



Mid-Term Management Plan and Financial and Capital Strategy



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A Message from the Group COO



We are steadily advancing the qualitative evolution of the entire Sampo Holdings Group, enhancing quality, speed, and flexibility in decision-making and business execution.

Shinji Tsuji

Group COO and Group CBO
Director, Deputy President and Representative Executive Officer

Duties of the Group COO

Ten years have passed since the establishment of the holding company, and we entered the latter half of the Mid-Term Management Plan this fiscal year. At this turning point, we reassessed the business execution structure to center on Global ExCo, which was established as the highest executive committee, while transitioning to a Company with Committees structure. These moves have clarified the roles of supervision and business execution as well as improved transparency in governance and strengthened oversight functions. Also, we have worked to improve the speed, flexibility, and quality of business execution, all the while globalizing management. The transition to this new corporate governance structure is meant to ensure our transformation into “A Theme Park for Security, Health & Wellbeing” by facilitating more agile and flexible decision-making and business execution. As a part of this transition, Sampo Holdings created the new executive position of Group COO (Chief Operating Officer) in January 2019, and I was appointed to this role. The duties of the Group COO are to bring together the management of the entire Group as the chair of Global ExCo and the Managerial Administrative Committee (MAC), which were created in April 2019, while inheriting the authority and responsibilities of the Group CEO as they relate to business execution. I make decisions to further the execution and realization of business strategies and management policies deliberated at Global ExCo, and I also make decisions to solve and move beyond pressing management issues. While promoting the effective functioning of Global ExCo and MAC, the Group COO advances specific measures to achieve Group targets raised in the Mid-Term Management Plan.

Taking on Challenges to Qualitatively Evolve the Group

Under the current Mid-Term Management Plan, which runs from fiscal 2016 through fiscal 2020, the Company has identified significant changes in the external business environment, including the shrinking and rapid aging of Japan’s population, large-scale natural disasters becoming the norm, and changing customer behavior in tandem with technological innovation, among other trends. Against this backdrop, the Sampo Holdings Group aims to evolve into a corporate group that can sustain growth into the future, achieving a transformation for the provision of “A Theme Park for Security, Health & Wellbeing.” Our transformation goes beyond simple change to encompass a qualitative evolution that entails reforming the business portfolio and corporate culture. Such a transformation is an unprecedented challenge, a key turning point for the Sampo Holdings Group in its more than 130-year history, which has focused on the insurance business.

In order to assure progress in taking on this challenge, over the three years through fiscal 2018, the Company made steady progress creating a foundation for realizing “A Theme Park for Security, Health & Wellbeing.” We began by introducing a Business Owner system and a Group Chief Officer (CxO) system, transitioning to a Company with Committees structure, and strengthening corporate governance functions with the establishment of Global ExCo. The Company also moved to strengthen its competitive advantages in each business. In the domestic P&C insurance business, we reviewed our pricing and reinsurance strategies and improved capital efficiency by

reducing strategic-holding stocks. In the overseas insurance business, we completed our reorganization in developed countries and launched our retail platform vision. In the domestic life insurance business, we developed products and services centered on Insurhealth® and launched the Linkx (pronounced “link cross”) brand as a part of our change into a health support enterprise. In the nursing care & healthcare business, we improved productivity by merging four nursing care companies in the business. Moreover, Sampo Holdings accelerated growth through M&A activities, headlined by its acquisition of Endurance Specialty Holdings Ltd. (currently Sampo International Holdings Ltd.) in fiscal 2016. The Company also sought out new business opportunities. We began to offer comprehensive support in a collaborative effort across businesses (across Group companies) with the SOMPO Dementia Support Program, which provides a wide range of support services from the prevention of impairment in cognitive functions to care for people with dementia. Other initiatives

included advancing our digital strategy that utilizes cutting-edge expertise and technologies accumulated at our three SOMPO Digital Labs.

In these ways, Sampo Holdings has simultaneously implemented and sustained initiatives across the Group, encouraging organic growth in each business, executing disciplined M&A activities, and creating new businesses that leverage unique Group strengths. The Group is keen to realize its qualitative evolution into a constantly growing corporate group resilient to any change in the external business environment and to realize its transformation into “A Theme Park for Security, Health & Wellbeing.”

Under our new corporate governance structure, we aim to improve the quality, speed, and flexibility of decision-making and business execution, accelerate our transformation more than ever, and take other measures so that this year, which marks the 10th anniversary of the holding company’s establishment, will be a leap forward into the next decade.

Domestic P&C Insurance Business	<ul style="list-style-type: none"> ✓ Achieved record-high profits after adjusting for the impact of natural disasters in Japan ✓ Reviewed our pricing and reinsurance strategies, improved capital efficiency by reducing strategic-holding stocks ✓ Enhanced points of contact with customers with Portable Smiling Road and LINE Insurance 	<p>Adjusted Profit (Billions of yen)</p> <p>* Adjusted for natural disasters in Japan</p> <table border="1"> <thead> <tr> <th>Fiscal Year</th> <th>Adjusted Profit (Billions of yen)</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>111.9</td> </tr> <tr> <td>2016</td> <td>137.7*</td> </tr> <tr> <td>2017</td> <td>147.5*</td> </tr> <tr> <td>2018</td> <td>42.3</td> </tr> </tbody> </table>	Fiscal Year	Adjusted Profit (Billions of yen)	2015	111.9	2016	137.7*	2017	147.5*	2018	42.3
Fiscal Year	Adjusted Profit (Billions of yen)											
2015	111.9											
2016	137.7*											
2017	147.5*											
2018	42.3											
Overseas Insurance Business	<ul style="list-style-type: none"> ✓ Acquired Endurance Specialty Holdings Ltd. (currently Sampo International Holdings Ltd.), finished reorganization in developed countries, including sale of Canopus ✓ Launched retail platform vision, rolled out global brands, including <i>AgriSampo</i> and <i>SomPro</i> 	<p>Adjusted Profit (Billions of yen)</p> <table border="1"> <thead> <tr> <th>Fiscal Year</th> <th>Adjusted Profit (Billions of yen)</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>18.7</td> </tr> <tr> <td>2018</td> <td>33.0</td> </tr> </tbody> </table>	Fiscal Year	Adjusted Profit (Billions of yen)	2015	18.7	2018	33.0				
Fiscal Year	Adjusted Profit (Billions of yen)											
2015	18.7											
2018	33.0											
Domestic Life Insurance Business	<ul style="list-style-type: none"> ✓ Launched Linkx brand, developed products and services centered on Insurhealth®, which helps maintain and improve health ✓ Started initiatives to rapidly improve productivity, such as concentrating administrative functions at head office 	<p>Adjusted Profit (Billions of yen)</p> <table border="1"> <thead> <tr> <th>Fiscal Year</th> <th>Adjusted Profit (Billions of yen)</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>30.4</td> </tr> <tr> <td>2018</td> <td>32.8</td> </tr> </tbody> </table>	Fiscal Year	Adjusted Profit (Billions of yen)	2015	30.4	2018	32.8				
Fiscal Year	Adjusted Profit (Billions of yen)											
2015	30.4											
2018	32.8											
Nursing Care & Healthcare Business, etc.	<ul style="list-style-type: none"> ✓ Entered nursing care business in earnest, explored new business opportunities in surrounding fields ✓ Merged four nursing care companies and quickly achieved profitability by integrating Group companies and improving productivity 	<p>Adjusted Profit (Billions of yen)</p> <p>■ Nursing care & healthcare business ■ Asset management business, etc.</p> <table border="1"> <thead> <tr> <th>Fiscal Year</th> <th>Nursing care & healthcare business (Billions of yen)</th> <th>Asset management business, etc. (Billions of yen)</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>1.5</td> <td>4.0</td> </tr> <tr> <td>2018</td> <td>5.2</td> <td>4.0</td> </tr> </tbody> </table>	Fiscal Year	Nursing care & healthcare business (Billions of yen)	Asset management business, etc. (Billions of yen)	2015	1.5	4.0	2018	5.2	4.0	
Fiscal Year	Nursing care & healthcare business (Billions of yen)	Asset management business, etc. (Billions of yen)										
2015	1.5	4.0										
2018	5.2	4.0										
Digital Strategy	<ul style="list-style-type: none"> ✓ Created three bases, in Tokyo, Silicon Valley, and Tel Aviv, to advance use of digital technologies ✓ Of roughly 100 proof of concept projects, 20 projects launched, including call center AI 											
Governance	<ul style="list-style-type: none"> ✓ Introduced Business Owner system and Group Chief Officer (CxO) system ✓ Transitioned to new corporate governance structure (Company with Committees structure), established Global ExCo and MAC 											

A Message from the Group CSO



We are accelerating our transformation while continuing to enhance corporate value.

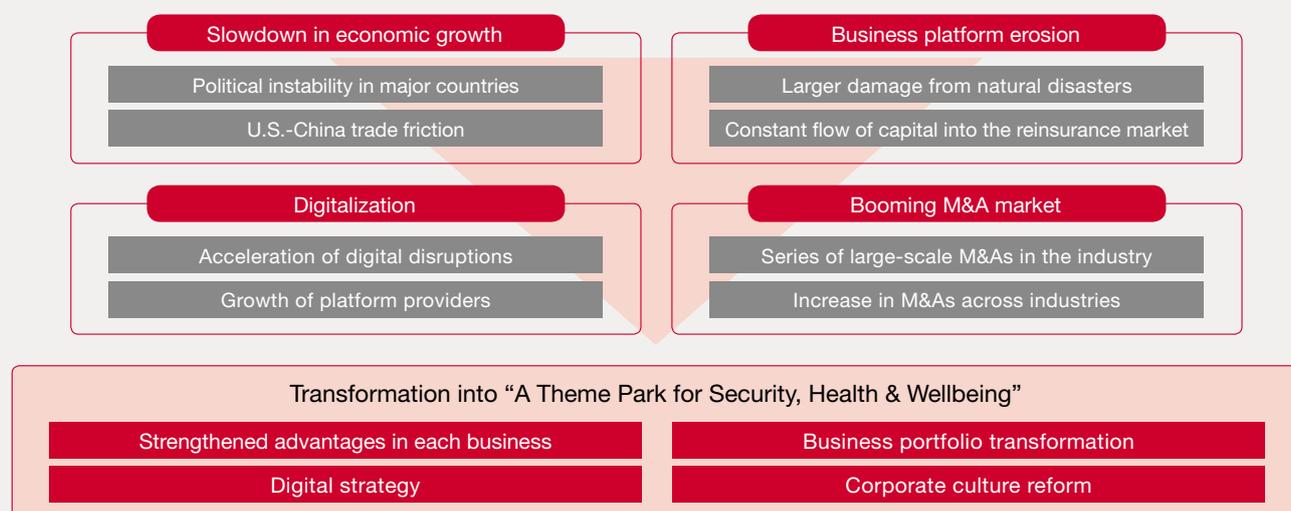
Mikio Okumura

Group CSO
Executive Vice President and Executive Officer

Changes in the Group's Business Environment

Looking at how the external business environment has changed over the past few years, the world has changed at a faster pace and on a larger scale than we had anticipated, with more frequent and severe natural disasters in Japan and elsewhere, slower growth in the global economy, prolonged stasis in capital markets due to ongoing monetary easing, and accelerated digitalization. Moreover, autonomous cars will change the nature of insurance itself, and groundbreaking advances in technology, such as genome analysis, will lead to a new normal and change our lifestyles for the better.

The Group Management Philosophy is to contribute to the security, health, and wellbeing of our customers and society by providing solutions of the highest quality possible. Amid these changes in the external environment, we aim to remain a corporate group chosen and preferred by our customers by precisely meeting their changing needs and always advancing the Group from a customer-oriented perspective. To this end, we must realize our transformation into "A Theme Park for Security, Health & Wellbeing," our vision for the future.



Accelerating Our Transformation

In the two years through fiscal 2020, the final year of the current Mid-Term Management Plan, Sompo Holdings is accelerating the transformation of the entire Group, centered on reforms to the business portfolio, by diversifying business domains and earnings sources, and reforms to the corporate culture to make it more mission-driven and results-oriented. By effecting this qualitative evolution, the Company aims to solidify its footing for strong growth in the future.

In reforms to our business portfolio, we aim for steady growth in profit from overseas insurance with a truly integrated global platform that hones the competitive advantages of each business. Other initiatives are geared toward expanding business domains beyond insurance in Japan. Global ExCo was set up to support and accelerate these initiatives. The diverse opinions and management strategies that come out of Global ExCo will serve to accelerate the Group's growth. As an example, we can take the Global Transaction Committee, which was set up under Global ExCo in June 2019. Across the Group, this committee promotes M&A activities around the world and promotes transaction-related initiatives in M&A, financing, and tie-ups in Japan and other countries in various business domains not limited to the insurance field.

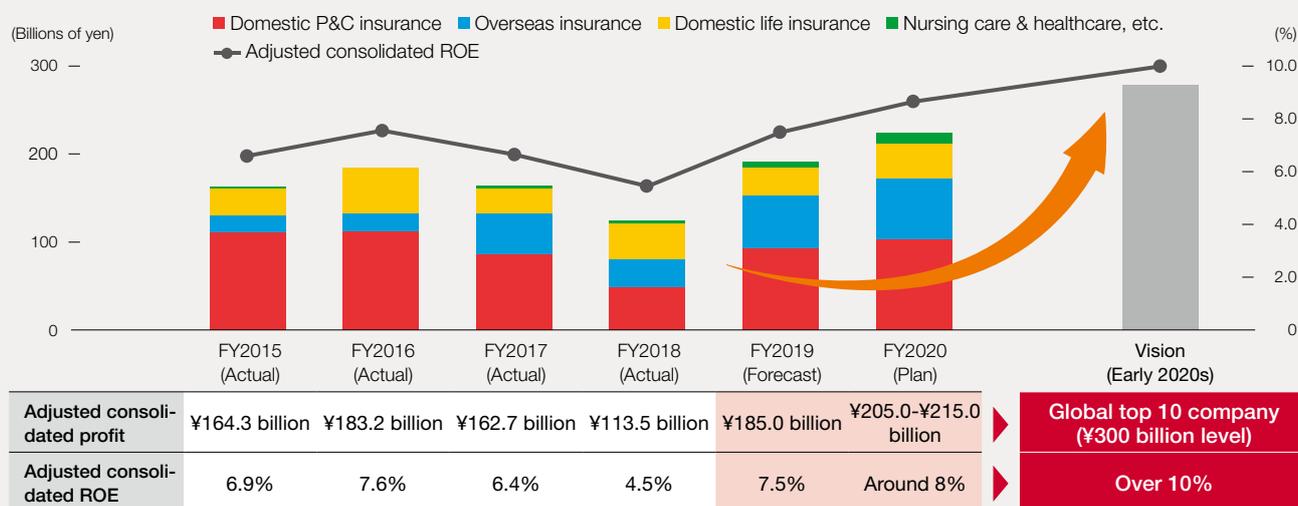
To realize "A Theme Park for Security, Health & Wellbeing," we provide added value through collaboration across businesses, utilizing real data as an entire Group and not just the sum total of data from services in each business. The key to this approach is our digital strategy and real data. While deploying cutting-edge digital technologies, we analyze real data to accurately understand the needs of our customers in real time in an effort to offer new value and solutions through collaboration across businesses.

At the same time, we are reforming the business portfolio to organically create new value with real data and digital technologies, aiming for stable growth in business profit and the expansion of business domains beyond insurance.

All executives and employees of the Group are given their own mission and responsibilities for growing each business, developing new businesses, and creating added value. They delve into their missions, taking on challenges without fear of failure, and build on each success to ultimately achieve major leaps in growth. That is how we are reforming our corporate culture. As our corporate culture changes, it will accelerate reforms to the business portfolio. This reform of our corporate culture will require taking on challenges from a fresh perspective, uncoupled from past trends, and translating this perspective into an output-driven culture that prizes diversity and results. In this context, it is important to reform work styles, such as by letting employees work anywhere, as an opportunity to reinforce this mind-set.

By staging such a qualitative evolution, we aim to help solve issues faced by society and our customers, earn their trust, and build up our customer base even further. We intend to create a sustained growth cycle that provides our customers with new and greater value while enhancing our corporate value.

To achieve our transformation into "A Theme Park for Security, Health & Wellbeing," we are targeting adjusted consolidated profit of ¥300 billion or higher and an adjusted consolidated ROE of more than 10% in the early 2020s.



Note: Figures for fiscal 2015 are estimates based on the current definition of adjusted profits.

A Message from the Group CFO



Based on our Enterprise Risk Management (ERM) framework, we aim to provide attractive shareholder returns and maximize corporate value based on a balance between profit and capital.

Masahiro Hamada

Group CFO and Group CIO
Executive Vice President and Executive Officer

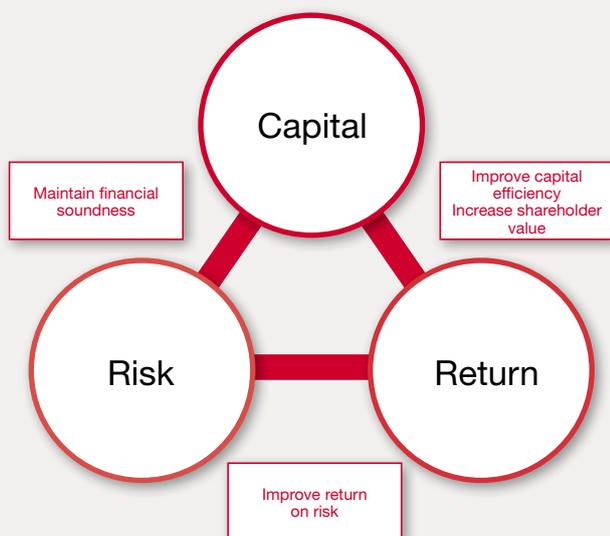
Basic Capital Policy

The basic capital policy of the Sompo Holdings Group entails appropriately controlling the balance between capital, risk and returns and maintaining adequate financial soundness based on the Enterprise Risk Management (ERM) framework. Our basic policy for shareholder returns (shareholder dividends and share buybacks) is to provide an attractive return commensurate with profit and capital levels, based on our targets for growth

in adjusted consolidated profit to ¥300 billion, steady improvement in capital efficiency to an adjusted consolidated ROE of 10.0% or more, and expansion driven by investments in growth businesses.

In accordance with our basic capital policy, we apply management procedures for financial soundness based on international capital regulations and evaluate and utilize criteria based on adjusted consolidated ROE and return on risk (ROR) for making management decisions in a wide range of fields, including investments and performance evaluation. We also strive to enhance capital quality on a continuous basis and to promote capital policy that facilitates the acquisition of returns in order to maximize corporate value.

Capital Policy Based on the ERM Framework



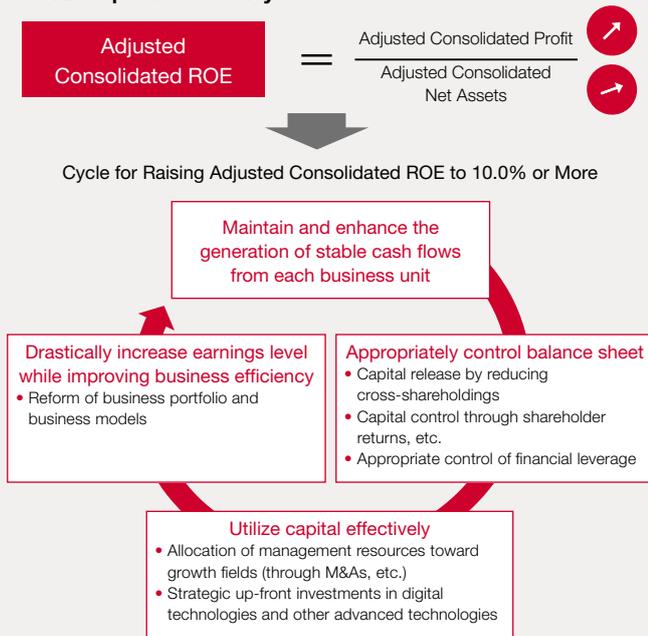
Improvement of Capital Efficiency

Sompo Holdings has an operating cycle for improving capital efficiency (ROE) sustainably that was established on the basis of its ERM framework. The Group appropriately controls its balance sheet through such measures as continuing to reduce its cross-shareholdings, increasing shareholder returns, and managing financial leverage while maintaining and enhancing its systems for generating stable cash flows in each of its businesses. On this basis, we will allocate management resources toward growth fields (through M&As, for example) and conduct forward-looking strategic investments in various fields with the potential to bring about new businesses and to revolutionize industry structures, such as digital technologies

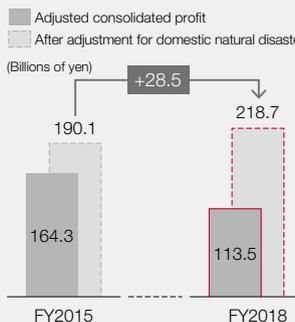
and advanced sciences and technologies. In addition, we will work to achieve drastic improvements in business efficiency and profit levels by transforming our business portfolio and business models. As a result, we intend to achieve sustainable growth in adjusted consolidated profit and adjusted consolidated ROE and reach our medium-to-long-term targets.

In fiscal 2018, adjusted consolidated profit was ¥113.5 billion and adjusted consolidated ROE was 4.5%, reflecting the impact of larger-than-expected damage caused by natural disasters in Japan. In fiscal 2019, the Company anticipates a normal level of damage from natural disasters, and thus it expects profit levels and ROE to improve. We are working diligently to steadily improve capital efficiency in order to quickly achieve our targets.

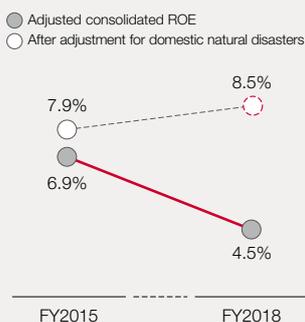
ROE Improvement Cycle



Adjusted Consolidated Profit



Adjusted Consolidated ROE



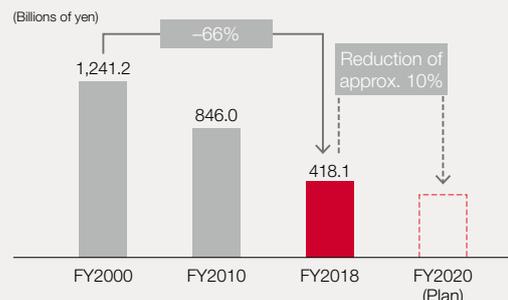
Policy on Cross-Shareholdings and Their Reduction

The Company's subsidiary Sompo Japan Nipponkoa Insurance Inc. engages in cross-shareholdings for the purposes of receiving investment returns in the form of dividend income and share price appreciation, enhancing relations with the insurance sales channels and business partners, and maintaining and strengthening insurance transactions with corporate clients. The Board of Directors annually examines the economic rationale for continuing to maintain cross-shareholding accounts. These examinations consider the future use of the shares based on the cross-shareholding objectives, such as supporting insurance transactions and strengthening alliances, review the long-term outlooks for unrealized gains from value appreciation and the share value, and set quantitative risk and return assessment benchmarks for the associated insurance transactions and share values.

As part of the Group's capital policy, the Company implements a management policy of allocating a portion of the capital gains generated from the continuous selling of cross-shareholdings to investments in growth businesses, such as M&A activities, with the aim of ensuring financial soundness and improving capital efficiency. These activities are conducted in accordance with the mid-term and annual retention and disposal plans for cross-shareholdings.

Under the current Mid-Term Management Plan, we plan to reduce cross-shareholdings by around ¥100.0 billion per year. The amount reduced in fiscal 2018 was ¥158.0 billion, a greater reduction than in previous fiscal years, and a total of ¥371.9 billion in cross-shareholdings has been reduced over the three years ended fiscal 2018. We will continue to reduce the overall balance of cross-shareholdings going forward based on quantitative evaluations and extensive discussions with counterparties.

Balance of Cross-Shareholdings Based on Book Value



Shareholder Returns

Sompo Holdings' basic policy on shareholder returns is to steadily increase dividends during the latter half of the Mid-Term Management Plan (fiscal 2019 and fiscal 2020) based on evaluations of the Company's financial position and the outlook for the operating environment. We seek to provide attractive shareholder returns with a flexible approach to share buybacks as an option that depends on the Company's stock price and capital condition.

Based on growth in adjusted consolidated profit, we plan to proactively increase total shareholder returns (total dividend payments + total share buybacks). In the latter half of the Mid-Term Management Plan (fiscal 2019 and fiscal 2020), as a target for shareholder returns, we aim to attain a total payout ratio*1 of between 50% and 100% of adjusted consolidated profit.

As shareholder returns based on our performance in fiscal 2018, we have chosen to pay an annual dividend of ¥130 per share, consisting of an interim dividend and a year-end dividend of ¥65 each, which will represent a year-on-year increase of ¥20 per share. In addition, we have announced a share buyback program for up to ¥33.5 billion for the purpose of

enhancing shareholder returns. In fiscal 2018, the Company's total payout ratio was 72% of adjusted consolidated profit.

As for fiscal 2019, we intend to raise dividend payments for the sixth consecutive year with a ¥20 increase per share over the level from fiscal 2018, for an annual dividend of ¥150 per share, comprising an interim dividend and a year-end dividend of ¥75 each.

Going forward, we will continue to use internal reserves and capital gains generated from sales of cross-shareholdings to conduct promising growth investments in pursuit of rapid business growth. By allocating the additional profit generated through such growth to the enhancement of shareholder returns, we will maximize shareholder value.

The Company's total shareholder returns*2 have comfortably exceeded performance on the TOPIX since the Company announced its Mid-Term Management Plan, underscoring the steady increase in shareholder value.

*1 The total payout ratio is an indicator of the weight of shareholder returns on the profit of each period and is calculated using the following formula.

Total payout ratio = (total dividend payments + total share buybacks (for shareholder returns) / adjusted consolidated profit

*2 Total shareholder returns is the ratio of return after the reinvestment of dividends. Note: Please see page 39 for the method of calculating adjusted consolidated profit.

Trend in Total of Shareholder Returns

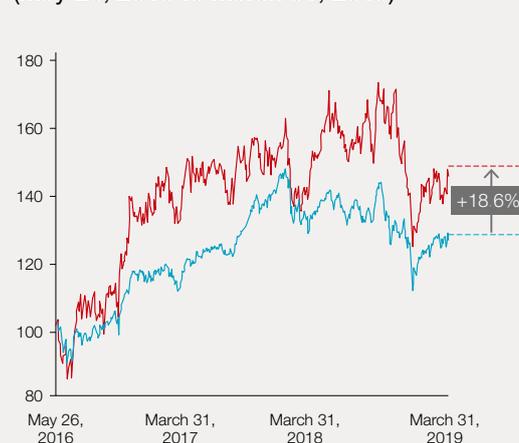


Adjusted consolidated profit (Billions of yen)	132.0	183.2	162.7	113.5	185.0	300.0 level
Total payout ratio	50%	50%	50%	72%	—	—
(Reference) Share price, end of fiscal year	¥3,188	¥4,079	¥4,282	¥4,098	—	—

■ Dividends (left scale) ■ Total share buybacks (for shareholder returns) (left scale)
● Annual dividends per share (right scale)

Note: Adjusted profit of the domestic life insurance business was excluded under the previous Mid-Term Management Plan (which ended in fiscal 2015).

Trend in Total Shareholder Returns (May 26, 2016 to March 31, 2019)



■ Sompo Holdings ■ TOPIX

Note: Indexed to 100 from May 26, 2016, the date the Mid-Term Management Plan was announced.

Maintenance of Financial Soundness

To maintain financial soundness, we manage capital based on the economic solvency ratio (ESR), determined by comparing economic value based on capital and risk.

Capital management is carried out by establishing a target capital level (ESR: 180% to 250%) and a risk tolerance level as indicators of the amount of capital necessary for advancing Group strategies. When calculating ESR, we employ capital management methods based on international capital regulations in order to increase global comparability, taking into account recent regulatory trends and the disclosure status of insurance companies in Japan and overseas. Financial soundness is maintained and managed in this manner.

With an ESR of 227% as of March 31, 2019, the level is within our target capital range, indicating that we are maintaining adequate financial soundness.

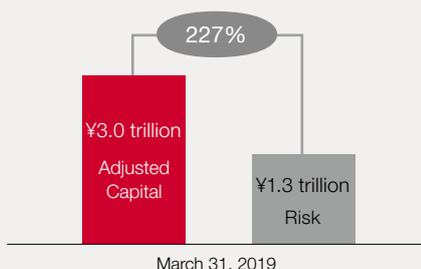


ESR (Economic Solvency Ratio)

Target Capital Level of around 180% to 250%

180%: Level leading to stable financial soundness based on results of stress tests

250%: Level set based on capital efficiency



Improvement of Return on Risk

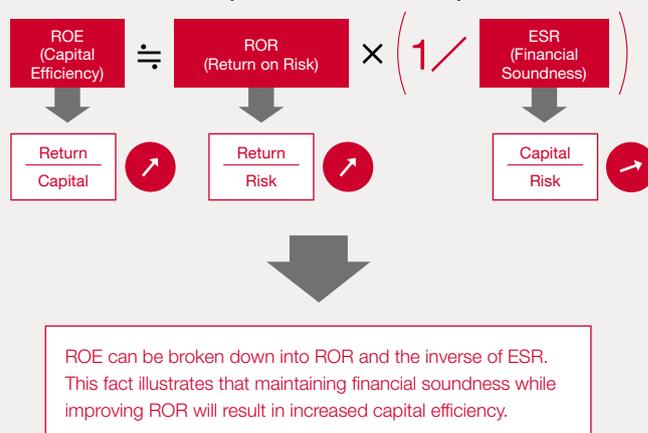
We use the return on risk indicator of ROR for making various management decisions in order to operate our businesses in a manner that ensures returns match or exceed the level of risks. By improving capital efficiency and maintaining financial soundness through improvements in various performance metrics, we seek to sustainably enhance corporate value.

When formulating business plans, the Group confirms the validity of plans in terms of outlooks for the Group's overall capital efficiency, financial soundness, and earnings stability as

well as quantitative analyses of risks and returns of each business unit and line of business.

Not just limited to these areas, ROR functions as a yardstick for management in a wide area of individual policies. This indicator is utilized when selecting stocks as part of reducing cross-shareholdings, formulating natural catastrophe risk reinsurance strategies, making investment decisions regarding M&A activities, setting insurance product underwriting strategies and premiums, and evaluating officer and employee performance.

Utilization of ROR (Breakdown of ROE)



Financial and ESG Highlights

Consolidated Financial and ESG Indicators for Sampo Holdings

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015
Key Figures						
Ordinary Income	2,621,689	2,790,555	2,843,226	3,008,339	3,282,343	3,256,186
Net Premiums Written (P&C Insurance)	1,933,283	1,973,777	2,062,606	2,268,967	2,508,031	2,552,193
Life Insurance Premiums	238,178	250,193	264,732	277,230	277,208	297,696
Ordinary Profit	(6,437)	(51,815)	104,783	112,391	208,309	216,853
Net Income Attributable to Shareholders of the Parent	(12,918)	(92,262)	43,618	44,169	54,276	159,581
Comprehensive Income	(143,120)	(48,098)	319,047	149,965	469,485	(116,689)
Per Share Information (Yen, U.S. dollars)						
Net Income	(31.11)	(222.30)	105.10	106.98	132.85	394.21
Dividends	80.0	80.0	60.0	60.0	70.0	80.0
(Of which, Interim)	—	—	—	30.0	30.0	40.0
Diluted Net Income	—	—	104.87	106.77	132.61	393.66
Financial Condition						
Total Net Assets	1,079,446	1,000,577	1,283,488	1,390,153	1,829,852	1,652,839
Total Assets	8,981,974	8,893,378	9,178,198	9,499,799	10,253,431	10,186,746
Equity Ratio (%)	12.0	11.2	13.9	14.5	17.8	16.1
Consolidated Solvency Margin Ratio (%)	—	549.8	688.3	783.1	803.4	851.4
Stock Information (Shares)						
Number of Shares Outstanding (Excluding Treasury Stock)	415,106,429	414,825,205	414,726,157	411,284,208	408,037,848	404,162,514
Adjusted Financial Indicators						
Adjusted Consolidated Profit (Billions of yen)	80.7	1.2	111.6	101.5	138.3	164.3
Adjusted Consolidated ROE (%)	4.2	0.1	5.4	4.3	5.2	6.9
ESG indicators						
Greenhouse Gas Emissions (Scope 1–3) (t-CO ₂)* ¹	—	—	138,039	139,736	155,140	151,704
Ratio of Outside Directors (%)		50.0	50.0	25.0	33.3	33.3
Ratio of Female Employees in Managerial Positions* ² (%)		4.0	5.3	5.0	5.2	11.0

Notes: 1. Sampo Holdings carried out a reverse split of stocks to combine common stocks at a ratio of four shares to one share on October 1, 2011. Net income per share, dividends per share, and number of shares outstanding (excluding treasury stock) are calculated based on the assumption that the reverse split of stocks was executed at the beginning of fiscal 2010.
2. Reflecting amendments to the "Accounting Standard for Business Combinations," etc., since fiscal 2015 the presentation of "net income" has been amended to "net income attributable to shareholders of the parent."
3. From the end of fiscal 2011, the consolidated solvency margin ratio as the standard of consolidated financial soundness has been calculated in accordance with the related laws and regulations, including the Ordinance for Enforcement of the Insurance Business Act, revised on March 31, 2011. Above, the figures for fiscal 2012 and before and the figures for fiscal 2013 and after are calculated on a different basis, reflecting the law revision concerning the standards for the calculation of the solvency margin ratio that was enforced at the end of fiscal 2013. Figures are not presented for fiscal 2010.
4. Diluted net income per share for fiscal 2010 and fiscal 2011 is not shown due to the recording of net loss per share.
5. Since fiscal 2016, the definition of adjusted consolidated profit has been changed. (Fiscal 2015 figures have been recalculated and presented based on new standards.)
6. U.S. dollar amounts are translated from yen at the rate of ¥110.99 = U.S.\$1.00, the approximate rate prevailing at March 31, 2019.
*¹ Figures are the total of Scope 1 (direct emissions due to use of gasoline, etc.), Scope 2 (indirect emissions from electricity and other energy sources), and Scope 3 (indirect emissions across entire value chains, including transport and business trips). Since fiscal 2012, the Group has received an annual Assurance Statement from a third-party certification organization. The coverage of the survey is as follows.
Fiscal 2012: NKSJ Holdings, Inc. (currently Sampo Holdings, Inc.), and 27 consolidated subsidiaries
Fiscal 2013: Sampo Japan Insurance Inc., including consolidated subsidiaries, and NIPPONKOA Insurance Co., Ltd., including consolidated subsidiaries
Fiscal 2014: Sampo Japan Nipponkoa Insurance Inc. and some of its consolidated subsidiaries, including overseas subsidiaries
Fiscal 2015: Sampo Japan Nipponkoa Holdings and its main consolidated subsidiaries and operating companies
Fiscal 2016–Fiscal 2018: Sampo Holdings, Inc., and its main consolidated subsidiaries
Emissions in fiscal 2017 were recalculated based on fiscal 2018 standards.
*² Data for overseas consolidated subsidiaries as of December 31 in each fiscal year. Data for domestic operating companies as of April 1 in each fiscal year between fiscal 2014 and fiscal 2018; record dates differ before fiscal 2013.

Adjusted Financial Indicators

Adjusted consolidated profit is a profit indicator that is meant to more accurately reflect business results and is calculated by adjusting consolidated net income based on JGAAP for catastrophic loss reserve and other items. This indicator is used to determine shareholder returns.

	Millions of yen			Millions of U.S. dollars
	FY2016	FY2017	FY2018	FY2018
	3,419,530	3,770,052	3,643,040	32,823
	2,550,336	2,854,755	2,718,155	24,490
	323,860	346,998	349,606	3,149
	241,713	141,890	198,959	1,792
	166,402	139,817	146,626	1,321
	226,949	177,754	(54,460)	(490)
	419.15	361.39	392.26	3.53
	90.0	110.0	130.0	1.17
	40.0	55.0	65.0	0.58
	418.71	361.09	391.96	3.53
	1,868,940	1,916,210	1,779,911	16,036
	11,931,135	11,948,323	12,018,254	108,282
	15.1	15.8	14.6	—
	748.9	862.5	859.8	—
	393,398,576	380,579,944	372,426,159	—
	183.2	162.7	113.5	1,023
	7.6	6.4	4.5	—
	147,403	156,201	148,486	
	30.8	33.3	33.3	
	13.2	18.7	20.7	

Definition of Adjusted Consolidated Profit, Adjusted Consolidated ROE, etc. (Fiscal 2016-Fiscal 2018)

		Calculation method
Adjusted profit for each business ^{*5}	Domestic P&C insurance ^{*1}	Net income + Provisions for catastrophic loss reserve (after tax) + Provisions for reserve for price fluctuation (after tax) – Gains/losses on sales of securities and impairment losses on securities (after tax) – Special factors (e.g., dividend from subsidiaries)
	Overseas insurance	Net income (including major non-consolidated subsidiaries) Operating income is used for Sompo International Holdings. ^{*2}
	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. ^{*3}	Net income
Adjusted consolidated profit		Total of above adjusted profits
Adjusted consolidated net assets		Consolidated net assets (excluding life insurance subsidiary's net assets) + Catastrophic loss reserve in domestic P&C insurance (after tax) + Reserve for price fluctuation in domestic P&C insurance (after tax) + Domestic life insurance adjusted net assets ^{*4}
Adjusted consolidated ROE		Adjusted consolidated profit/Adjusted consolidated net assets Note: The denominator is the average balance at the end/start of each fiscal year.

^{*1} The total of Sompo Japan Nipponkoa Insurance Inc.; SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED; Sompo 24 Insurance Company Limited; Sompo Japan Nipponkoa Insurance Services Inc.; Sompo Japan Nipponkoa DC Securities Inc.; and Sompo Risk Management & Health Care Inc. (for fiscal 2017 and after)

^{*2} The adjusted profit of Sompo International is defined as operating income net of fluctuating, one-time factors (Operating income = Net income – Net foreign exchange gains/losses – Net realized and unrealized gains/losses on sales of securities as well as impairment losses/valuation gains on securities – Net impairment losses recognized in earnings, etc.).

^{*3} The total of Sompo Care Inc. (the former Sompo Care Message Inc. and Sompo Care Next Inc.); Cedar Co., Ltd.; Sompo Japan Nipponkoa Asset Management Co., Ltd.; Prime Assistance Inc.; Sompo Warranty Inc.; and FRESHHOUSE Co., Ltd.

^{*4} Domestic life insurance adjusted net assets = Net assets (JGAAP, after tax) + Contingency reserve (after tax) + Reserve for price fluctuation (after tax) + Adjustment of underwriting reserve (after tax) + Non-depreciated acquisition cost (after tax)

^{*5} Adjusted profit for each business from fiscal 2019 excludes one-time profits/losses and special factors, such as dividends received from subsidiaries.

External Recognition of ESG Initiatives

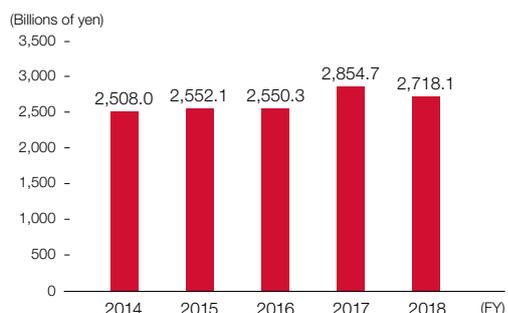
We have been actively involved in ESG initiatives from an early stage, and our initiatives have been recognized by various institutions globally, as demonstrated by our inclusion in socially responsible investment (SRI) indices. (As of July 1, 2019)



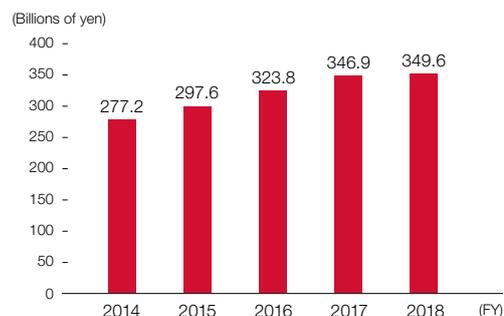
Consolidated Indicators for Sampo Holdings

Expansion in Net Premiums Written

Net Premiums Written (P&C Insurance)



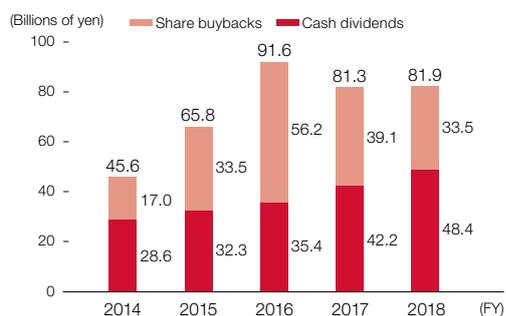
Life Insurance Premiums



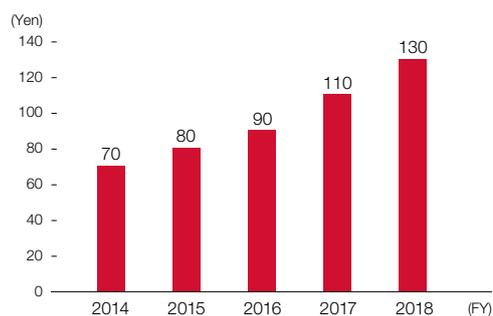
In fiscal 2018, net premiums written declined slightly owing to the sale of Canopus; excluding this factor, they would have increased, mainly reflecting firm sales of products to small and medium-sized enterprises in other lines. Life insurance premiums written also grew strongly due to an increase in the number of policies in force.

Change in the Target Range for the Total Payout Ratio, Basic Policy to Continue Raising Dividends

Shareholder Returns



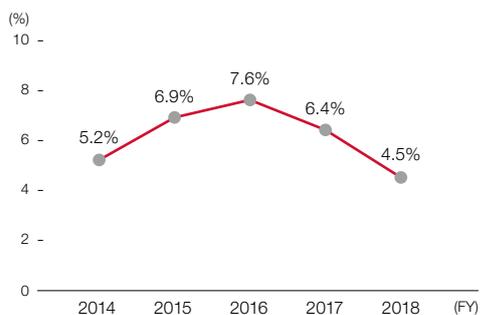
Dividends per Share



In fiscal 2019, Sampo Holdings changed its target range to between 50% and 100% for the total payout ratio and aims to further improve shareholder returns. The Company plans to increase dividends again for the sixth straight year (including estimates for fiscal 2019), in line with its basic policy of continuing to raise dividend payments.

Medium-Term Improvement Trend in Capital Efficiency

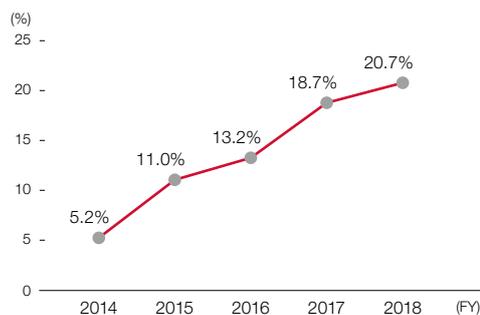
Adjusted Consolidated ROE



In fiscal 2018, adjusted consolidated ROE declined to 4.5% due to the impact from natural disasters in Japan and elsewhere, but it remained on pace to achieve a record-high level once the impact from natural disasters returns to a normal level. The Company continues to steadily improve capital efficiency.

Increase in the Ratio of Female Employees in Managerial Positions from the Promotion of Diversity

Ratio of Female Employees in Managerial Positions



The Sampo Holdings Group has positioned diversity as part of its business strategy and aims to increase the percentage of female employees in managerial positions to 30% by the end of fiscal 2020. We have been proactively promoting female employees to managerial positions.