

Highlights of 1Q FY2016 Results

August 10, 2016

Sompo Japan Nipponkoa Holdings, Inc.



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Highlights of 1Q FY2016 Results

- Consolidated ordinary profit was ¥31.3 billion (-¥6.1 billion), and consolidated net income was ¥19.9 billion (-¥6.5 billion) in 1Q FY2016.
- Although the progress rate of consolidated net income against the full-year forecast appears to be low, actual performance largely progressed as planned.

- Our financial soundness keeps robust despite volatile financial market.
- Reduction of exposure of strategic-holding stocks was ¥39.9 billion, of which actual stock was ¥2.6 billion and stock future was ¥37.2 billion.
- We have repurchased ¥22.3 billion of shares by the end of July from the market in connection with the share buybacks announced in May (upper limit of ¥33.5 billion).
- Combined ratio in Sompo Japan Nipponkoa (excluding CALI, household earthquake) was 89.8%, and kept range around 90%.
- In Himawari Life, the number of policies in force, and premium and other income steadily increased mainly in protection-type products. Net income steadily progressed against the full-year forecast.
- There is no major change in performance of overseas insurance business. The progress was steady against the full-year forecast.

1. Trend of business results

2. Results of each business

2-1. Domestic P&C insurance

2-2. Domestic life insurance

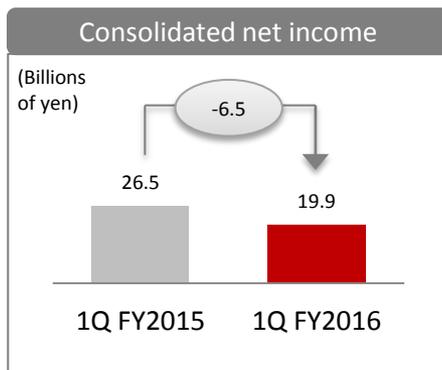
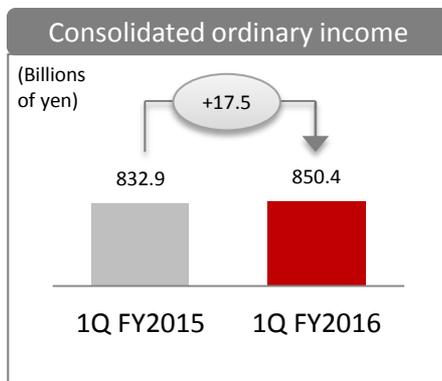
2-3. Overseas insurance

2-4. Nursing care & healthcare, etc.

3. ERM & asset management

Overview of 1Q FY2016 Results – Consolidated basis

- ◆ Top-line increased. Consolidated ordinary profit was ¥31.3billion (-¥6.1 billion), and consolidated net income was ¥19.9 billion (-¥6.5 billion).



(Billions of yen)	1Q FY2015	1Q FY2016	Change
Consolidated ordinary income	832.9	850.4	+17.5 (+2.1%)
Net premiums written (P&C)	652.6	654.7	+2.1 (+0.3%)
Life insurance premiums	67.5	72.9	+5.3 (+7.9%)
Consolidated ordinary profit	37.4	31.3	-6.1
Sompo Japan Nipponkoa	27.8	29.3	+1.4
Himawari Life	5.2	3.1	-2.0
Overseas insurance subsidiaries	6.0	4.7	-1.2
Consolidated adjustment ^{*1} /Others	-1.6	-5.9	-4.3
Consolidated net income ^{*2}	26.5	19.9	-6.5
Sompo Japan Nipponkoa	19.3	20.0	+0.7
Himawari Life	3.5	2.0	-1.5
Overseas insurance subsidiaries	5.3	4.3	-0.9
Consolidated adjustment ^{*1} /Others	-1.6	-6.5	-4.8
(Reference) Adjusted profit (by business)	46.0	37.7	-8.3
Domestic P&C insurance	32.9	27.2	-5.6
Domestic life insurance	7.5	6.4	-1.1
Overseas insurance	5.2	4.4	-0.8
Nursing care & healthcare, etc.	0.3	-0.3	-0.6

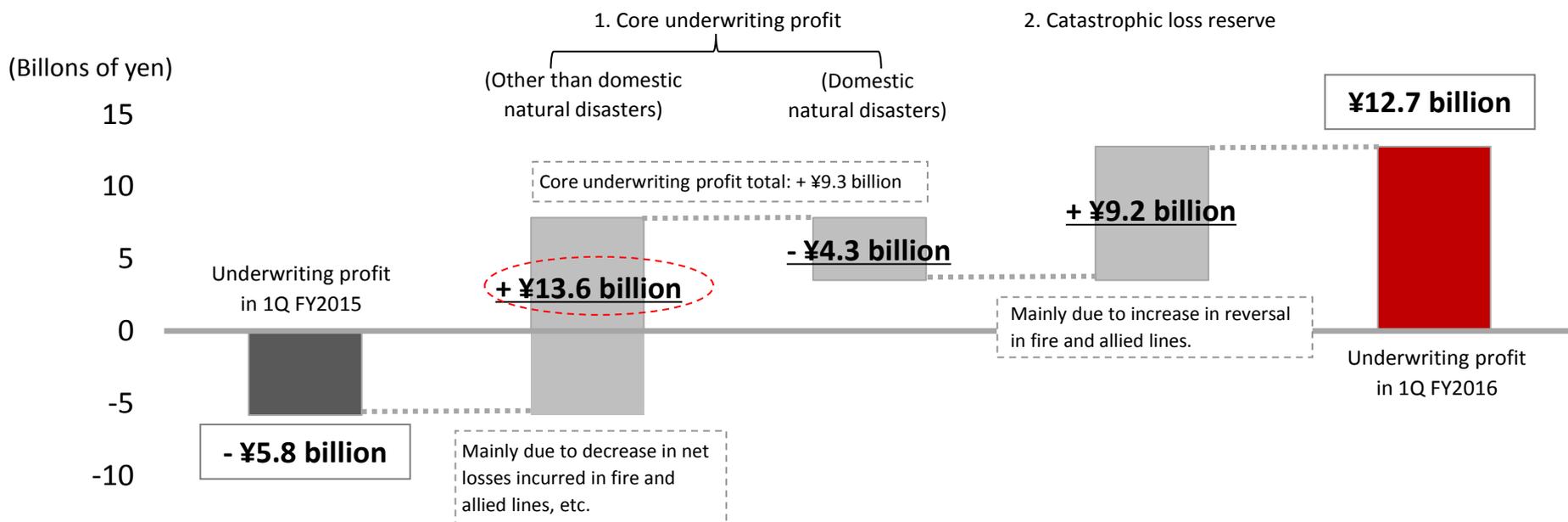
*1 "Purchase method" accounting was adopted upon the establishment of Sompo Japan Nipponkoa Holdings. In the consolidated accounts of the holdings, assets and liabilities of the former Nipponkoa and some group companies were acquired and carried on the balance sheet at fair value at the time of business integration. (This gave rise to a difference between the carrying amount in the non-consolidated accounts of Sompo Japan Nipponkoa and some group companies, and the carrying amount in consolidated accounts of the holdings.) Therefore, realized gains/losses, etc. of Sompo Japan Nipponkoa must be adjusted, and this adjustment is included in the above "consolidated adjustment."

*2 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

- ◆ Underwriting profit improved by ¥18.5 billion to ¥12.7 billion mainly due to growth in core underwriting profit (excluding domestic natural disasters).

Changing factors of underwriting profit (Sompo Japan Nipponkoa)



	1. Core underwriting profit	2. Catastrophic loss reserve
1Q FY2015 Actual	¥19.4 billion	- ¥25.2 billion
1Q FY2016 Actual	¥28.7 billion	- ¥15.9 billion

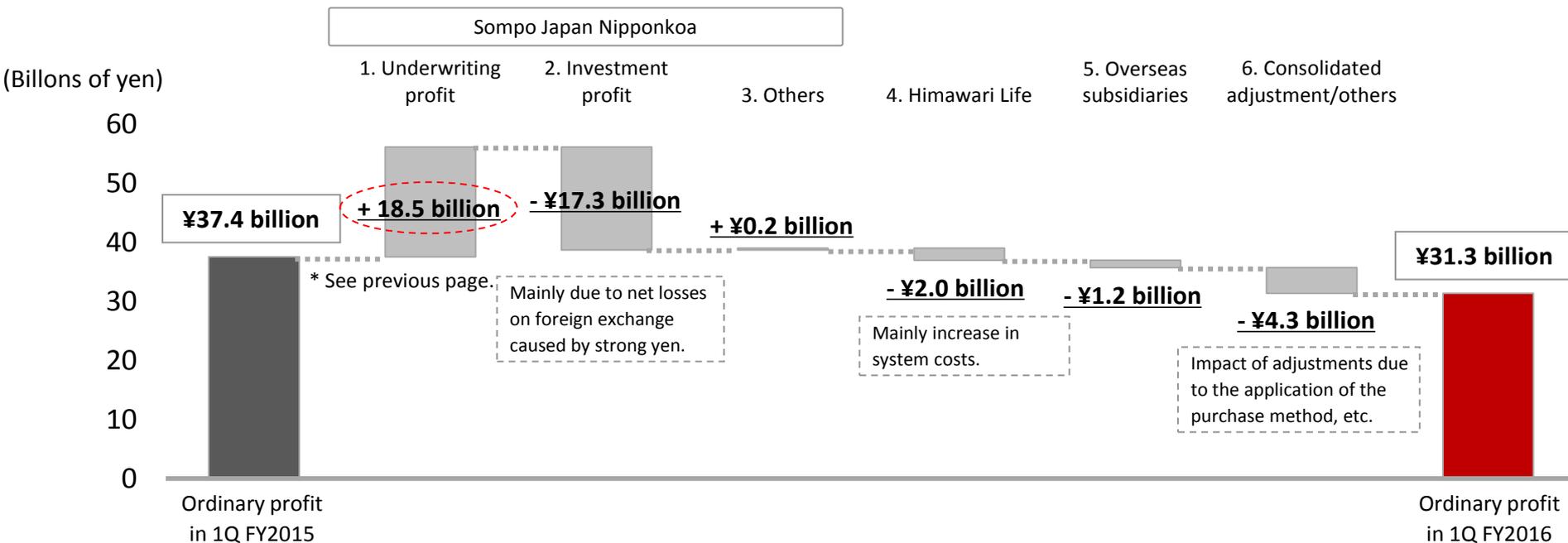
* Core underwriting profit is underwriting profit less the impact related to catastrophic loss reserve.

* Above figure for domestic natural disasters is impact of changes in net claims paid for domestic natural disasters that occurred in the fiscal year.

Main Points of Consolidated Results – (2) Ordinary Profit

◆ Impact of net losses on foreign exchange caused by strong yen offset growth in underwriting profit. Consolidated ordinary profit was ¥31.3 billion.

Changing factors of consolidated ordinary profit

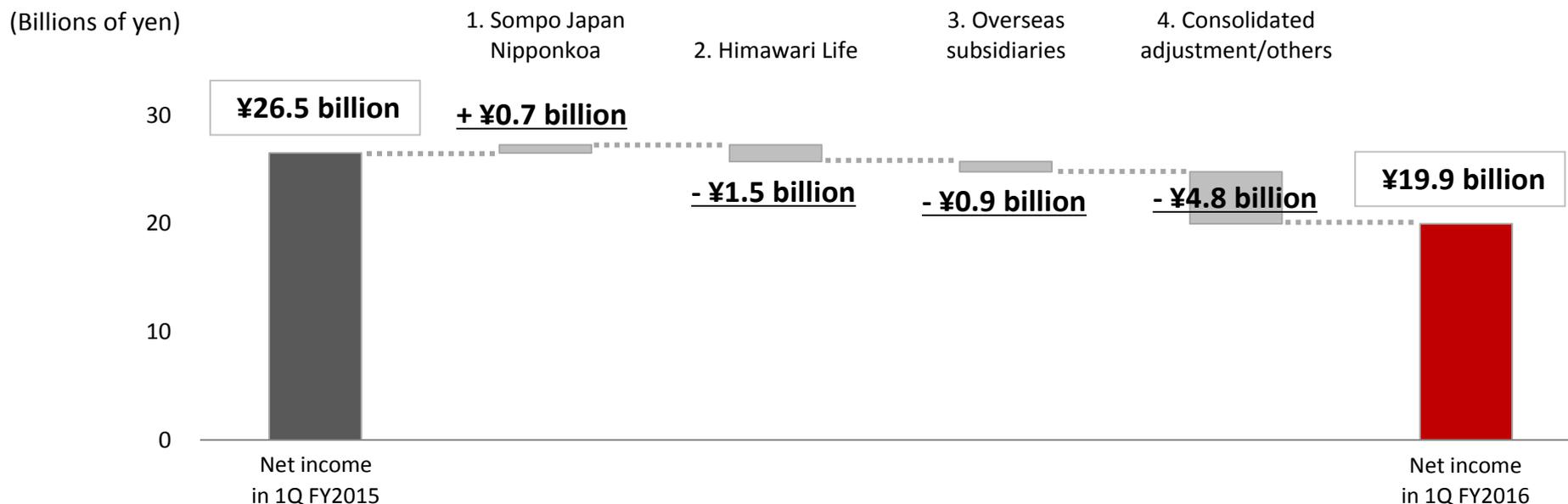


	1. Underwriting profit	2. Investment profit	3. Others	4. Himawari Life	5. Overseas subsidiaries	6. Consolidated adjustment/others
1Q FY2015 Actual	- ¥5.8 billion	¥38.1 billion	- ¥4.4 billion	¥5.2 billion	¥6.0 billion	- ¥1.6 billion
1Q FY2016 Actual	¥12.7 billion	¥20.7 billion	- ¥4.1 billion	¥3.1 billion	¥4.7 billion	- ¥5.9 billion

Main Points of Consolidated Results – (3) Net Income

◆ Consolidated net income was ¥19.9 billion, and basically progressed as expected.

Changing factors of consolidated net income



	1. Sompo Japan Nipponkoa	2. Himawari Life	3. Overseas subsidiaries	4. Consolidated adjustment/others
1Q FY2015 Actual	¥19.3 billion	¥3.5 billion	¥5.3 billion	- ¥1.6 billion
1Q FY2016 Actual	¥20.0 billion	¥2.0 billion	¥4.3 billion	- ¥6.5 billion

(Reference) Business Forecasts for FY2016 – Consolidated basis

- ◆ Consolidated ordinary profit is expected to decrease by ¥10.8 billion to ¥206.0 billion, and consolidated net income is expected to be ¥140.0 billion.

(Billions of yen)	FY2015 (Actual)	FY2016 (Forecast)	Change	
Net premiums written (P&C)	2,552.1	2,573.0	+20.8	(+0.8%)
Life insurance premiums	297.6	307.0	+9.3	(+3.1%)
Consolidated ordinary profit	216.8	206.0	-10.8	(-5.0%)
Sompo Japan Nipponkoa	178.0	196.5	+18.4	(+10.3%)
Himawari Life	18.2	10.5	-7.7	(-42.2%)
Overseas subsidiaries	23.7	18.0	-5.7	(-24.1%)
Consolidated adjustment*/others	-3.2	-19.0	-15.8	(-)
Consolidated net income	159.5	140.0	-19.5	(-12.3%)
Sompo Japan Nipponkoa	126.2	140.0	+13.7	(+10.9%)
Himawari Life	11.6	6.5	-5.1	(-44.0%)
Overseas subsidiaries	20.5	14.2	-6.2	(-30.6%)
Consolidated adjustment*/others	1.1	-20.7	-21.8	(-1,907.9%)

* "Purchase method" accounting was adopted upon the establishment of Sompo Japan Nipponkoa Holdings. In the consolidated accounts of the holdings, assets and liabilities of the former Nipponkoa and some group companies were acquired and carried on the balance sheet at fair value at the time of business integration. (This gave rise to a difference between the carrying amount in the non-consolidated accounts of Sompo Japan Nipponkoa and some group companies, and the carrying amount in consolidated accounts of the holdings.) Therefore, realized gains/losses, etc. of Sompo Japan Nipponkoa must be adjusted, and this adjustment is included in the above "consolidated adjustment."

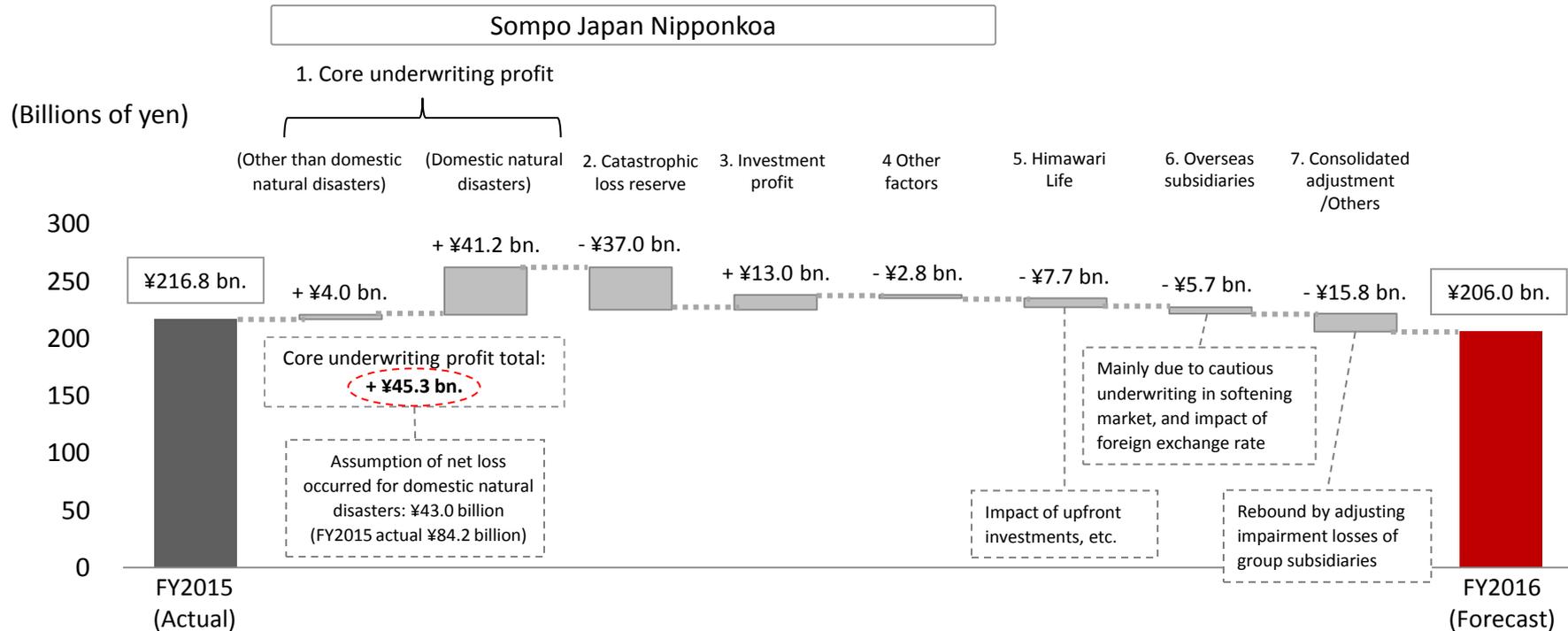
(Reference) Main Points of Business Forecasts for FY2016

- ◆ Consolidated ordinary profit is expected to stay almost flat mainly due to upfront investments to achieve future growth and streamline operation.

<p>Domestic P&C insurance (Sompo Japan Nipponkoa)</p>	<ul style="list-style-type: none"> ■ Ordinary profit is expected to improve by ¥18.4 billion due to improvement of underwriting profit and investment profit. ■ Combined ratio (excluding CALI and household earthquake) is expected to improve by 1.1 points to 93.4%. <ul style="list-style-type: none"> — Loss ratio is expected to improve by 1.8 points, and net expense ratio is expected to rise by 0.7 points, including ¥12.0 billion of upfront investments, etc. ■ Reduction of strategic-holding stocks is planned to be about ¥100.0 billion.
<p>Domestic life insurance</p>	<ul style="list-style-type: none"> ■ Business is planned to expand steadily, and ordinary profit is expected to decrease by ¥7.7 billion mainly due to upfront investments. <ul style="list-style-type: none"> — Upfront investment for further growth is assumed to be about ¥5.0 billion, and system cost is expected to increase by about ¥2.5 billion in accordance with change in accounting processing.
<p>Overseas insurance</p>	<ul style="list-style-type: none"> ■ Ordinary profit is expected to decrease by ¥5.7 billion mainly due to cautious underwriting in softening market and impact of foreign exchange rate. <ul style="list-style-type: none"> — Another factor is the rebound of one-time factor in previous fiscal year (¥1.7 billion of realized gains on equity sales in SJ America).
<p>Others</p>	<ul style="list-style-type: none"> ■ There is a decrease following adjustment of impairment losses of group subsidiaries on a consolidated basis (+¥17.3 billion) in the previous fiscal year.

(Reference) Breakdown of Business Forecasts for FY2016

Main components of consolidated ordinary profit



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

(Reference) Numerical Management Targets, etc.

Numerical management targets

(Billions of yen)	FY2015	FY2016		FY2018
	(Actual)	(1Q actual)	(FY forecast)	(Plan)
Domestic P&C insurance* ¹	111.9	27.2	120.6	Over 117.0
Domestic life insurance	30.4	6.4	23.0	Over 32.0
Nursing care & healthcare, etc.	1.5	-0.3	0.8	Over 8.0
Overseas insurance	20.4	4.4	15.0	Over 23.0
Total (Adjusted consolidated profit)	164.3	37.7	160.0	180.0 – 220.0
Adjusted consolidated ROE*²	6.9%	-	6.8%	Over 8%
(Reference) ROE (J-GAAP)	9.2%	-	8.4%	Around 10% level

Definition of adjusted profit

Domestic P&C insurance

Net income
+ Provisions for catastrophic loss reserve (after tax)
+ Provisions for reserve for price fluctuation (after tax)
– Gains/losses on sales of securities and impairment losses on securities (after tax)
– Special factors (e.g. dividend from subsidiaries)

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

Overseas insurance

Net income
(including major non-consolidated subsidiaries)

*1 Total of Sompo Japan Nipponkoa, Saison Automobile & Fire, Sonpo 24, Sompo Japan Nipponkoa Insurance Services, and DC Securities

*2 Adjusted consolidated ROE = Adjusted consolidated profit / Adjusted consolidated net assets (The denominator is the average balance at the end/start of each fiscal year.)
Adjusted consolidated net assets = Consolidated net assets (excluding life insurance subsidiary's net assets) + Catastrophic loss reserve in domestic P&C insurance (after tax)
+ Reserve for price fluctuation in domestic P&C insurance (after tax) + Domestic life insurance adjusted net assets
Domestic life insurance net assets = Net assets (J-GAAP, after tax) + Contingency reserve (after tax) + Reserve for price fluctuation (after tax)
+ Adjustment of underwriting reserve (after tax) + Non-depreciated acquisition cost (after tax)

1. Trend of business results

2. Results of each business

2-1. Domestic P&C insurance

2-2. Domestic life insurance

2-3. Overseas insurance

2-4. Nursing care & healthcare, etc.

3. ERM & asset management

Overview of 1Q FY2016 Results – Sompo Japan Nipponkoa

◆ In 1Q FY2016, underwriting profit became profitable. Net income was ¥20.0 billion (+¥0.7 billion).

(Billions of yen)	1Q FY2015	1Q FY2016	Change
Net premiums written	562.7	549.8	-12.9 (-2.3%)
(excl. CALI, household earthquake)	489.9	481.8	-8.0 (-1.6%)
Loss ratio	58.6%	60.2%	+1.7pt
(excl. CALI, household earthquake)	55.0%	55.9%	+0.9pt
Net expense ratio	31.6%	32.6%	+1.0pt
(excl. CALI, household earthquake)	33.0%	33.8%	+0.9pt
Combined ratio	90.2%	92.8%	+2.6pt
(excl. CALI, household earthquake)	88.0%	89.8%	+1.8pt
Underwriting profit	-5.8	12.7	+18.5
Investment profit	38.1	20.7	-17.3
Ordinary profit	27.8	29.3	+1.4
Net income	19.3	20.0	+0.7
+ Provisions for catastrophic loss reserve (after tax)	17.9	11.4	-6.4
+ Provisions for reserve for price fluctuation (after tax)	1.4	1.4	-0.0
- Gains/losses on sales of securities and impairment losses on securities (after tax)	5.0	2.9	-2.1
- Special factors (after tax)*	-0.0	1.9	+1.9
Adjusted profit	33.6	28.0	-5.6

Mainly due to increase in fire and allied lines.

Mainly due to net losses on foreign exchange caused by strong yen.

(Reference)
Adjusted profit

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

Net Premiums Written

- ◆ While total net premiums written decreased due to rebound of front-loaded demand in fire and allied lines, premiums in mainstay voluntary automobile increased.

Net premiums written by product line

(Billions of yen)	1Q FY2015	1Q FY2016	Change		FY2016 (Forecast)
Fire and Allied Lines	69.7	61.4	-8.2	(-11.8%)	299.7
Marine	12.7	10.3	-2.4	(-18.9%)	51.7
Personal Accident	54.6	53.4	-1.1	(-2.1%)	185.2
Voluntary Automobile	271.4	274.3	+2.8	(+1.1%)	1,071.6
CALI	72.6	67.6	-4.9	(-6.8%)	302.1
Other	81.5	82.4	+0.8	(+1.1%)	278.9
of which, Liability	49.9	49.4	-0.4	(-1.0%)	153.4
Total	562.7	549.8	-12.9	(-2.3%)	2,189.3
Total (excl. CALI, household earthquake)	489.9	481.8	-8.0	(-1.6%)	1,886.2

(Reference) Year-on-Year comparison of
voluntary automobile insurance
(April 2016 - June 2016)

	Sompo Japan Nipponkoa		
	# of vehicles	Unit premium	Total Premium
Non-Fleet	-0.3%	+1.2%	+0.9%
Fleet	-0.8%	+0.4%	-0.4%
Total	-0.4%	+1.1%	+0.7%

*Performance evaluation basis

(Main changing factors)

Fire and Allied Lines: Impact of rebound of front-loaded demand ahead of product revision in October 2015, etc.
(Abolition of long-term policies of over 10 years, and revision of premium rate)

Marine: Mainly due to strong yen and decrease in trade volume, etc.

Voluntary Automobile: Increased due to the impact of product and rate revisions and initiatives to raise unit premium.

Loss Ratio (W/P)

◆ Profitability in voluntary automobile keeps improving. E/I loss ratio improved in all lines (-3.5 points).

Loss ratio by product line

1Q FY2016

(Billions of yen)

	Net claims paid	Change	Loss ratio	Change
Fire and Allied lines	47.2	+2.9	78.7%	+13.6pt *
Marine	6.5	+0.6	66.9%	+17.3pt *
Personal Accident	24.0	-0.6	48.1%	-0.7pt
Voluntary Automobile	132.1	-4.7	55.9%	-2.1pt
CALI	56.4	+1.5	91.1%	+8.4pt
Other	32.5	+1.5	42.7%	+1.4pt
of which, Liability	17.6	-0.6	38.7%	-1.0pt
Total	298.9	+1.2	60.2%	+1.7pt
Total (excl. CALI, household earthquake)	242.5	-0.2	55.9%	+0.9pt
Total (excl. CALI, household earthquake, domestic natural disasters)	229.5	-3.6	53.2%	+0.2pt

(Reference) E/I Loss ratio

1Q FY2016

	E/I loss ratio	change
Fire and Allied lines (excl. household earthquake)	47.1%	-11.1pt
Marine	59.2%	-10.8pt
Personal Accident	59.4%	-2.4pt
Voluntary Automobile	61.3%	-0.7pt
Other	55.8%	-5.6pt
Total (excl. CALI, household earthquake)	58.0%	-3.5pt

* Hike of loss ratio in fire and allied lines and marine is due to decrease in premiums (see previous page), and increase in net claims paid for natural disasters in fire and allied lines.

Net Expense Ratio

◆ Appropriately controlled net expense ratio excluding upfront investment to 32.9% (-0.1 points).

Net expense ratio

(Billions of yen)	1Q FY2016			
	Amount	Change	Net expense ratio	Change
Net commissions and brokerage fees	99.5	-2.9	18.1%	-0.1pt
Operating, general and administrative expenses*	79.5	+4.0	14.5%	+1.1pt
Total	179.0	+1.1	32.6%	+1.0pt
Total (excl. CALI, household earthquake)	163.0	+1.5	33.8%	+0.9pt
Total (excl. CALI, household earthquake, upfront investment)	158.5	-2.9	32.9%	-0.1pt



Company expense ratio

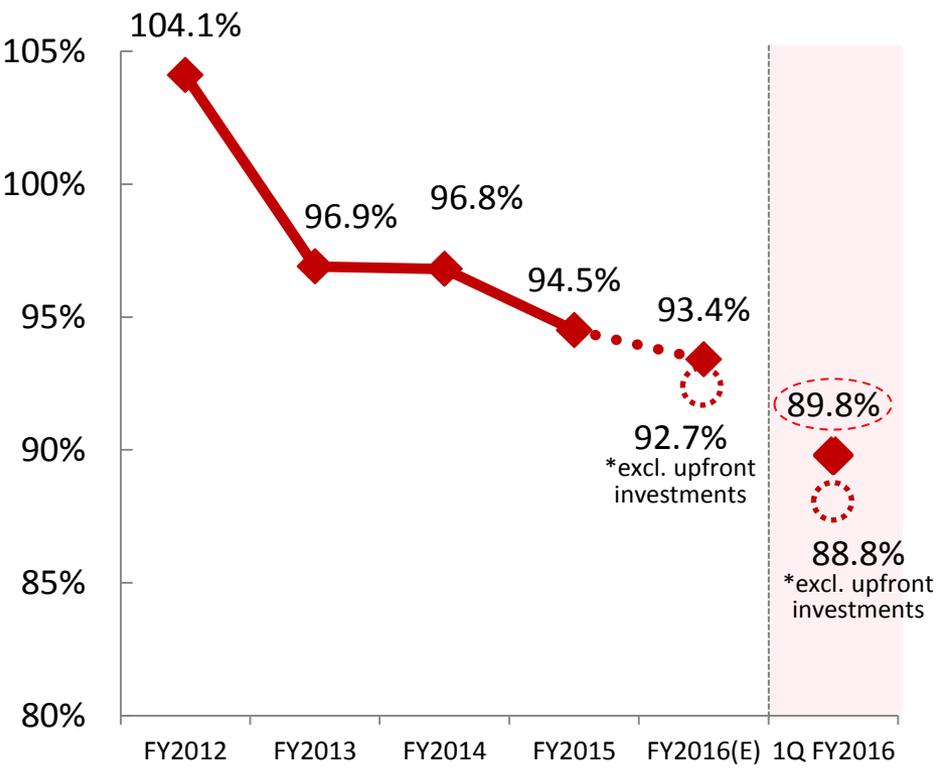
(Billions of yen)	1Q FY2016			
	Amount	Change	Company expense ratio	Change
Personnel expenses	34.7	+0.9	6.3%	+0.3pt
Non-Personnel expenses	39.4	+2.9	7.2%	+0.7pt
Tax and contributions	5.3	+0.1	1.0%	+0.0pt
Total	79.5	+4.0	14.5%	+1.1pt
Total (excl. upfront investment)	75.0	-0.4	13.6%	+0.2pt

* Only for underwriting (company expense), of which upfront investment is ¥4.4 billion.

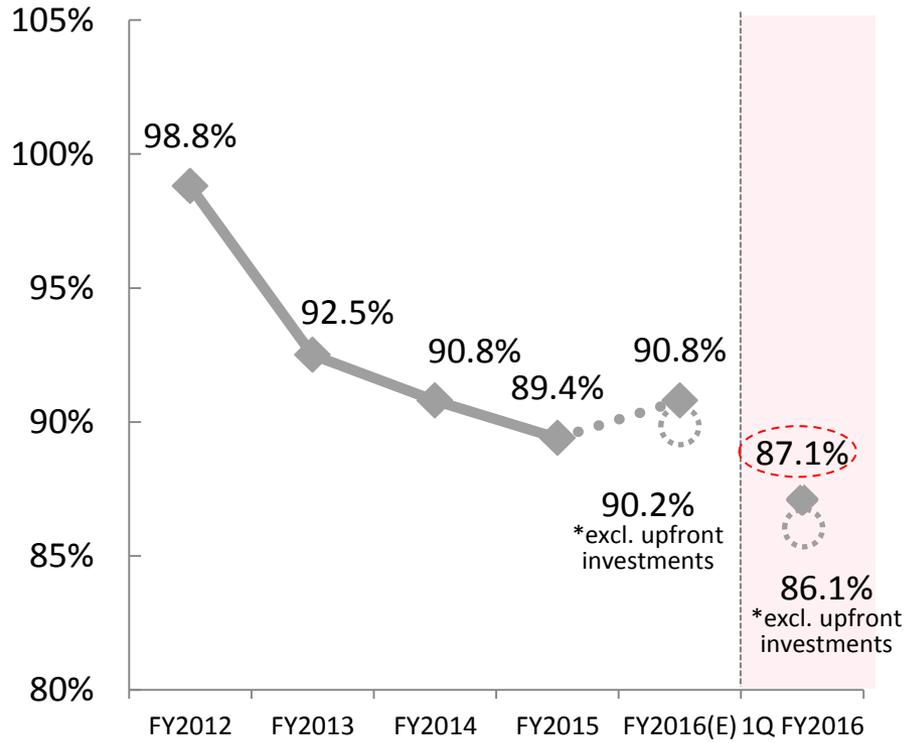
Combined Ratio

◆ Combined ratio was 89.8%, and stayed below the level of full-year forecast in FY2016.

Combined ratio (excl. CALI, household earthquake)



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



Investment Profit

- ◆ Net interest and dividend income was steady. We recognized net losses on foreign exchange caused by strong yen.

Investment profit (Sompo Japan Nipponkoa, non-consolidated)

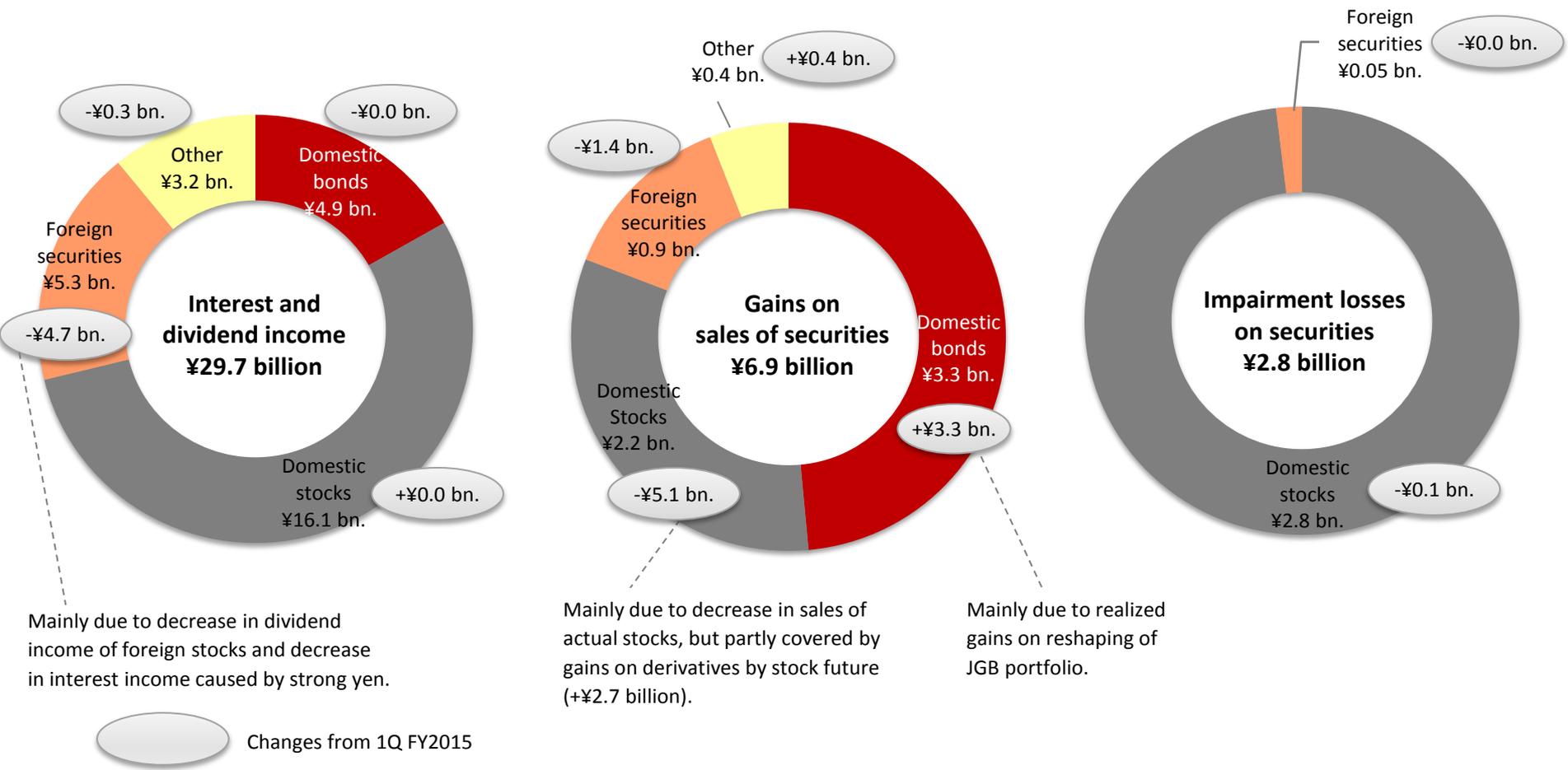
(Billions of yen)		1Q FY2015	1Q FY2016	Change							
Net interest and dividend income	1	23.7	18.5	-5.2	Progress against the full-year forecast: 29%						
Interest and dividend income ^{*1}		34.8	29.7	-5.1							
Gains on sales of securities ^{*1}	2	9.7	6.9	-2.7	Gains on stock future, etc. covered decrease in gains on sales of stocks.						
of which, ones of domestic stocks		7.3	2.2	-5.1							
Impairment losses on securities ^{*1}	3	-2.6	-2.8	-0.2	(Reference) Reduction of strategic-holding stocks						
of which, ones of domestic stocks		-2.6	-2.8	-0.1							
Gains on derivatives	4	0.0	4.8	+4.7	<table border="1"> <tr> <td>Actual^{*2}</td> <td>¥2.6 billion</td> </tr> <tr> <td>Stock future^{*3}</td> <td>¥37.2 billion</td> </tr> <tr> <td>Total</td> <td>¥39.9 billion</td> </tr> </table>	Actual ^{*2}	¥2.6 billion	Stock future ^{*3}	¥37.2 billion	Total	¥39.9 billion
Actual ^{*2}	¥2.6 billion										
Stock future ^{*3}	¥37.2 billion										
Total	¥39.9 billion										
Other investment income	5	7.2	-6.6	-13.9							
Investment profit	1+2+3+4+5	38.1	20.7	-17.3	<p>*2 Net reduction on fair value basis. (market value of sales minus market value of purchase)</p> <p>*3 Short position of Nikkei 225 Futures.</p>						

*1 See next page for breakdown

Recognized net losses on foreign exchange in foreign agency accounts receivable, etc. because of strong yen.

(Reference) Breakdown of Investment Profit

Breakdown of interest and dividend income, gains on sales of securities, and impairment losses on securities (1Q FY2016)



(Reference) Business Forecasts for FY2016 – Sampo Japan Nipponkoa

(Billions of yen)	FY2015 (Actual)	FY2016 (Forecast)	Change
Net premiums written	2,218.4	2,189.3	-29.0 (-1.3%)
(excl. CALI, household earthquake)	1,910.8	1,886.2	-24.5 (-1.3%)
Loss ratio	63.7%	62.6%	-1.1pt
(excl. CALI, household earthquake)	61.1%	59.3%	-1.8pt
E/I loss ratio (excl. CALI, household earthquake)	61.6%	59.3%	-2.3pt
Net expense ratio	31.6%	32.3%	+0.7pt
(excl. CALI, household earthquake)	33.4%	34.1%	+0.7pt
Combined ratio	95.3%	94.8%	-0.4pt
(excl. CALI, household earthquake)	94.5%	93.4%	-1.1pt
Underwriting profit	78.2	86.5	+8.2 (+10.6%)
Investment profit	108.5	121.5	+13.0 (+12.0%)
Ordinary profit	178.0	196.5	+18.4 (+10.3%)
Net income	126.2	140.0	+13.7 (+10.9%)
+Provisions for catastrophic loss reserve (after tax)	-1.7	24.7	+26.5
+Provisions for reserve for price fluctuation (after tax)	5.7	5.7	+0.0
-Gains/losses on sales of securities and impairment losses on securities (after tax)	26.4	44.5	+18.0
-Special factors (after tax)*	-12.3	-	+12.3
Adjusted profit	116.1	126.0	+9.8 (+8.5%)

(Reference)
Adjusted
profit

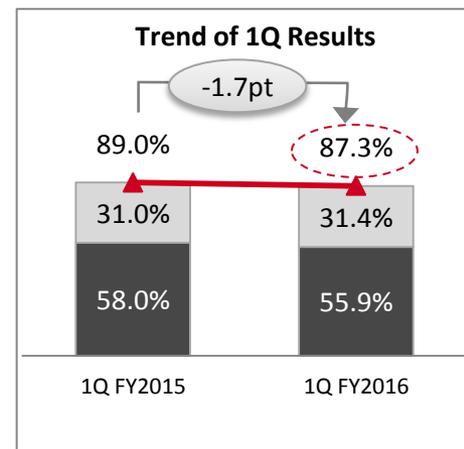
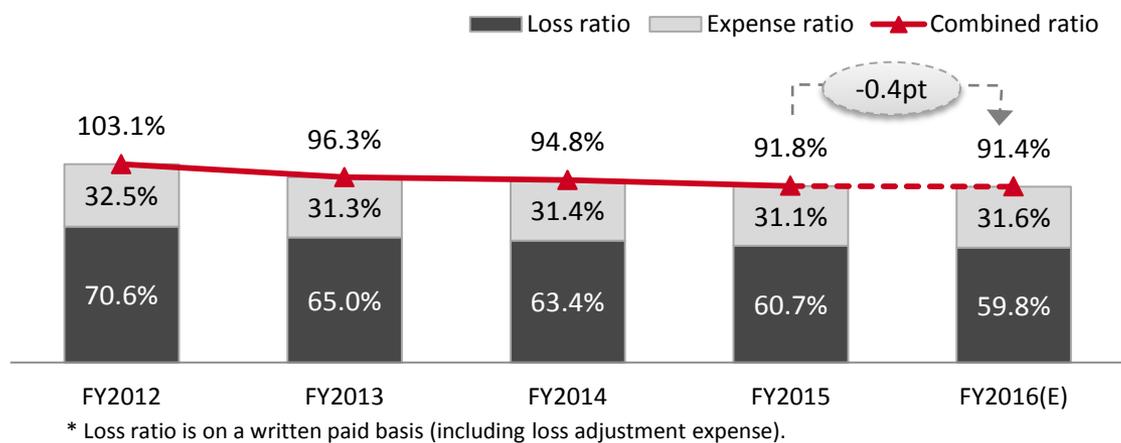
* Special factors are impact of corporate income tax reduction, etc.

(Reference) Assumption of Business Forecasts for FY2016

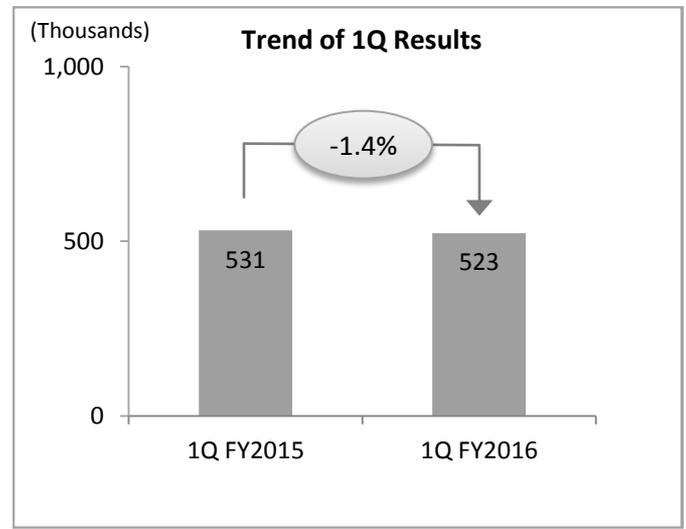
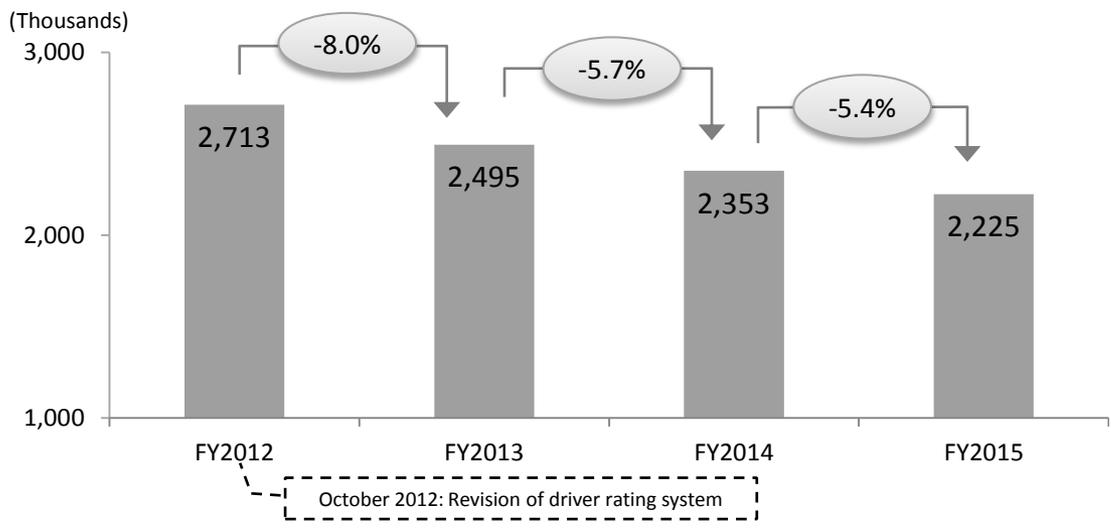
Losses from domestic natural disasters (occurring in the fiscal year)	¥43.0 billion
Catastrophic loss reserve	Net provision : ¥34.5 billion
Provision rate of catastrophic loss reserve	Provision rate of fire group : fire 14.0% other 5.0% Provision rate of automobile group : 3.2%
Market indicators	(Stock) Nikkei 225 : ¥16,758 (Interest yield) 10y JGB : - 0.03% (Foreign exchange) 1US\$: ¥112.68 1Euro : ¥127.70 * Assumptions for market indicators are based on ones as of end of March 2016.
Interest and dividend income	Gross : ¥105.1 billion Net : ¥63.0 billion
Realized gains on securities	Realized gains on security sales : ¥63.9 billion Impairment losses on securities : ¥2.0 billion
Reserve for price fluctuation	Net provision : ¥8.0 billion

(Reference) Related Indicators of Automobile Insurance

Trends of combined ratio



Trends of the number of reported claims



* The number of reported claims are excluded for certain natural disasters, whose incurred loss exceeds certain threshold.

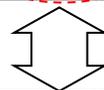
(Reference) Domestic Natural Disasters

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

(Billions of yen)	1Q FY2015	1Q FY2016	Change
Fire and Allied lines	0.2	4.0	+3.7
Marine	-	0.0	+0.0
Personal Accident	-	0.0	+0.0
Voluntary Automobile	0.0	0.3	+0.2
Other	0.0	0.2	+0.2
Total	0.3	4.6	+4.3

Net claims paid for major natural disasters

- Windstorm by low pressure (April 2016): ¥2.7 bn.
- Kumamoto earthquake (April 2016): ¥0.3 bn.



Incurred loss
assumption of
full-year forecast
¥43.0 billion

* Since outstanding loss reserve is worked out by compendium method in 1Q results, incurred losses related to natural disasters were not aggregated. However, we separately recognized incurred losses of ¥5.1 billion for Kumamoto earthquake in April 2016.

(Reference) Fund and Reserve

Underwriting reserves and reserve for outstanding losses and claims (at the end of 1Q FY2016)

(Billions of yen)	Ordinary underwriting reserve* ¹		Catastrophic loss reserve		Reserve for outstanding losses and claims* ²	
	Amount	Change	Amount	Change	Amount	Change
Fire and allied lines* ³	756.6	-20.7	178.8	+1.2	118.2	-5.7
Marine	17.0	-2.1	47.2	+0.2	30.0	-0.0
Personal accident	131.2	+9.2	72.3	+1.7	69.0	+0.5
Voluntary automobile	315.6	+7.6	72.1	+8.8	415.6	+10.1
CALI* ³	408.6	-6.7	-	-	89.0	-
Other	324.3	+15.8	193.6	+3.9	196.7	+0.9
Total	1,953.6	+3.1	564.3	+15.9	918.8	+5.8
Total (excluding CALI and household earthquake)	1,536.7	+17.0	564.3	+15.9	822.3	-1.5
	Amount	Change				
Reserve for saving-type products* ⁴	1,507.4	-6.8				

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

*2 Applied compendium method in 1Q.

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

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

Overview of 1Q FY2016 Results – Himawari Life

- ◆ Policies in force keep growing. Net income was ¥2.0 billion and steadily progressed against the full-year forecast of ¥6.5 billion.

(Billions of yen)	1Q FY2015	1Q FY2016	Change		FY2016 (Forecast)
Annualized new premium	10.0	9.6	-0.3	(-4.0%)	40.5
Premium and other income	92.7	98.2	+5.4	(+5.9%)	408.4
(excl. lump-sum payment)	91.2	98.2	+7.0	(+7.7%)	408.4
Investment profit (general account)	9.9	10.4	+0.5	(+5.4%)	43.0
Ordinary profit	6.5	4.4	-2.0	(-31.3%)	14.8
Net income	3.5	2.0	-1.5	(-42.9%)	6.5

(Billions of yen)	End of FY2015	End of 1Q FY2016	Change		Change	
Amount of business in force	21,642.1	21,736.3	+94.1	(+0.4%)	Protection-type	+1.8
Annualized premium in force	332.8	336.0	+3.2	(+1.0%)	Saving-type	+1.3
					Total	+3.2

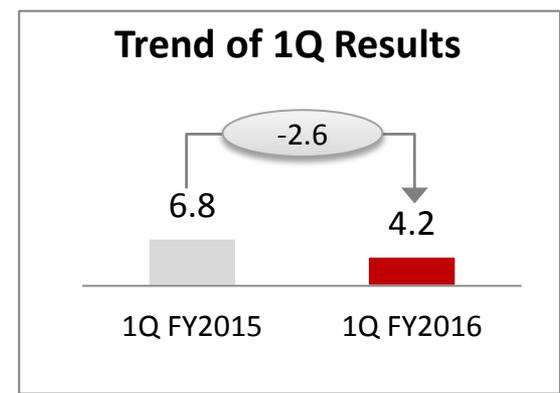
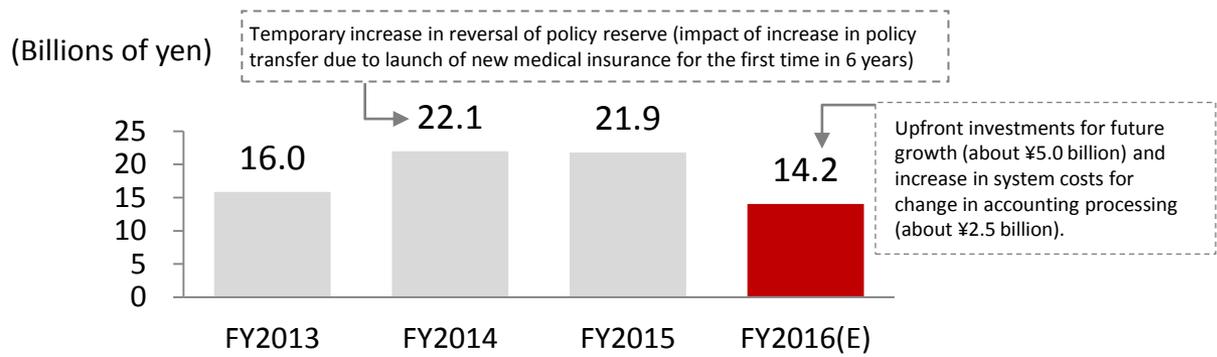
Breakdown →

* The sum of individual insurance and individual annuities.

Profit – J-GAAP

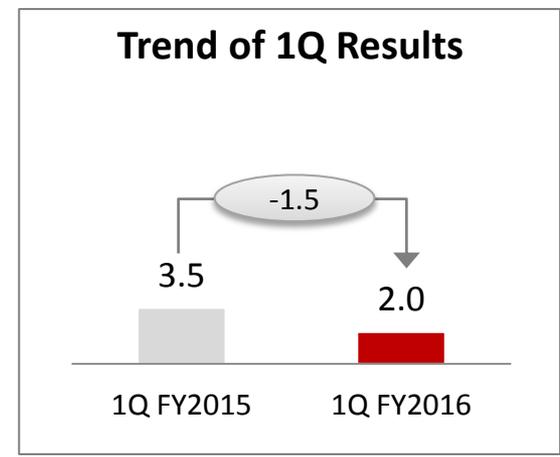
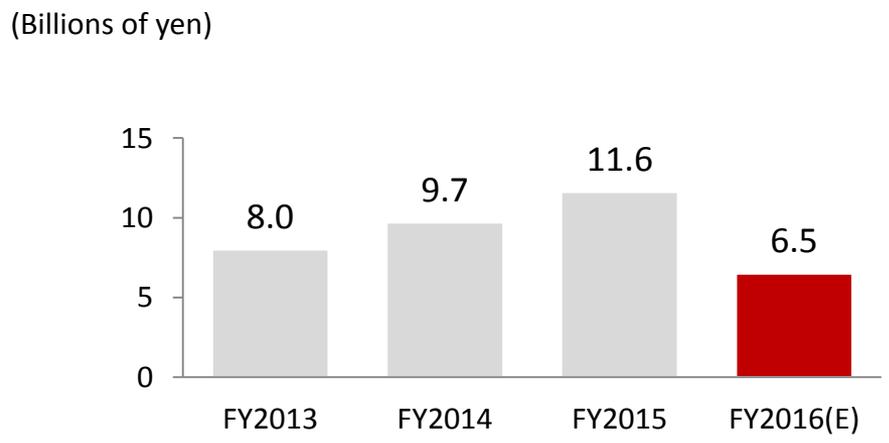
◆ Bottom-line in 1Q FY2016 steadily progressed against the plan.

Basic profit*



* Akin to a general business corporation’s operating profit or a bank’s business profit, basic profit is after deduction of capital gain or loss, such as gain or loss on the sale of securities from recurring profit, and one-time gains or losses such as provision for contingency reserve.

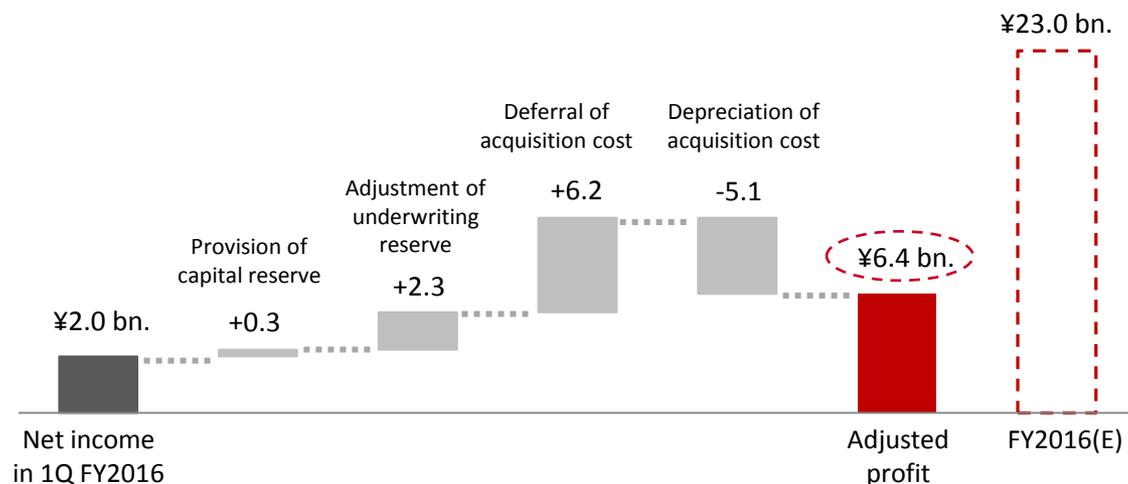
Net income



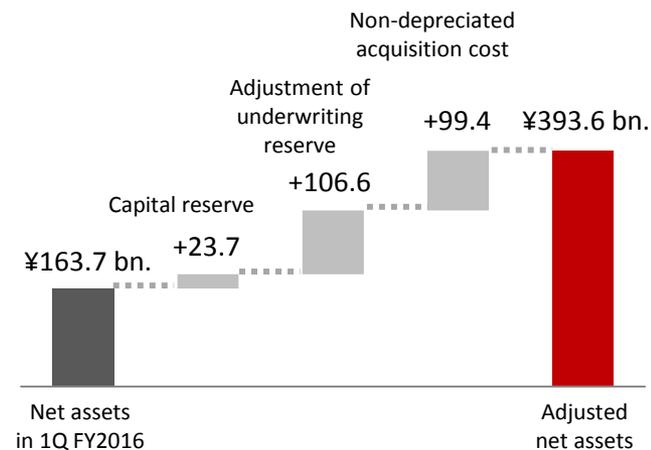
Adjusted Profit and Adjusted Net Assets – Domestic Life Insurance

- ◆ Adjusted profit of domestic life insurance business progressed to 28% against the full-year forecast of ¥23.0 billion.

Conversion from net income to adjusted profit



(Reference) Adjusted net assets



(Reference) Adjusted profit = Net income + Provision of capital reserve*¹
 + Adjustment of underwriting reserve*²
 + Deferral of acquisition cost*³
 – Depreciation of acquisition cost*³

(Reference) Adjusted net assets = Net assets + Capital reserve*¹
 + Adjustment of underwriting reserve*²
 + Non-depreciated acquisition cost*³

*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).

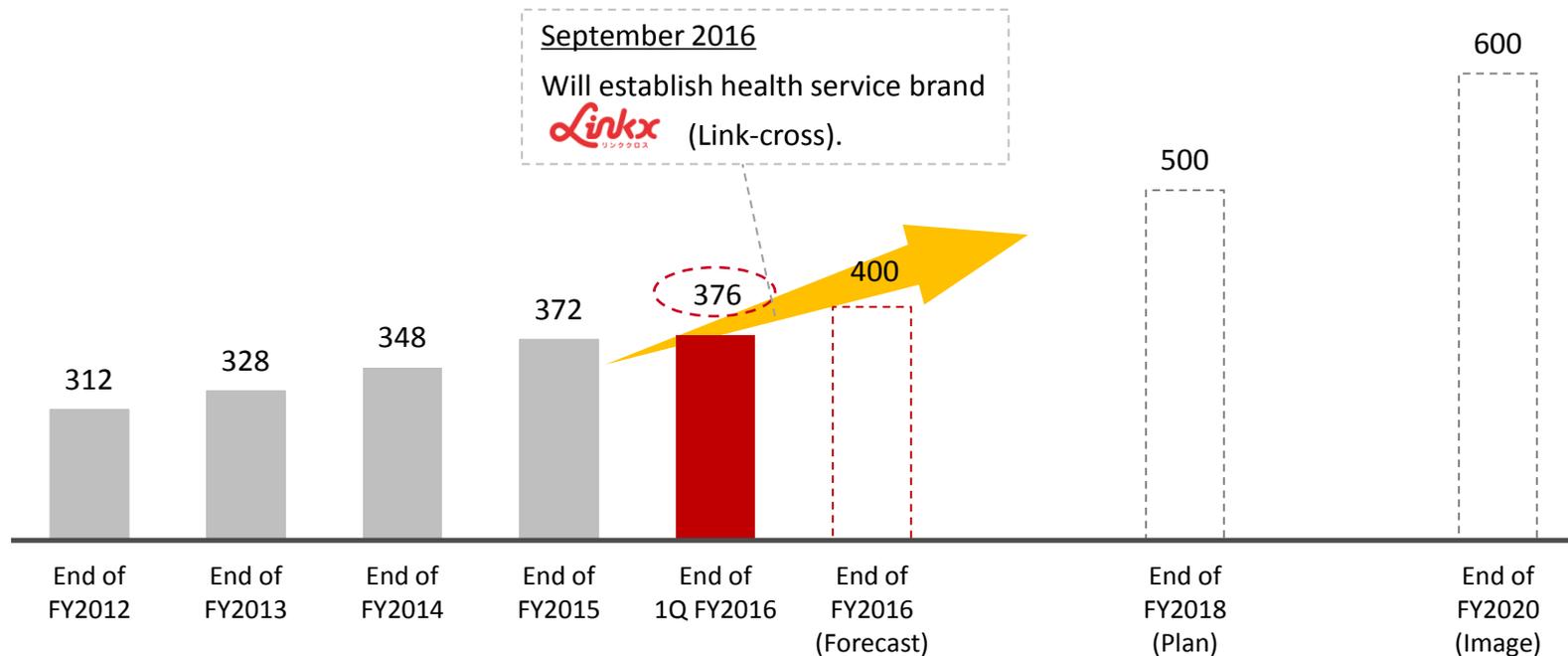
(Reference) The Number of Policies in Force

The number of policies in force keeps growing mainly in protection-type products.

We aim at further growth by launching Linkx (Link-cross), or other initiatives.

The number of policies in force in Himawari Life

(10 thousands)



*What is  ?

(Concept) Allow customers to maintain their health comfortably and enjoyably.

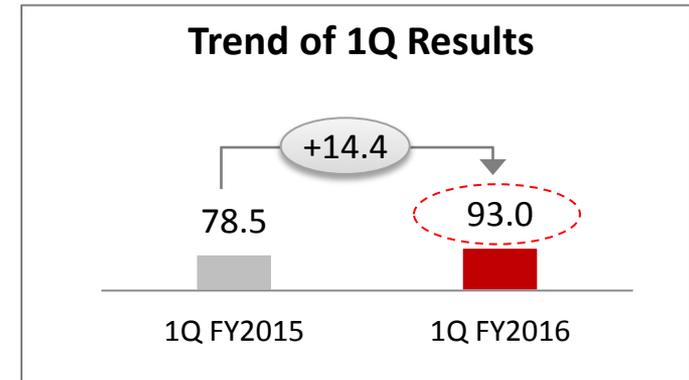
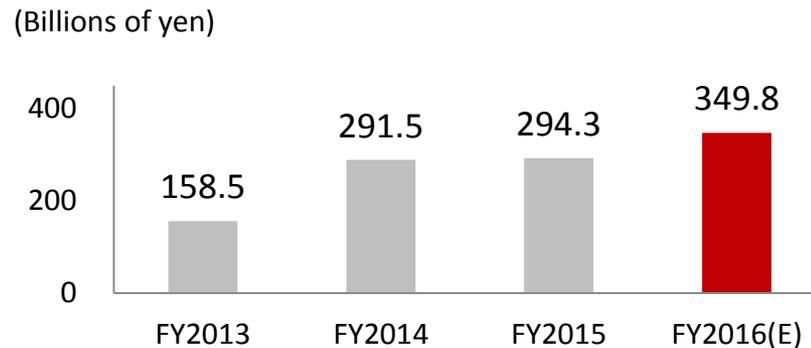
(Next steps) - Introduce innovative products based on the theme of health.

- Develop health-related services focused on apps, including collaboration with outside players.

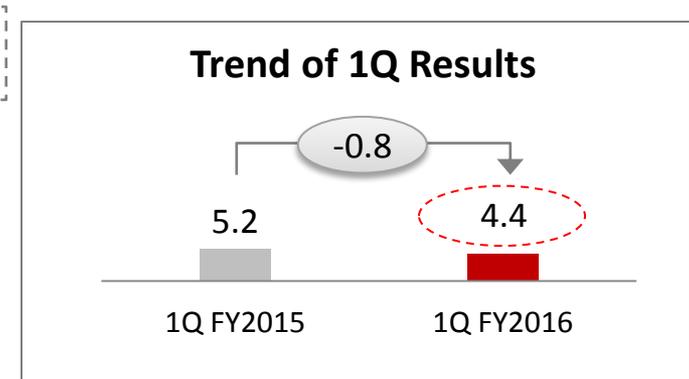
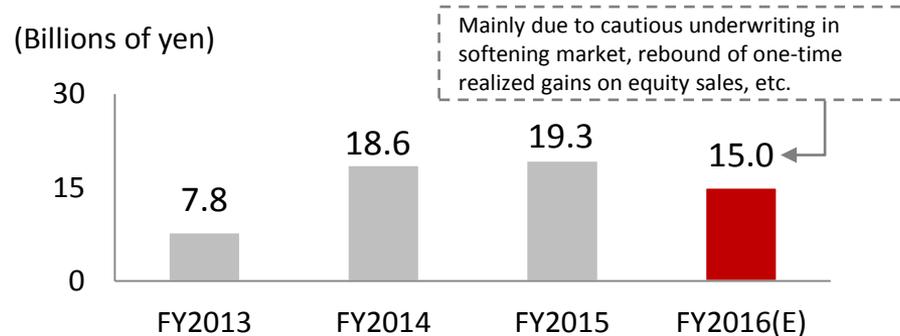
Overview of 1Q FY2016 Results – Net Premiums Written, Net Income

◆ Both top-line and bottom-line were in line with the plan.

Net premiums written



Net income



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

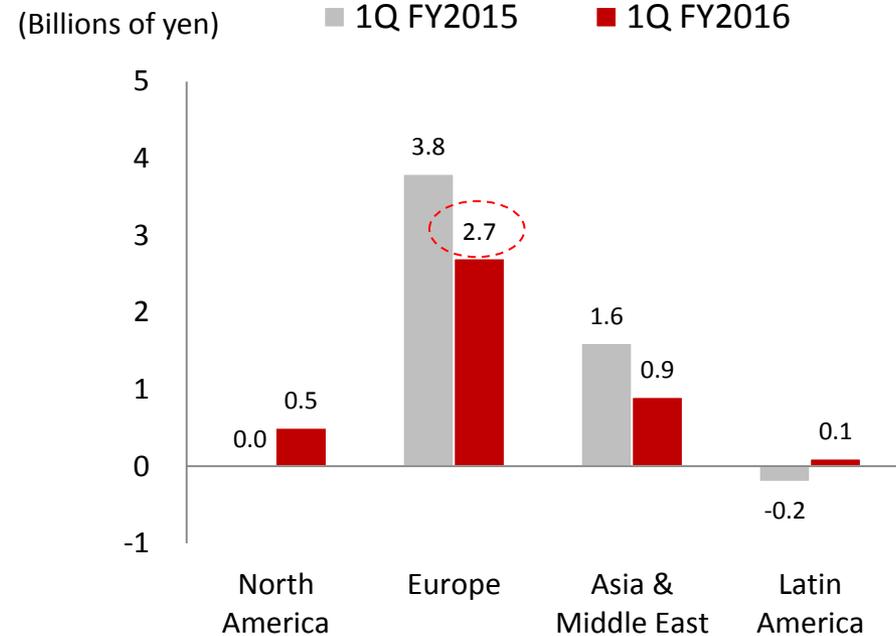
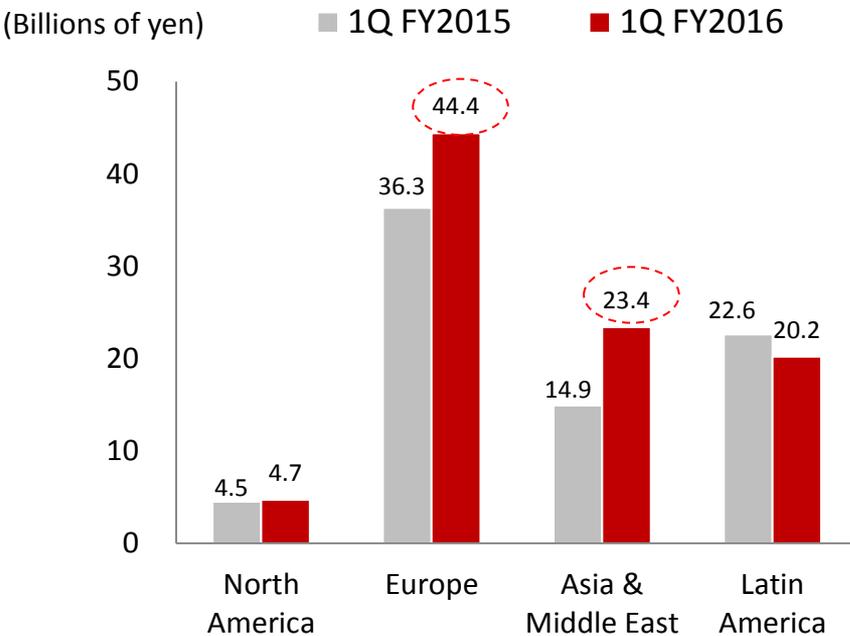
From FY2016, figures include non-consolidated subsidiaries: Sompo Indonesia, SJNK Thailand, PGA Sompo (Philippines), United Insurance (Vietnam), and Sompo Mexico (The same shall apply hereafter).

Business Results by Region

- ◆ Net premiums written expanded in Europe and Asia & Middle East. In terms of net income, Europe was still the largest contributor.

Net premiums written (by region)

Net income (by region)



(Reference) Business Results by Company

(Billions of yen)		Net premiums written			Net income			Key points	(Ref.) Exchange rate	
		1Q FY2016	Change	FY2016 (Forecast)	1Q FY2016	Change	FY2016 (Forecast)		1Q FY2016*2	
North America	SJ America	4.7	+0.2	22.7	0.5	+0.5	1.7	Loss ratio steadily progressed. Both top-line and bottom were steady.	112.68 JPY/USD	(-6.2%)
Europe	SJNK Europe	-0.0	-2.1	1.3	0.3	+0.6	0.0	Expanded reinsurance coverage. Bottom-line was steady due to L/R improvement.	161.92 JPY/GBP	(-9.1%)
	Sompo Canopius (UK)	44.4	+10.2	147.7	2.4	-1.7	6.1	There was policy transfer from SJNK (about ¥6.1 billion). Bottom-line was steady without major losses.	112.68 JPY/USD	(-6.2%)
Asia & Middle East	SJ Sigorta (Turkey)	14.0	+8.5	35.9	0.6	+0.0	2.0	Compulsory automobile, etc. increased drastically. Bottom-line was steady.	39.76 JPY/TRY	(-13.9%)
	Sompo Singapore	1.7	-0.9	7.3	0.1	-0.1	0.6	Loss ratio steadily progressed.	83.31 JPY/SGD	(-4.6%)
	Berjaya Sompo (Malaysia)	3.2	+0.2	12.9	0.1	-0.0	1.0	Basically in line with the plan regardless of slight hike in expense ratio.	28.62 JPY/MYR	(-11.6%)
	SJNK China NK China	1.5	-0.3	6.6	-0.0	-0.2	0.0	Loss ratio slightly rose.	17.39 JPY/RMB	(-10.2%)
	SJNK Hong Kong	0.9	-0.1	3.6	0.0	-0.2	0.4	Performance would improve in spite of impact of earthquake in Taiwan.	14.53 JPY/HKD	(-6.3%)
	Universal Sompo (India)	0.6	-0.1	3.5	-0.0	-0.1	0.1	Basically in line with the plan excluding impact of foreign exchange.	1.53 JPY/INR	(-21.1%)
Latin America	Sompo Seguros (Brazil)	20.0	-2.5	98.1	0.0	+0.3	1.8	Loss ratio was steady regardless of impact of foreign exchange.	31.31 JPY/BRL	(-15.9%)
Other (non-consolidated)*1		1.5	-	9.7	0.1	-	0.8	-	-	-
Total		93.0	+14.4	349.8	4.4	-0.8	15.0	-	-	-

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

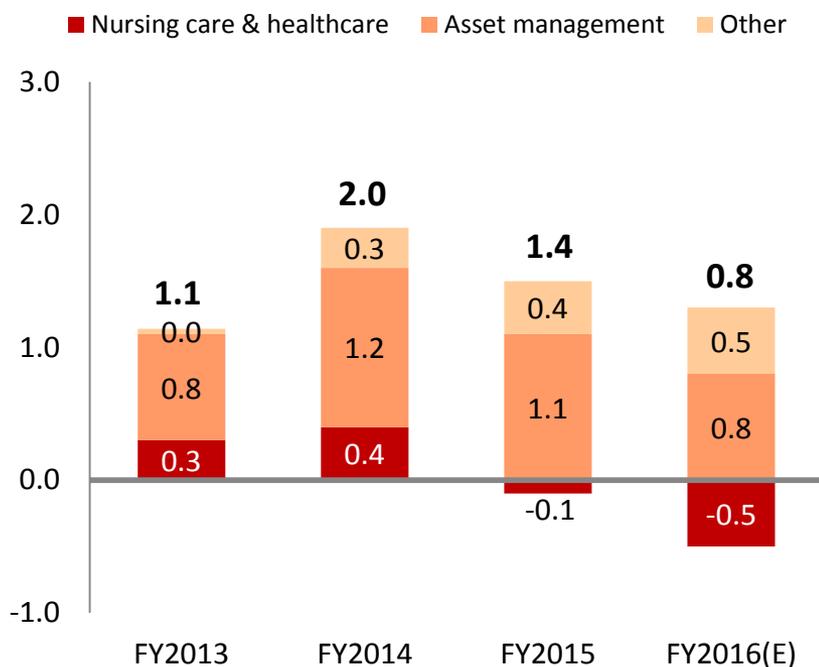
*2 For 1Q FY2016 results, exchange rates as of the end of March 2016 are applied. (Change is comparison with exchange rate as of the end of March 2015.)

Overview of 1Q FY2016 Results – Nursing Care & Healthcare, etc.

◆ Focused on strengthening internal management in nursing care business, etc.

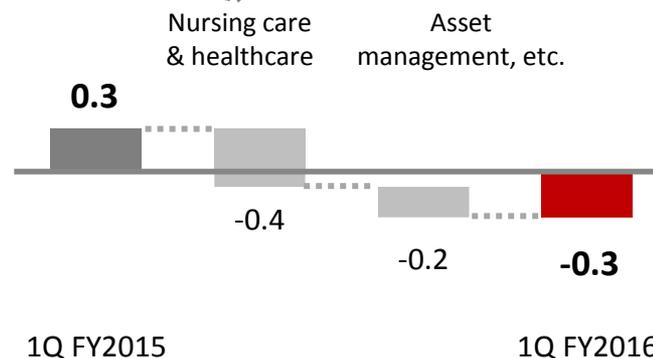
Trends of adjusted profit

(Billions of yen)



Trend of 1Q Results

- Developed nursing care system with emphasis on strengthening governance and internal management.
- Leading indicators such as the number of inquiries or visitors to facilities were about 1.5 times higher than the average for the second half of the previous year.



* Nursing care business is the sum of SOMPO Care Message, SOMPO Care Next, Cedar (non-consolidated), and Sompo Risk Management & Health Care.
Other business is the sum of strategic businesses, such as Prime Assistance.

1. Trend of business results

2. Results of each business

2-1. Domestic P&C insurance

2-2. Domestic life insurance

2-3. Overseas insurance

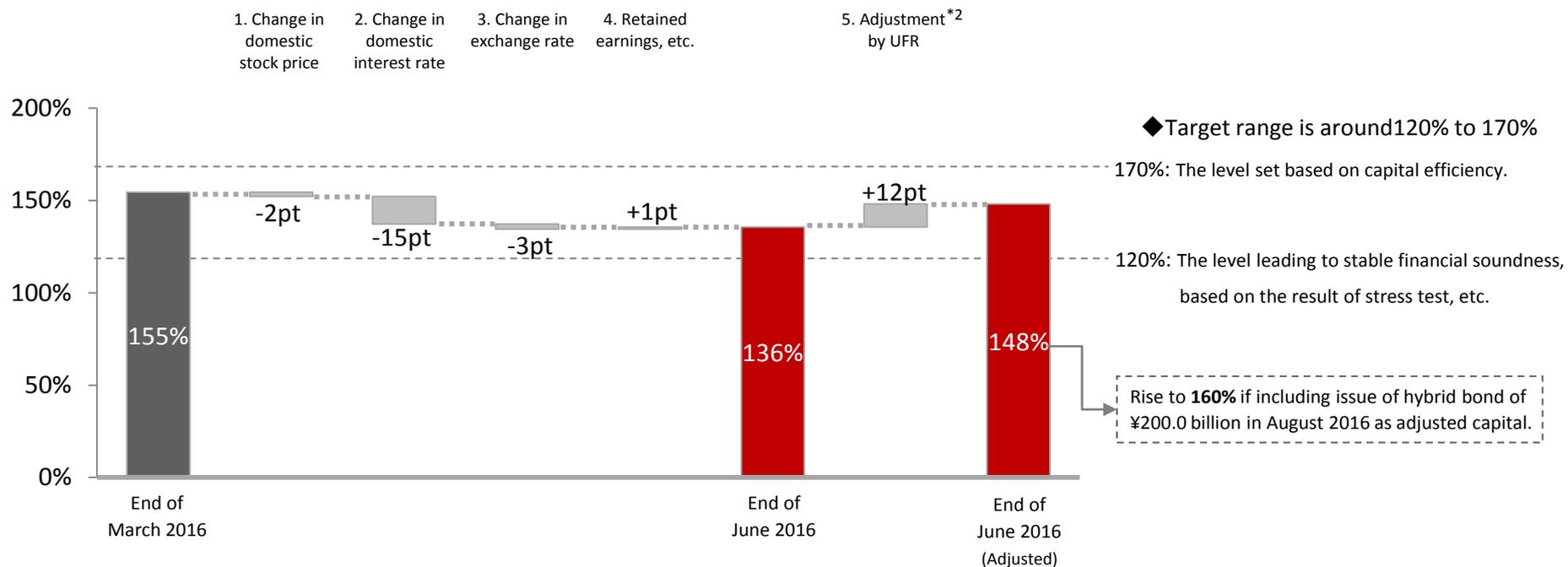
2-4. Nursing care & healthcare, etc.

3. ERM & asset management

Financial Soundness – Internal Solvency Ratio

◆ Kept robust financial soundness despite volatile financial market.

Trend of internal solvency ratio*1



*1 Adjusted figure adopts more conservative capital management system than Solvency II. (Use 99.95 VaR to calculate risk amount.)

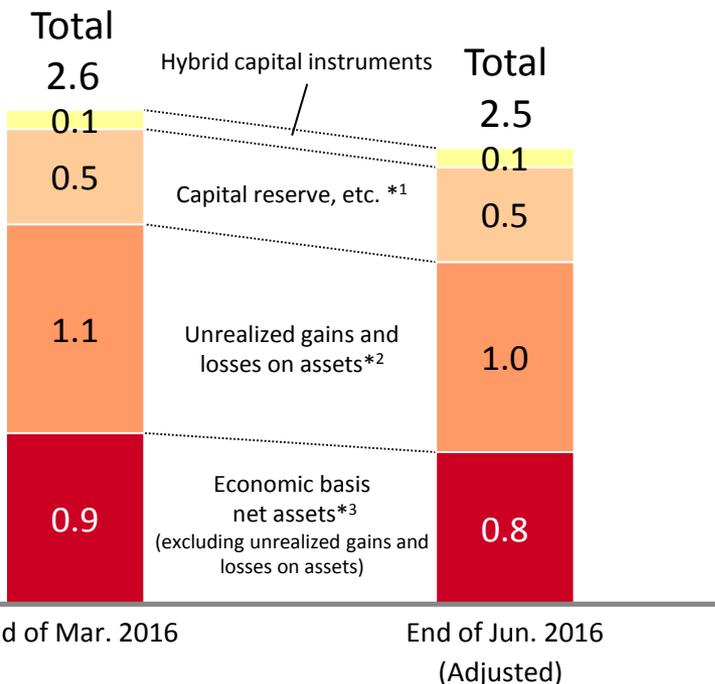
*2 UFR (Ultimate Forward Rate) is a forward rate based on the assumption that interest rate will ultimately converge towards a certain level. UFR complies with Solvency II, and assumes that forward rate will converge towards 3.2% during 40 years from the 30th year.

(Reference) Market indicators	End of March 2016	End of June 2016	(Change)
Domestic stock price (Nikkei 225)	¥16,758	¥15,575	(-7.1%)
Domestic interest rate (30y JGB)	0.56%	0.14%	(-42bp)
Exchange rate (JPY/USD)	¥112.68/USD	¥102.91/USD	(-8.7%)

(Reference) Breakdown of Adjusted Capital and Risk

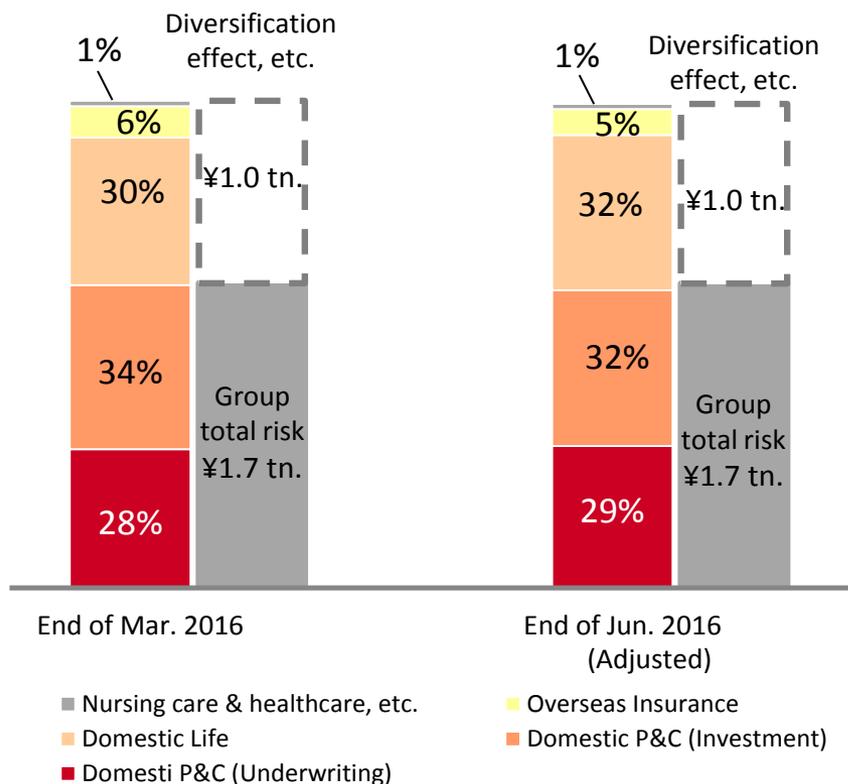
Trend of adjusted capital

(Trillions of yen)



*1 Reserve for price fluctuation and catastrophic loss reserve, etc. (after tax)
 *2 Unrealized gains and losses on securities, etc., including non mark-to-market assets (e.g. policy reserve matching bonds)
 *3 Total of net assets on non-consolidated balance sheets, and value in force of P&C and life insurance business.

Trend of breakdown of risk*4 by business

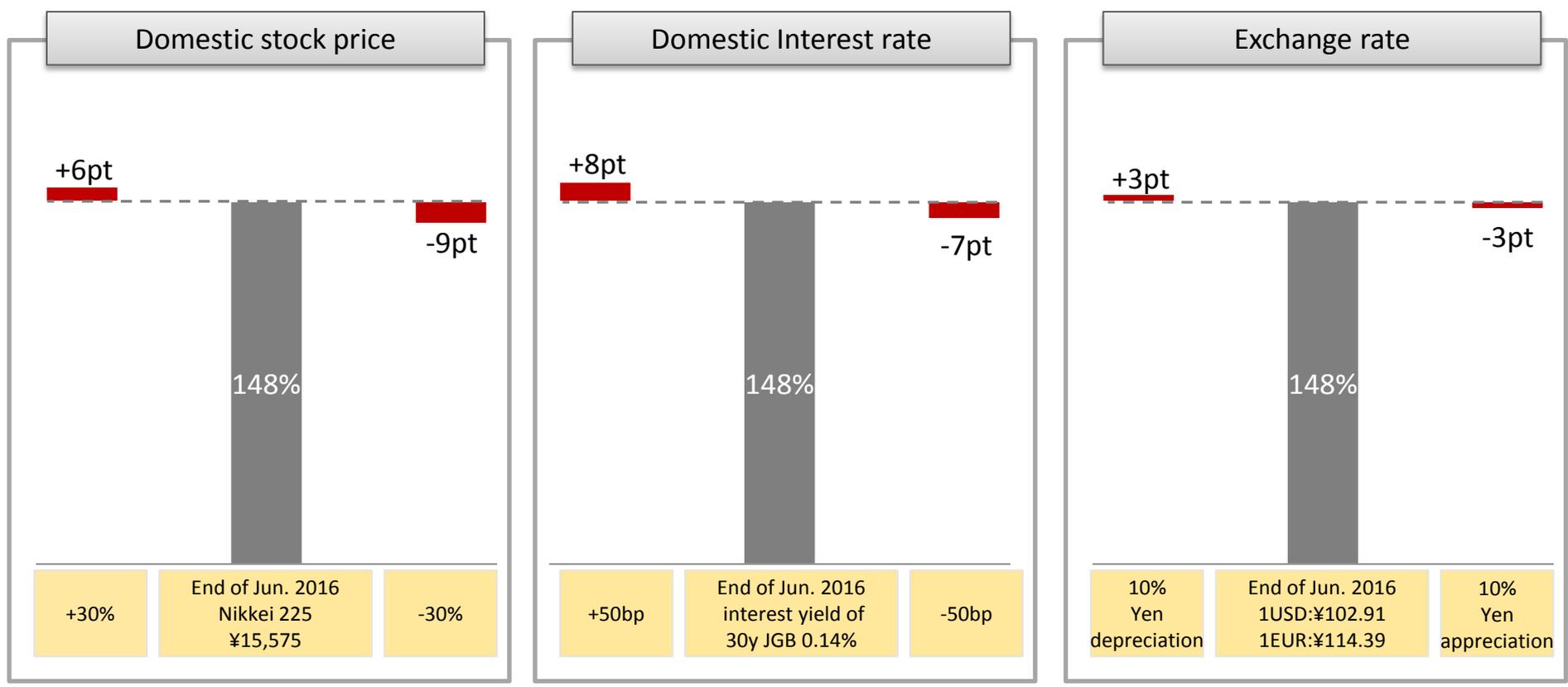


*4 Risk : 1 year holding period, 99.95% VaR (AA equivalent confidence level)
 • Risk amount of each business:
 99.95% VaR before reflecting risk diversification effect among businesses and before-tax basis.
 • Group total risk:
 Sum of risk amount of each business less risk diversification effect among businesses and tax impact.

(Reference) Market Sensitivity

Market sensitivity of internal solvency ratio

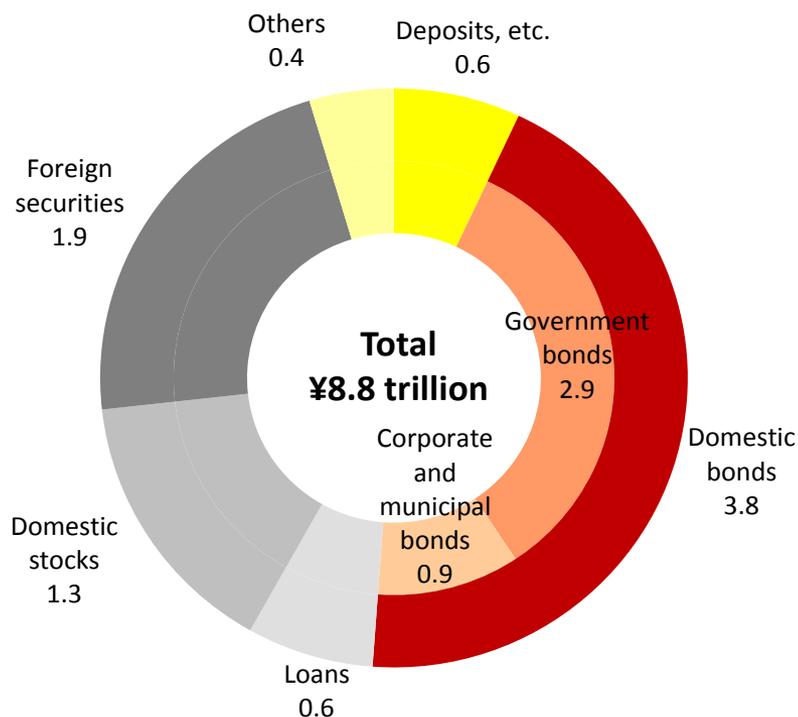
■ : Internal solvency ratio ■ : Change



Asset Portfolio – Group-wide

- ◆ Keep thorough ALM, considering the character of liability and liquidity, and continue to reduce domestic stocks steadily.

Amount of investment assets (Group consolidated base, as of end of June 2016)



By company (billions of yen)

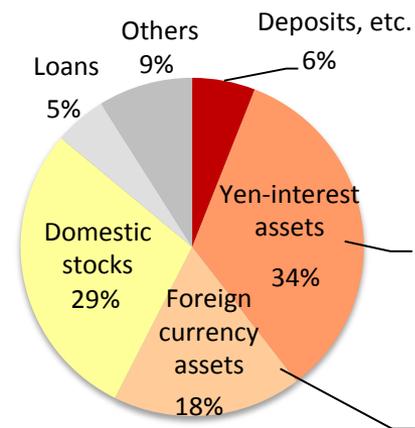
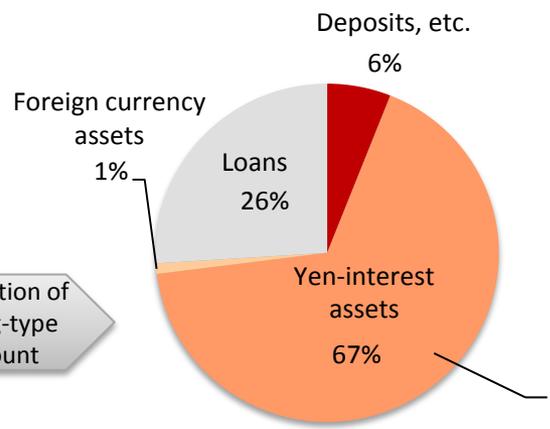
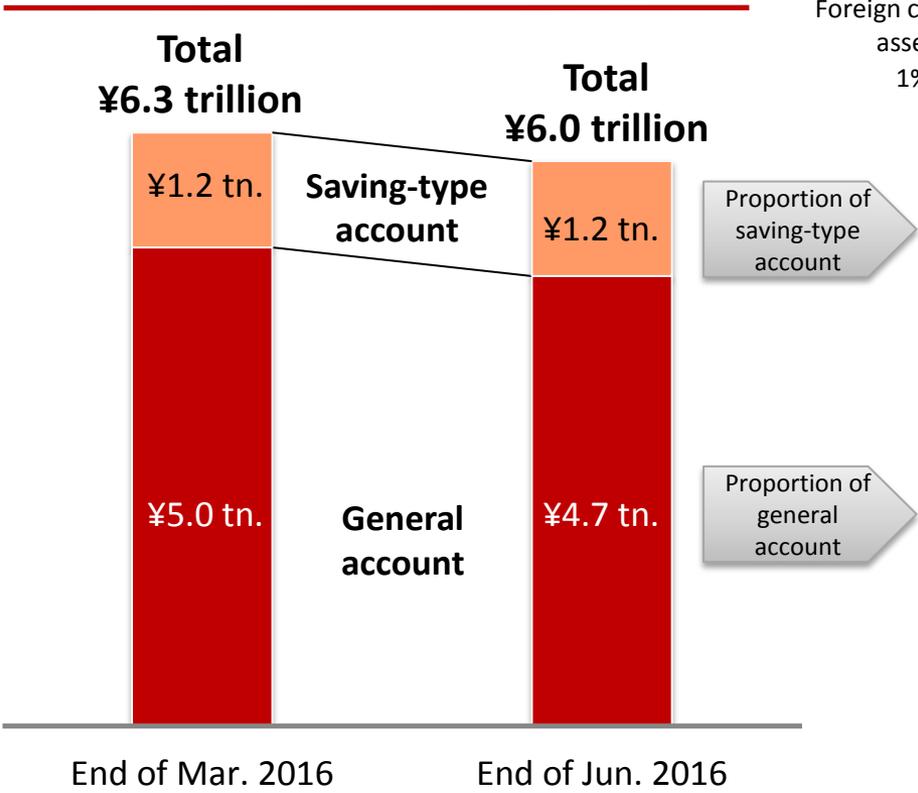
	Amount of investment assets	Composition
Sompo Japan Nipponkoa	5,679.0	64.2%
Himawari Life	2,424.9	27.4%
Overseas group subsidiaries	617.7	7.0%
Saison Automobile & Fire	41.9	0.5%
Sonpo 24	21.6	0.2%
Other domestic subsidiaries	58.6	0.7%
Total	8,843.9	100%

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

Asset portfolio – Sompo Japan Nipponkoa

- ◆ The general account is managed with diversified investments while the saving-type account utilizes portfolio management based on ALM.
- ◆ Aim to diversify investment instruments (e.g. increase weight of hedged foreign bonds), considering low interest rate.

Amount of investment assets
(Sompo Japan Nipponkoa, non-consolidated)



Duration of saving-type account

	End of Mar. 2016	End of Jun. 2016
Asset	4.7y	4.8y
Liability	7.2y	6.8y

Break down	Government bonds	Corporate and municipal bonds	Hedged foreign bonds
	30%	31%	6%

Break down	Government bonds	Corporate and municipal bonds	Hedged foreign bonds
	17%	3%	14%

Break down	Foreign bonds	Funds, etc.	Subsidiaries, affiliates
	4%	6%	7%

Asset portfolio – Himawari Life

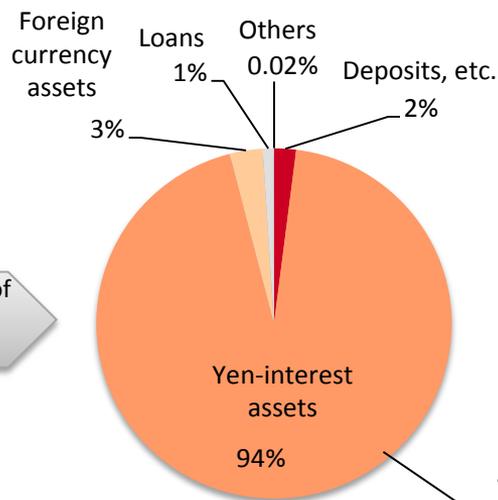
- ◆ Manage the portfolio through disciplined ALM, which mainly consists of yen-interest assets.
- ◆ Keep allocating investment assets to foreign currency assets, assuming normalization of low interest rate.

Amount of investment assets (Himawari Life, non-consolidated)



General
account

Proportion of
general
account



Duration of general account

	End of Mar. 2016	End of Jun. 2016
Asset	14y	14y
Liability	23y	22y

	Government bonds	Corporate and municipal bonds	Hedged foreign bonds
Break down	74%	13%	6%

End of Mar. 2016

End of Jun. 2016

(Reference) Amount of separate account (mainly investment by domestic stocks and bonds)

End of Mar. 2016	End of Jun. 2016
¥20.4 billion	¥19.4 billion

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.

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