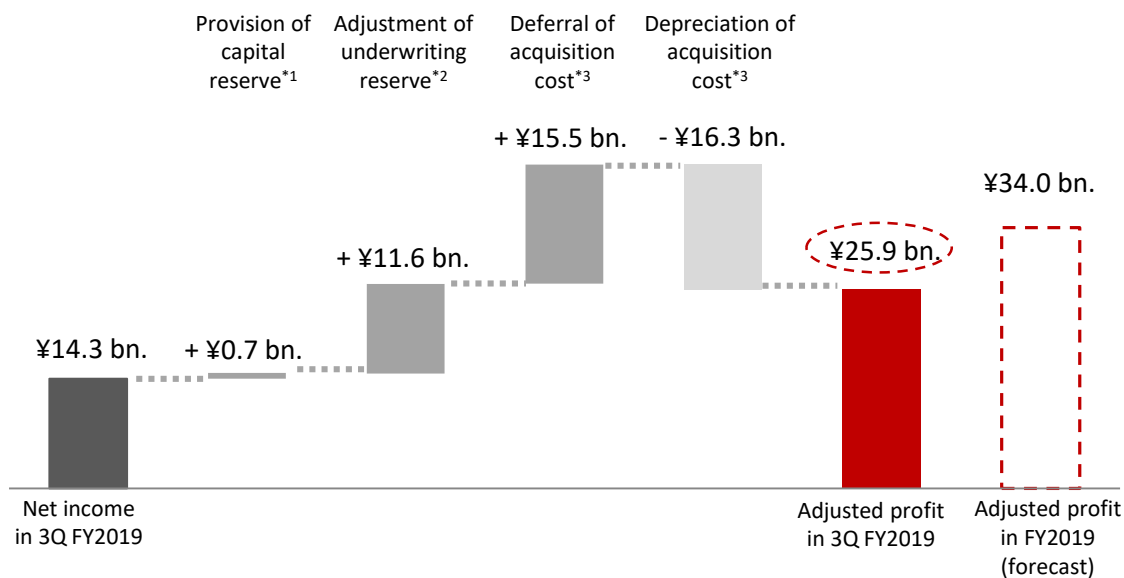
*3 The sum of other ordinary gains and losses, special gains and losses, provision for reserve of policy holder dividend, corporate tax, etc.

*4 General administrative cost / premiums

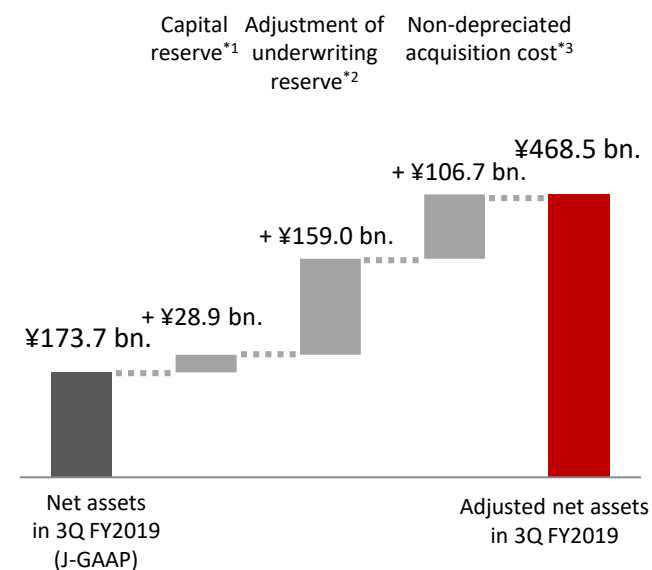
Adjusted Profit and Adjusted Net Assets – Himawari Life

◆ Adjusted profit was ¥25.9 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 3Q FY2019 Results – Nursing Care & Healthcare, etc.

- ◆ Occupancy rate continued to improve. In addition, cost reduction with higher efficiency progressed steadily.
- ◆ Adjusted profit of SOMPO Care increased by ¥1.3 billion exceeding the plan.

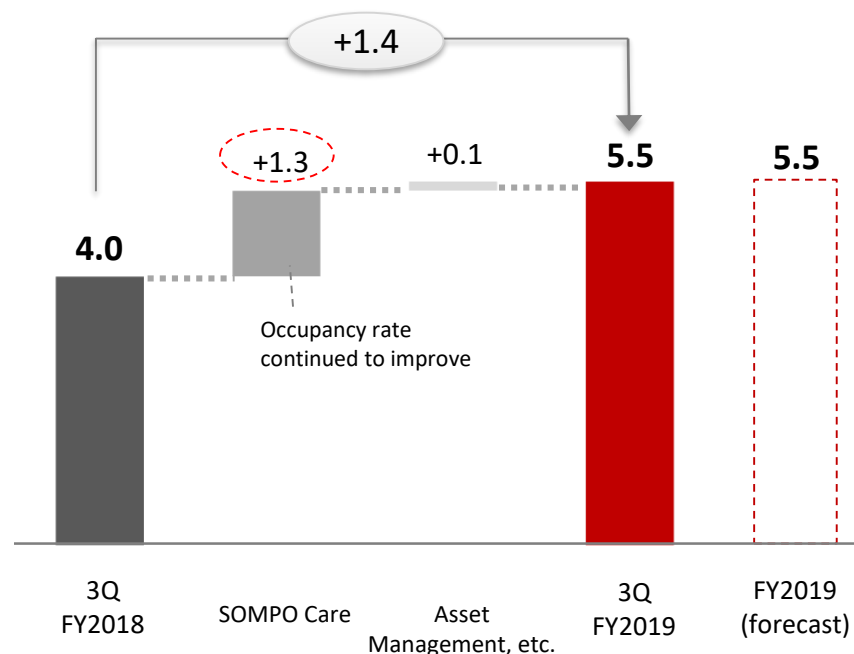
Results of nursing care business (SOMPO Care)

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

(Billions of yen)	3Q FY2019		FY2019
	(Actual)	(Change)	(forecasts)
Sales	96.1	+2.9	127.8
Net income	4.6	+1.3	4.3
Occupancy rate* ¹			
(SOMPO-no-le)	92.6%	+0.6pt	93.2%
(SOMPO-no-le S)	94.5%	+2.1pt	93.3%
(La vie Re)	88.6%	+1.8pt	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.

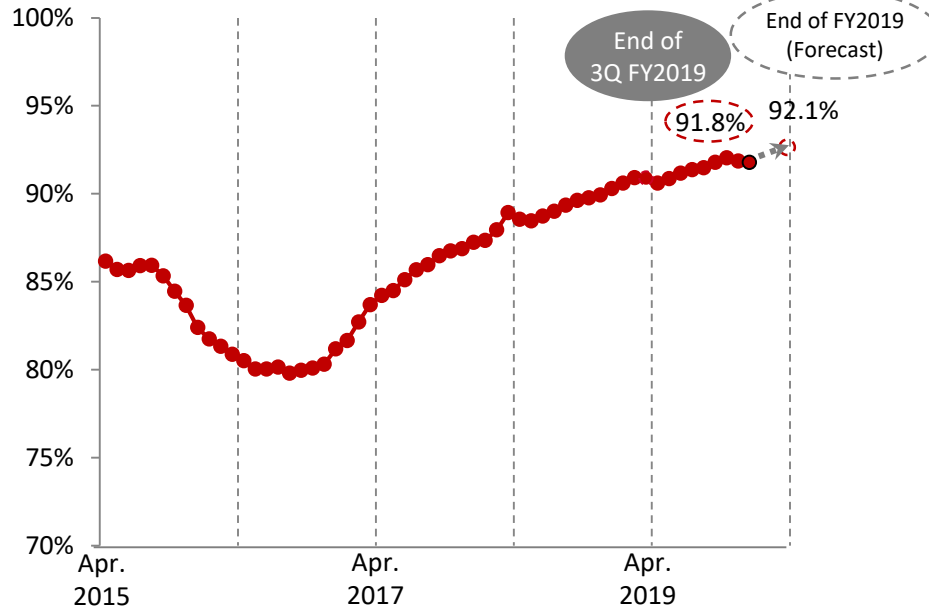
(Billions of yen)



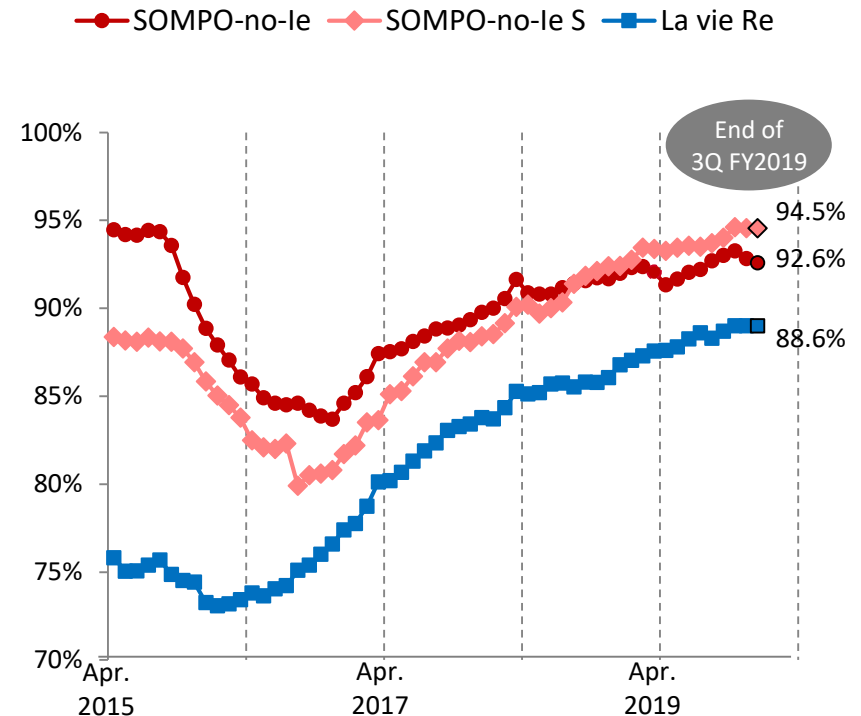
*2 Nursing care & healthcare business is the sum of SOMPO Care and asset management, etc.

(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

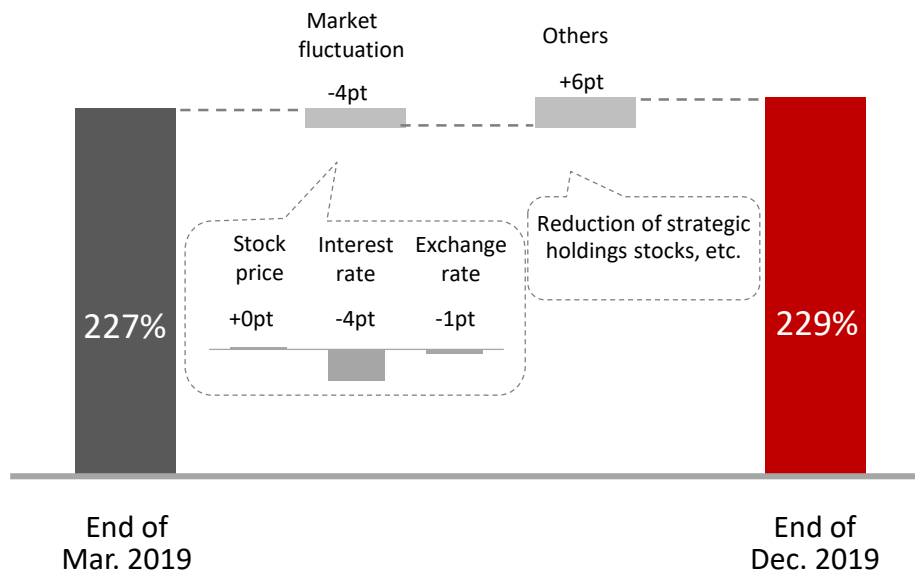
5. Nursing care & healthcare, etc.

6. ERM & asset management

Financial Soundness – ESR (99.5%VaR)

◆ ESR (99.5%VaR) as of end of 3Q FY2019 was 229%, within 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).

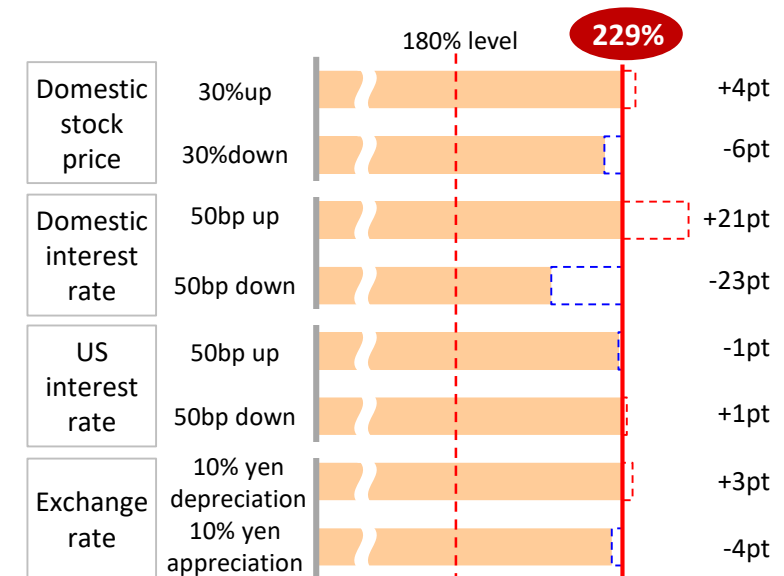
180% level: The level leading to stable financial soundness

Typical actions in case of constant deviation from target range

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

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

Sensitivity of ESR (99.5%VaR)



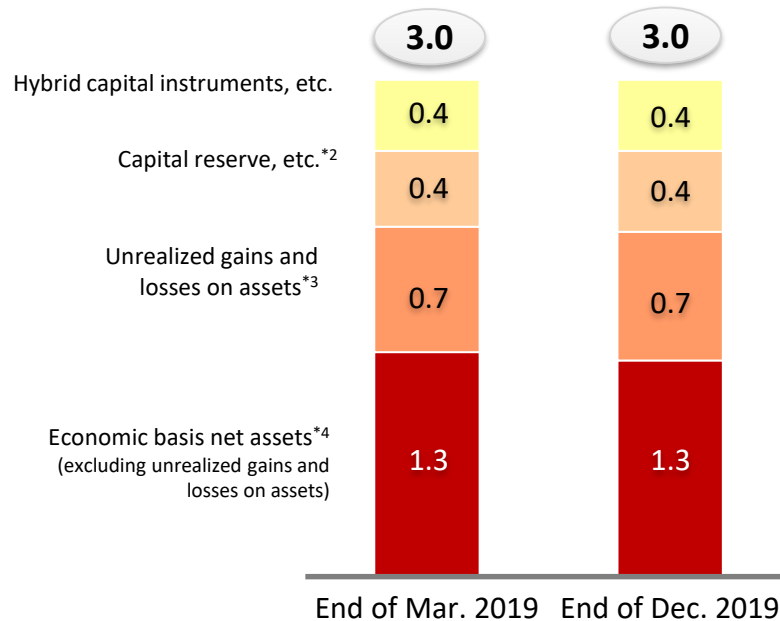
(Reference) Market indicators	End of Dec. 2019	(change*2)
Domestic stock price (Nikkei 225)	¥23,656	(+11.6%)
Domestic interest rate (30y JGB)	0.43%	(-8bp)
US interest rate	1.92%	(-49bp)
Exchange rate (JPY/USD)	¥109.56	(-1.3%)

*2 Against the end of March 2019

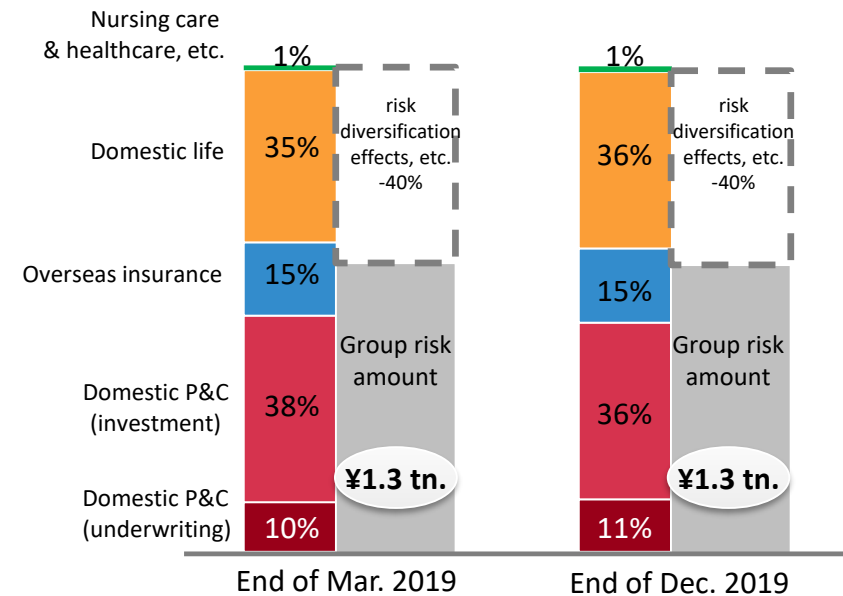
(Reference) Breakdown of Adjusted Capital and Risk

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.

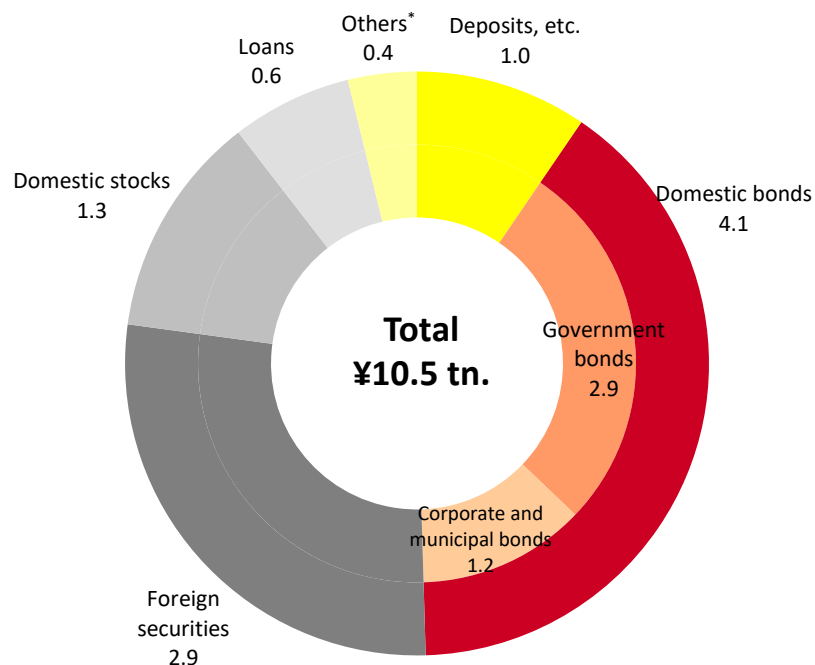
• Group total risk : Sum of risk amount of each business less risk diversification effect among businesses and tax impact.

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 December 2019, group consolidated base)

(Trillions of yen)



Investment assets by company

(Billions of yen)

	Amount of investment assets	Composition
Sompo Japan Nipponkoa	5,505.5	52.2%
Overseas group subsidiaries	1,471.5	13.9%
(Of which, SI)	(1,228.6)	(11.6%)
Himawari Life (General account)	3,416.0	32.4%
Saison Automobile & Fire	60.0	0.6%
Other domestic subsidiaries	102.9	1.0%
Total	10,556.1	100.0%

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

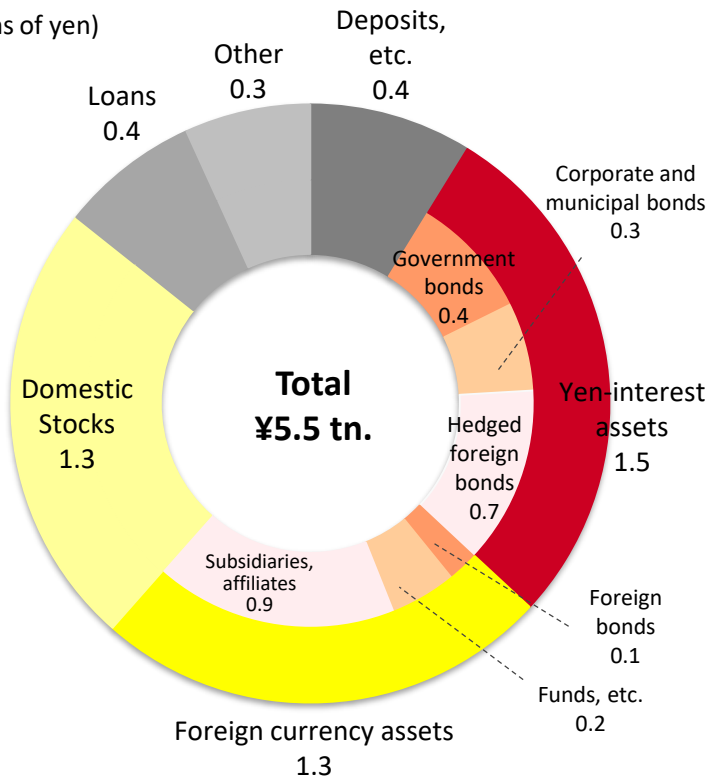
Asset Portfolio – Sompo Japan Nipponkoa

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

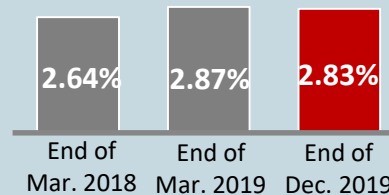
Amount of investment assets (as of end of December 2019, Sompo Japan Nipponkoa, non-consolidated)

<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 Dec. 2019
BBB or above	100%	Asset	7.8	7.9
BB or below	0%	Liability	8.5	8.4

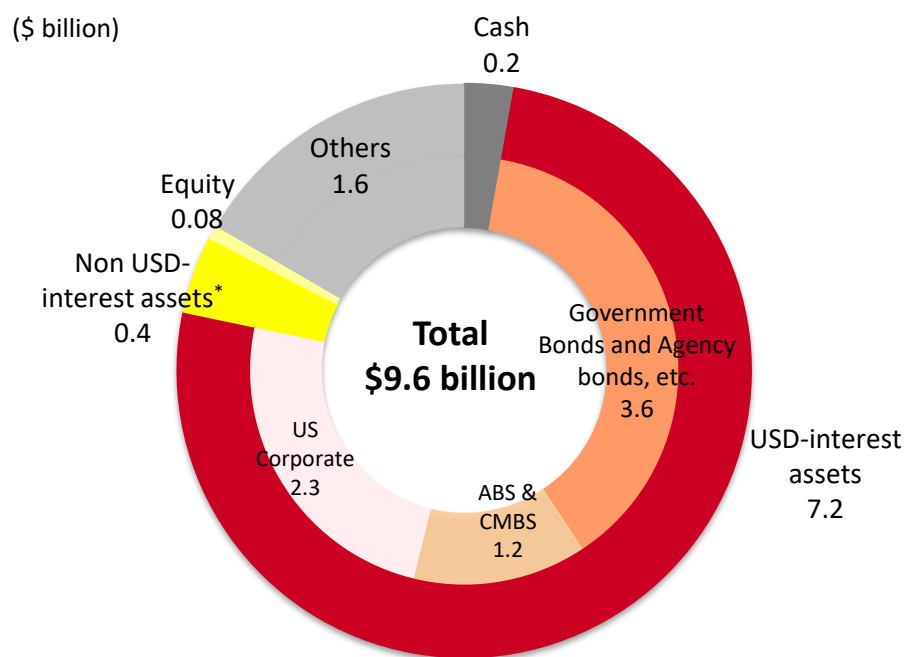
*1 Excluding overseas subsidiaries' shares, etc.

*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 September 2019, SI, consolidated)



Composition by ratings

Rating	Composition
BBB or above	91%
BB or below	9%

Duration (years)

	End of Dec. 2018	End of Sep. 2019
Asset	3.2	2.6
Liability	2.9	3.0

(Reference) Income yield* at the end of September 2019: 2.75%

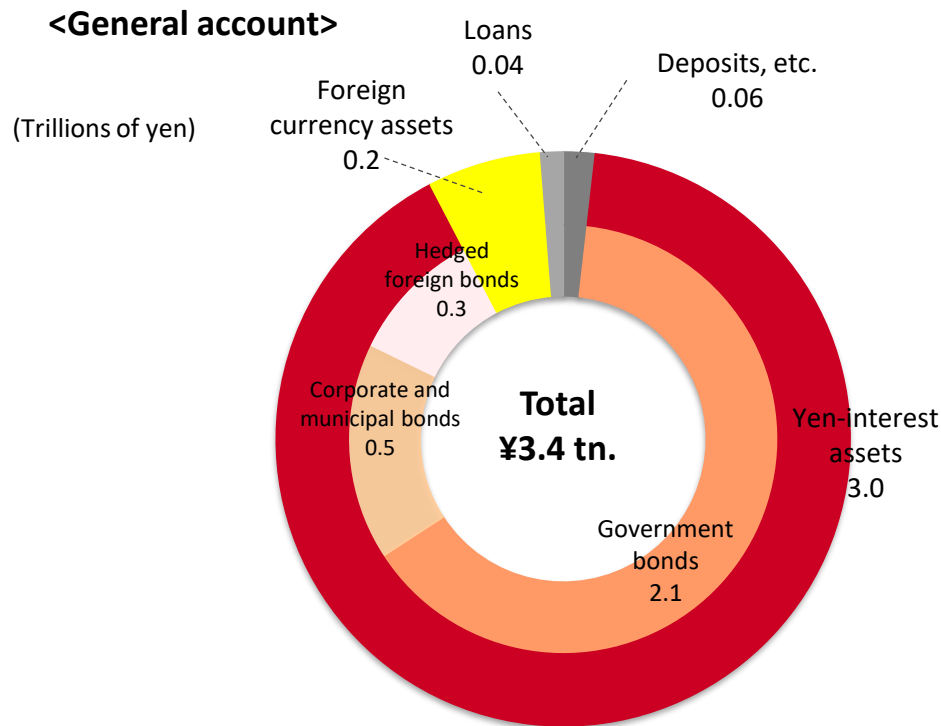
*Incl. Changes in unrealized gains and losses on certain funds, etc.

* Including cash

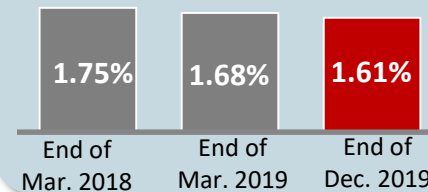
Asset Portfolio – Himawari Life

- ◆ 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 December 2019, Himawari Life, non-consolidated)



Trend of income yield (General account)



Composition by ratings*

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

Duration (years)

	End of Mar. 2019	End of Dec. 2019
Asset	14	14
Liability	25	25

(Reference) Amount of separate account (End of Dec. 2019): ¥23.9 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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