

Topics & Basics

February 2018
Sompo Holdings, Inc.



1. Mid-term management plan

P1

(1) Key points of management plan

P1

(2) Business strategies for each business segment

P11

(3) ERM, capital policy & asset management

P28

2. About SOMPO Holdings

P35

Appendix

P39

Mid and long term strategy of SOMPO Holdings

- ◆ Never change our vision evolving to global top 10 insurance group.
- ◆ With proactive shareholder returns, maintain capital buffer needed to execute our strategies.
- ◆ Build a sustainable growth cycle by capturing opportunities to execute growth investments, with organic growth as our fundamental premise.

Our vision of growth strategy

	To be global top 10 after FY2020	FY2017 (forecast)	
Adjusted consolidated profit	¥300 billion level	¥195 billion	✓ Several measures progressed in line with plan, maintained profit increase
Adjusted consolidated ROE	Over 10%	7.6%	✓ While auto insurance rate revision, plan to achieve targets with proper measures
Shareholder return	Enhance shareholder return in accordance with growth in profit (aim at total payout ratio of 50%)		

Based on robust financial soundness, while focusing on SI* PMI, plan disciplined M&A in future

Investment In growth fields

Adapt to environmental changes
Digital transformation, etc.

Maintain and enhance profitability in existing businesses

Progressed to materialize digital technology

Insurance business profitability remains stable, nursing care business turned to be profitable

- Harness a solid capital base
- Select high ROE fields (Overseas M&A, etc.)

Generate stable profit + Robust capital base

- Achieve steady organic growth in each business
- Realize business collaboration model led by nursing care business, etc.

*1 Sompo International (Endurance)

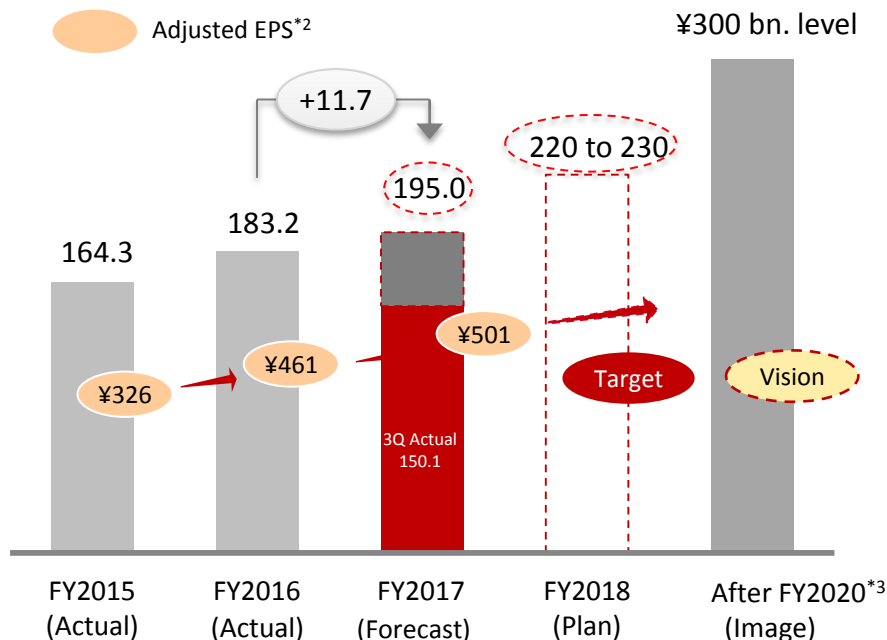
*2 As of 3Q FY2017

Progress of Mid-term Management Plan – Group

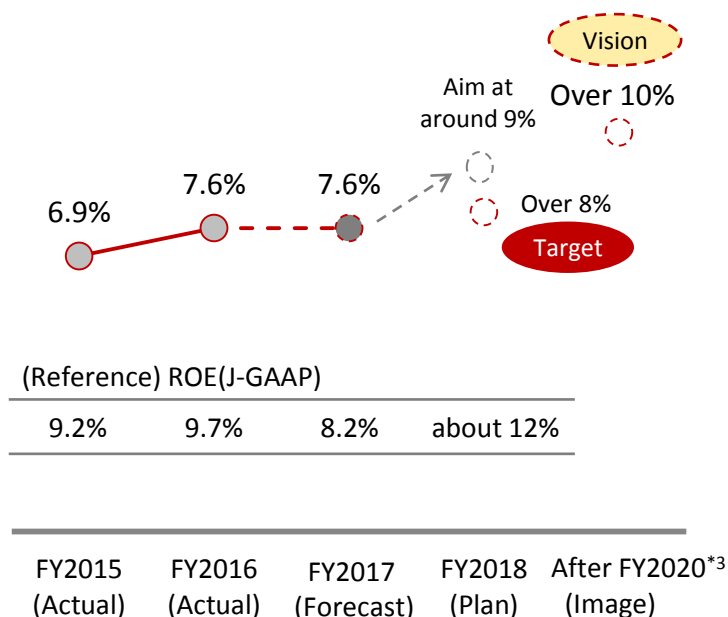
- ◆ Adjusted consolidated profit (adjusted EPS) has been expanding steadily toward achieving FY2018 targets.
- ◆ Based on accumulated profit, adjusted consolidated ROE is expected to improve further.

Adjusted consolidated profit*1

(Billions of yen)



Adjusted consolidated ROE*1



*1 See page 9 for definitions of adjusted consolidated profit and adjusted consolidated ROE.

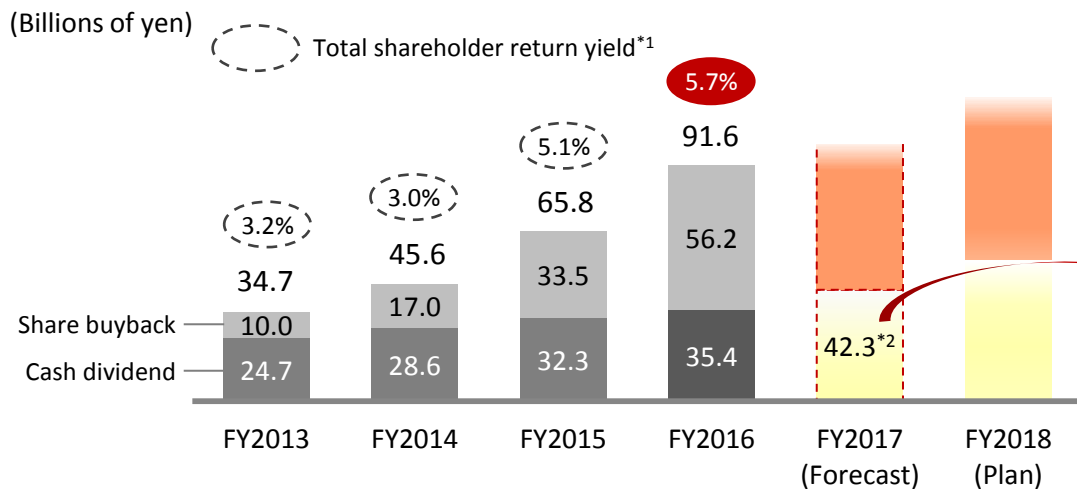
*2 Adjusted EPS = adjusted consolidated profit / the number of issued stocks (excluding portion of share buy-back, etc.)

*3 We will set targets in FY2020, after consideration by end of FY2018

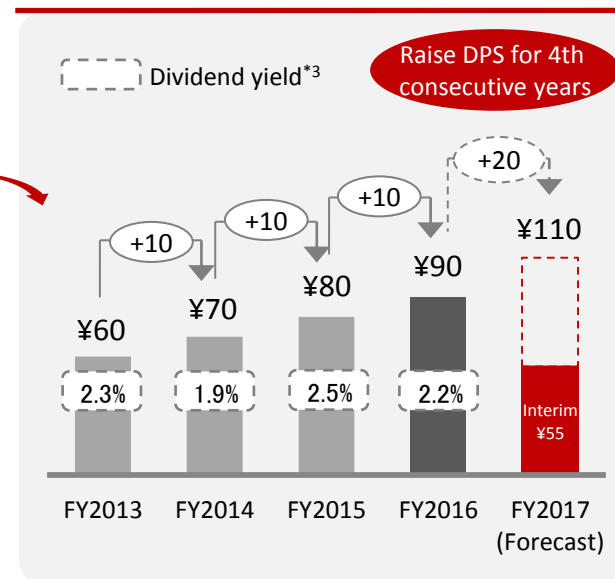
Shareholder Return

- ◆ Unchanged shareholder return policy, aim at enhance the total amount of shareholder return in accordance with profit expansion.
- ◆ Our policy is to determine the balance of dividends and share buybacks while closely monitoring the stock price level, dividend yield and related factors.

History of shareholder returns



(Reference) DPS



Adjusted consolidated profit	15.8	90.8	132.0	183.2	195.0	220 to 230
Total payout ratio	220%	50%	50%	50%	—	—
(Reference) share price (End of fiscal year)	¥2,652	¥3,735	¥3,188	¥4,079	—	—

Shareholder return policy

Aim at attractive shareholder return through stable dividend and flexible share buyback, taking into account dividend yield or DPS growth. (Target level of total payout ratio: around 50%*4 over medium term.)

* Determine balance of dividends and share buybacks based on stock price and relative level of dividend yield, etc.

*1 Total shareholder return yield = (Cash dividend + Share buyback) / Market cap. as of end of FY

*2 The interim dividend is ¥21.3 billion

*3 Dividend yield = Cash dividend / Market cap. as of end of FY

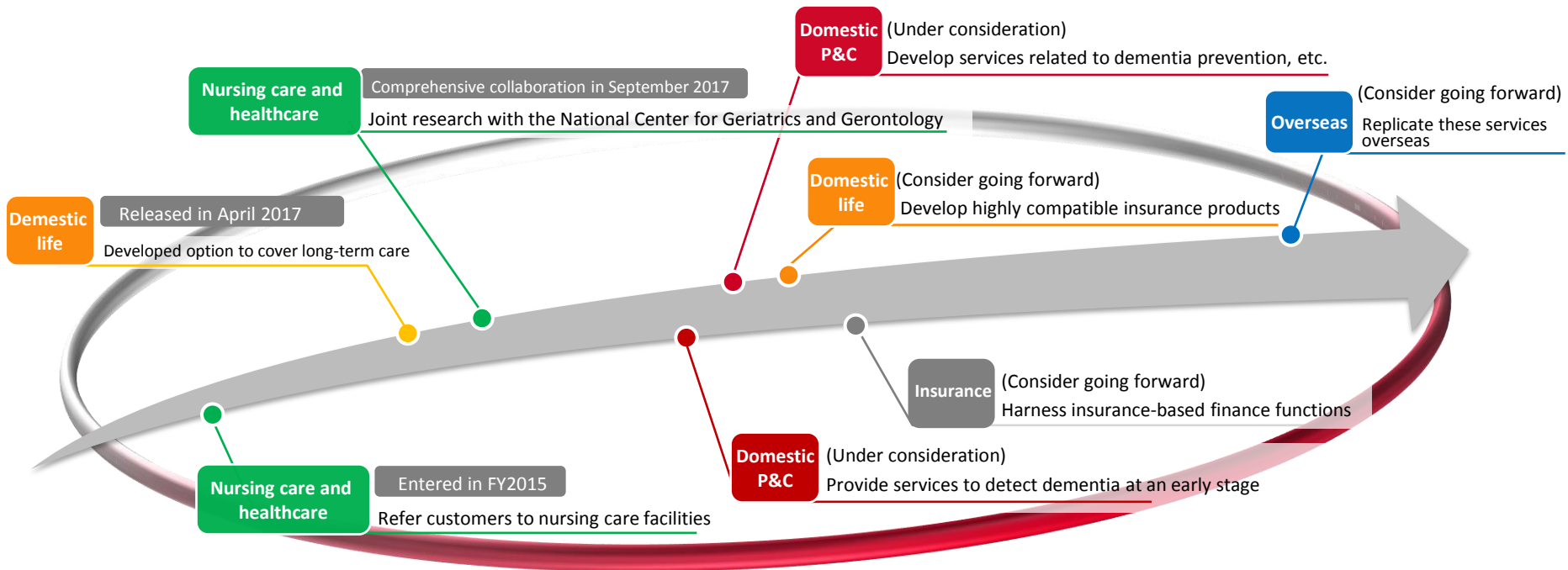
*4 Total payout ratio = (Cash dividend + Share buyback) / Adjusted consolidated profit
Could be adjusted based on capital level, ROE, etc.

New business collaboration model targeting the evolution of the Group (example)

- ◆ Link organically between the business platforms of the P&C and life insurance businesses, where we have extensive expertise, and the nursing care business we have entered into.

Development led by nursing care business (image)

Enhance profitability while developing high-value-added Group services by organically linking the nursing care business and insurance businesses using services related to extending healthy life expectancy, such as dementia prevention.

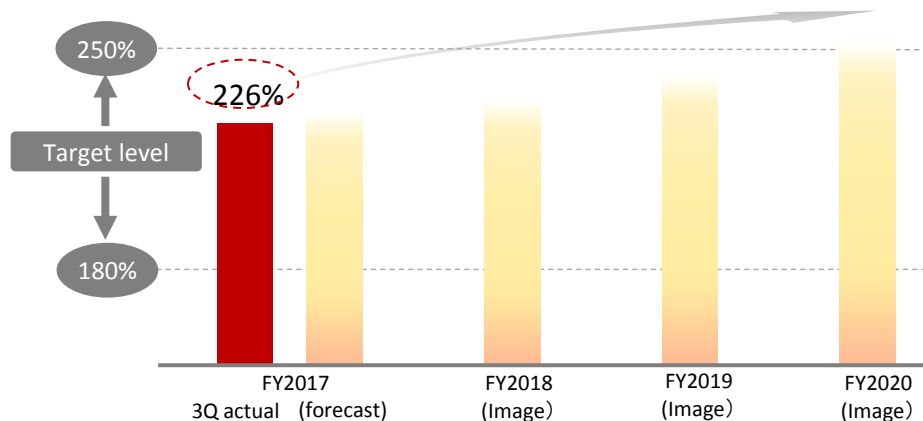


Robust financial base and ERM for growth strategy

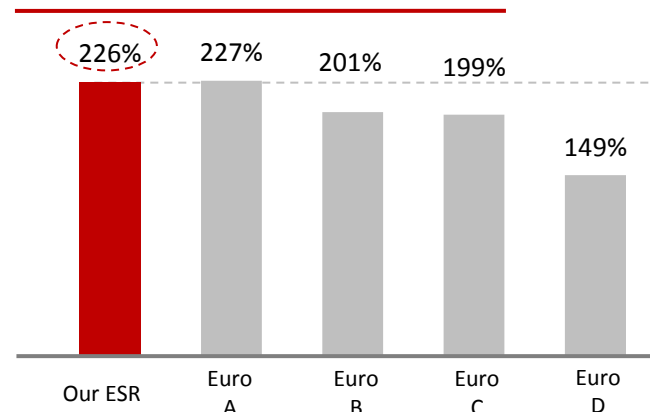
- ◆ Achieve the stable growth of the Group based on the fundamental premise of maintaining and enhancing a robust financial base by implementing ERM thoroughly.

ESR (99.5%VaR) progress forecast

Organic increases in ESR in the range of +5% to nearly 10% are expected every year mainly through the steady reduction of strategic-holding stocks, in addition to retained earnings, while proactively implementing shareholder returns. Our financial position will enable the further investments in growth fields, etc.



(Reference) Comparison in ESR with European insurance companies*



Implement ERM thoroughly

(Our main initiatives)

- Reform a global ERM framework
- Support appropriate management decision-making on all fronts, including product development and M&A activity.
- Reflect the return on risk (ROR) indicator in compensation for officers and other remuneration, etc.
- Accelerate Group-wide penetration of an ERM culture

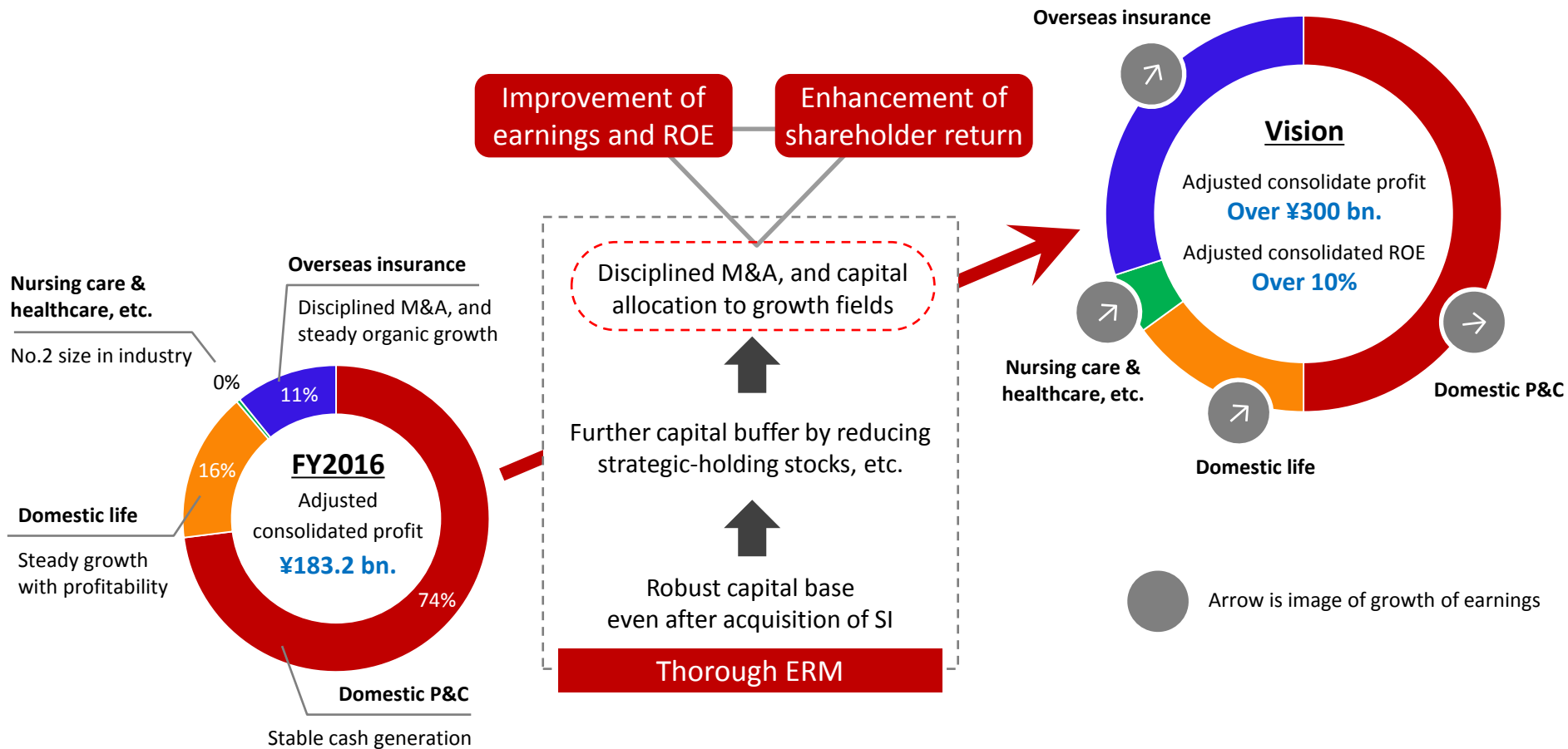
* SOMPO uses ESR (99.5%VaR) as of end of December 2017.

* Other companies use solvency ratio based on Solvency II as of end of September 2017.

Growth Story Going Forward

◆ Based on enhancement of robust capital base, aim at global top 10 level of earnings and ROE.

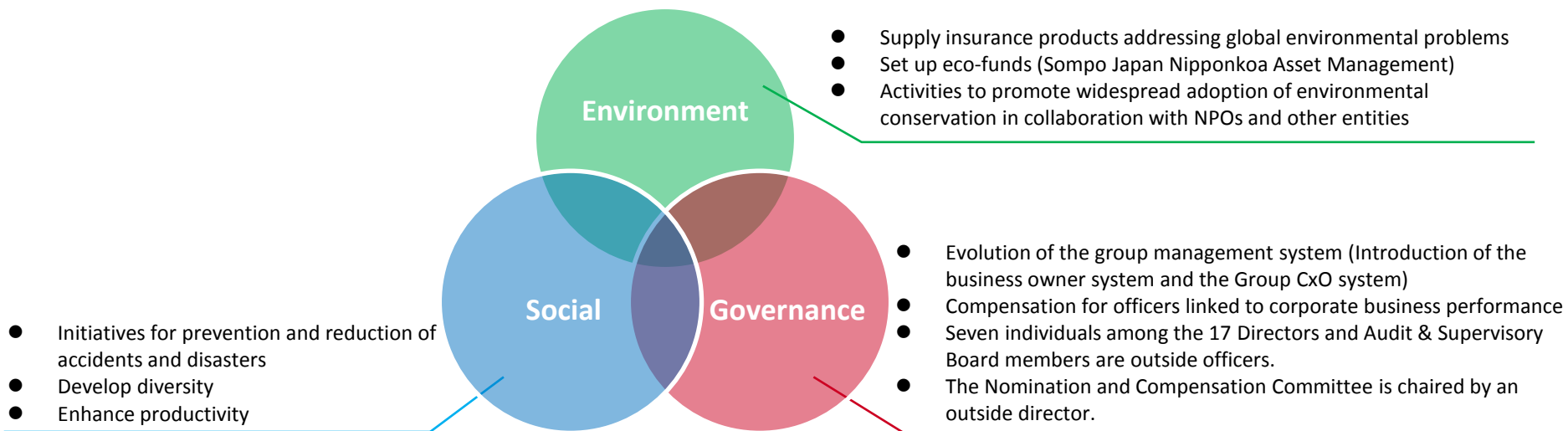
Group's growth story and transformation



(Reference) ESG

◆ Strive to increase the sophistication of information disclosure through integrated annual report and other means, while proactively pursuing ESG initiatives.

Typical initiatives



Topics

Inclusion in Socially Responsible Investment (SRI) indexes and other indexes

- Selected for inclusion in the Dow Jones Sustainability Index for 18 consecutive years (longest-running record for a Japanese company).
- Adopted by all ESG indexes selected by the Government Pension Investment Fund (GPIF)
 1. FTSE Blossom Japan index
 2. MSCI Japan ESG select leaders index
 3. MSCI Japan Empowering Women Index



Awarded for the highest rank

- Selected for inclusion in the highest rank (A rank) of the CDP* climate change list for two consecutive years.



※International project on climate change strategy, etc.

(Reference) Numerical Management Targets, etc.

Numerical management targets

(Billions of yen)	FY2016	FY2017		FY2018
	(Actual)	(3Q Actual)	(Forecasts)	(Plan)
Domestic P&C insurance* ¹	134.9	85.2	100.2	Over 120.0
Domestic life insurance	29.1	22.6	28.0	Over 32.0
Nursing care & healthcare, etc.	-0.7	2.4	3.6	Over 8.0
Overseas insurance	19.9	39.8	63.1	Over 60.0
Total (Adjusted consolidated profit)	183.2	150.1	195.0	220.0 – 230.0
Adjusted consolidated ROE*²	7.6%	--	7.6%	Over 8%
(Reference) ROE (J-GAAP)	9.7%	--	8.2%	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)
Adjusted profit of SI (Endurance) is operating income*³

*1 Total of Sompo Japan Nipponkoa, Saison Automobile & Fire, Sonpo 24, Sompo Japan Nipponkoa Insurance Services, DC Securities and Sompo Risk Management & Healthcare (from FY2017)

*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 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 Adjusted profit of SI (Endurance) is defined as operating income, which excludes one-time factors (operating income = net income - net foreign exchange gains/losses

- net realized and unrealized gains/losses - net impairment losses recognized in earnings, etc.). Forecasts for the overseas insurance business in FY2017 include a decrease in tax expenses in connection with the reorganization of SI.

Blank page

1. Mid-term management plan

P1

(1) Key points of management plan

P1

(2) Business strategies for each business segment

P11

(3) ERM, capital policy & asset management

P28

2. About SOMPO Holdings

P35

Appendix

P39

Progress of Mid-term Management Plan – Businesses

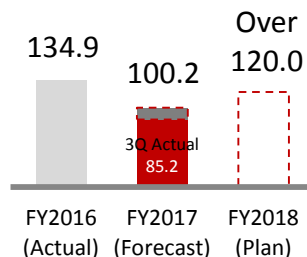
◆ Base operations in each business are progressing steadily, aiming at achieving FY2018 targets.

Adjusted profit by segment and key factors

Adjusted profit
(Billions of yen)

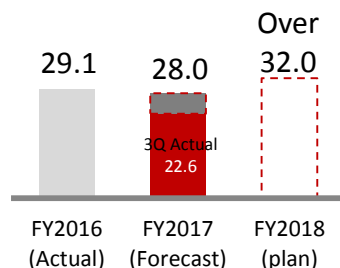
Domestic P&C insurance

Base combined ratio excluding one-time factors remains stable. Expected to achieve the plan.



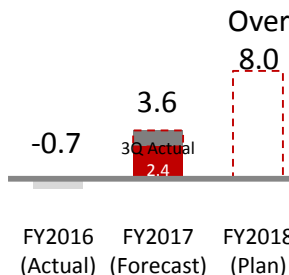
Domestic life insurance

Policies in force expand. Toward achieving the targets, progressed steadily.



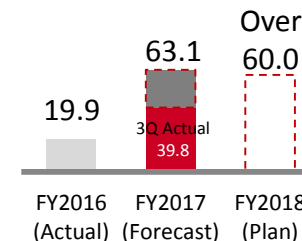
Nursing care & healthcare, etc.

Occupancy rate of nursing facilities has been improving. Expected to achieve the plan.



Overseas insurance

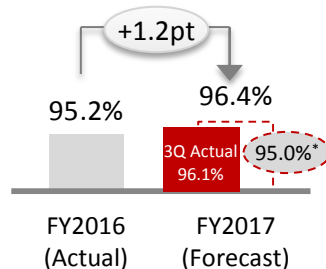
Based on SI profit accumulation, expected to outperform the plan.



Combined ratio

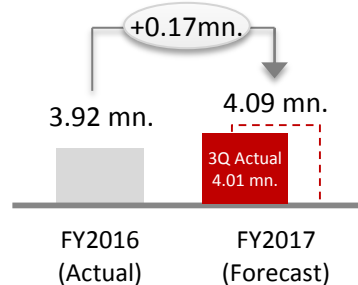
92 to 94%

Key indicators
target range
FY2018



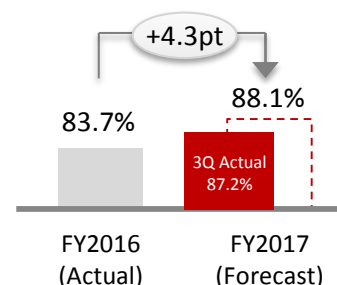
Policies in force

Over 5 million



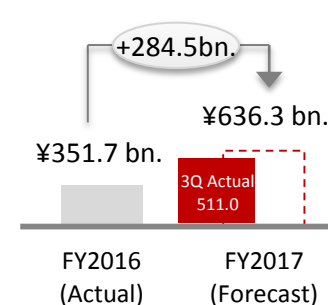
Occupancy rate*

Over 90%



Premiums written

Over ¥750 bn.



* Excluding hurricanes in North America and other large losses

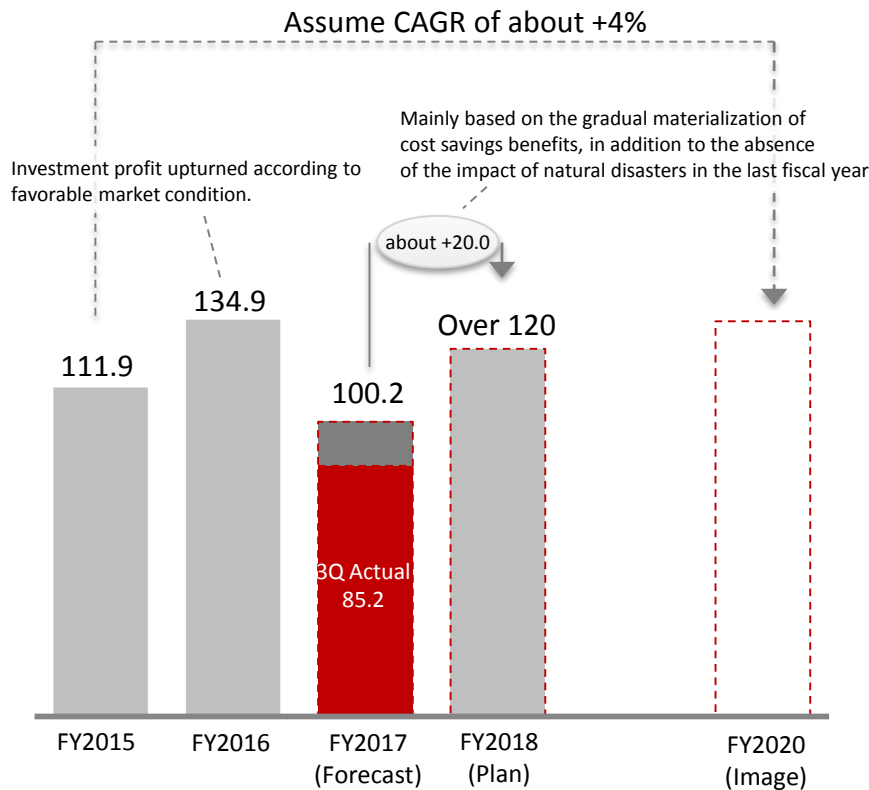
* Sum of SOMPO Care Message and SOMPO Care Next

Progress of Domestic P&C Insurance

- ◆ Base Profitability remains stable, while the impact of hurricanes in North America, etc.
- ◆ Expected to achieve the targets of adjusted profit FY2018, mainly due to the gradual materialization of cost savings benefits, etc.

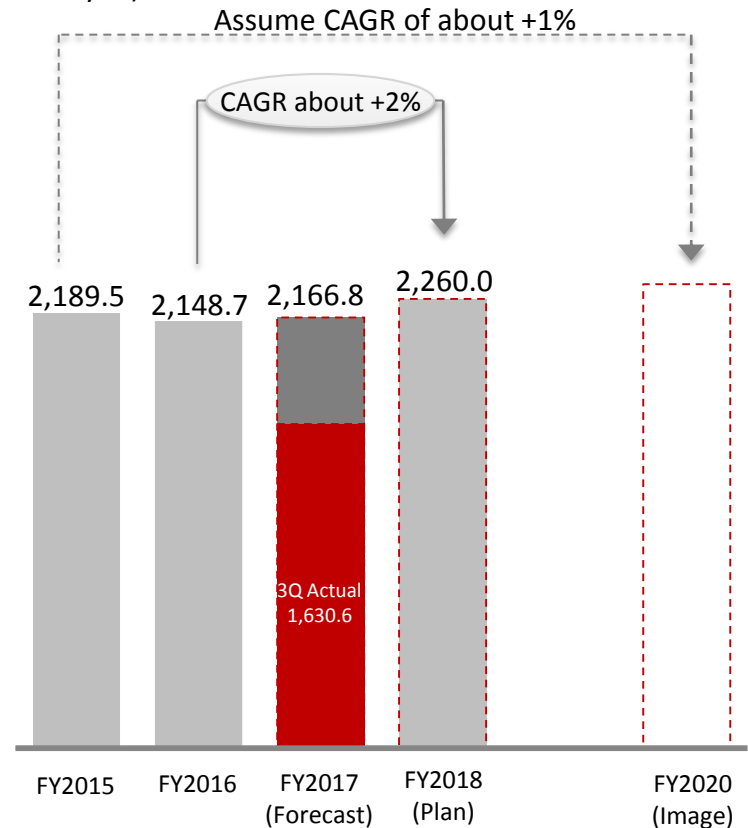
Plan for adjusted profit

(Billions of yen)



Net premiums written (Sompo Japan Nipponkoa)*

(Billions of yen)

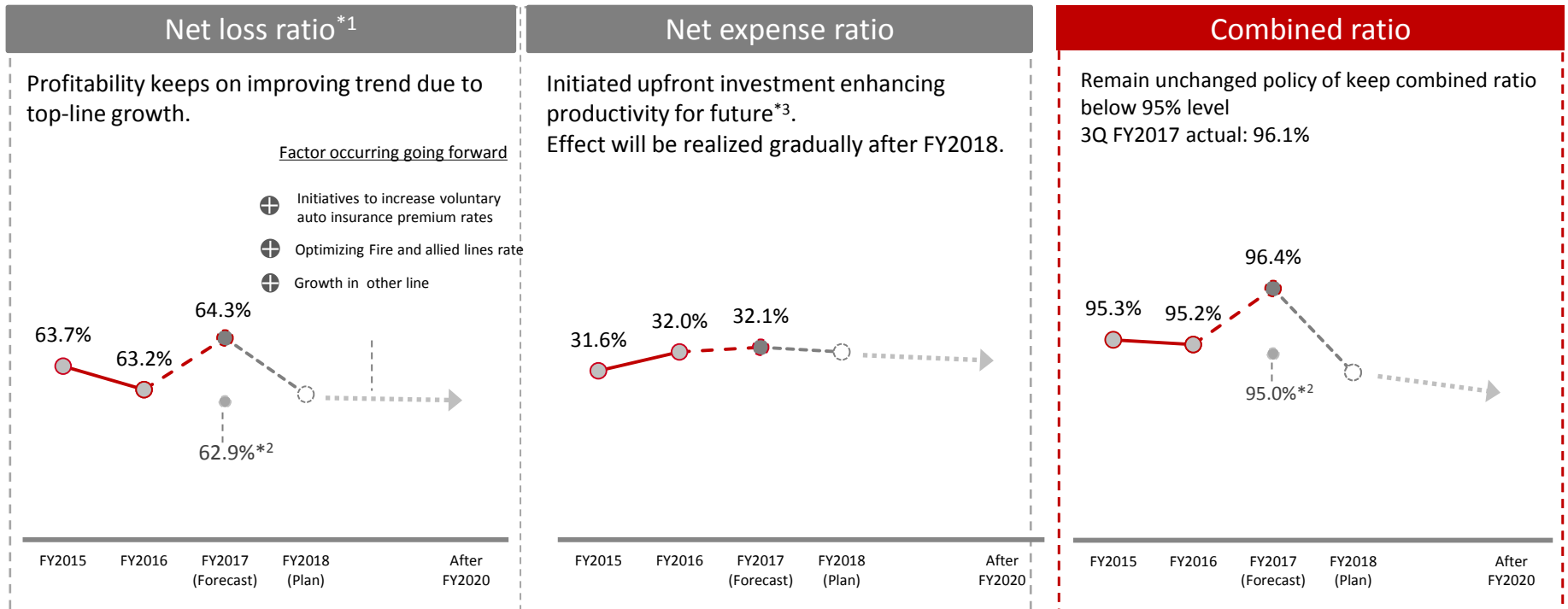


* Presented by adjusting reinsurance policies scheduled for successive transfer to overseas subsidiaries: Deducting the portion of the total transfer amount (approx. ¥30.0 billion) that has yet to be transferred in each fiscal year.

Combined ratio (Sompo Japan Nipponkoa)

◆ Net loss ratio is expected to be steady, net expense ratio projects to decrease slightly.

Combined ratio (Sompo Japan Nipponkoa)



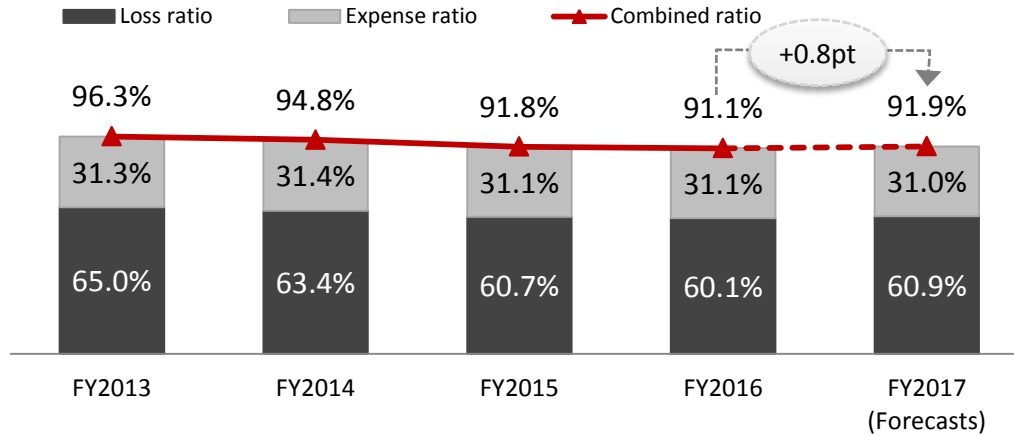
*1 Loss ratio is on a written paid basis (including loss adjustment expense).

*3 The amount of upfront investments in FY2017 (forecast): around ¥10.0 billion

*2 Excluding hurricanes in North America and other large losses

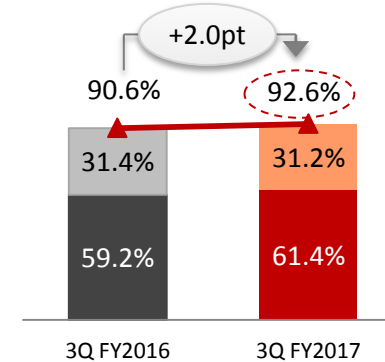
Automobile Insurance (1)

Combined ratio



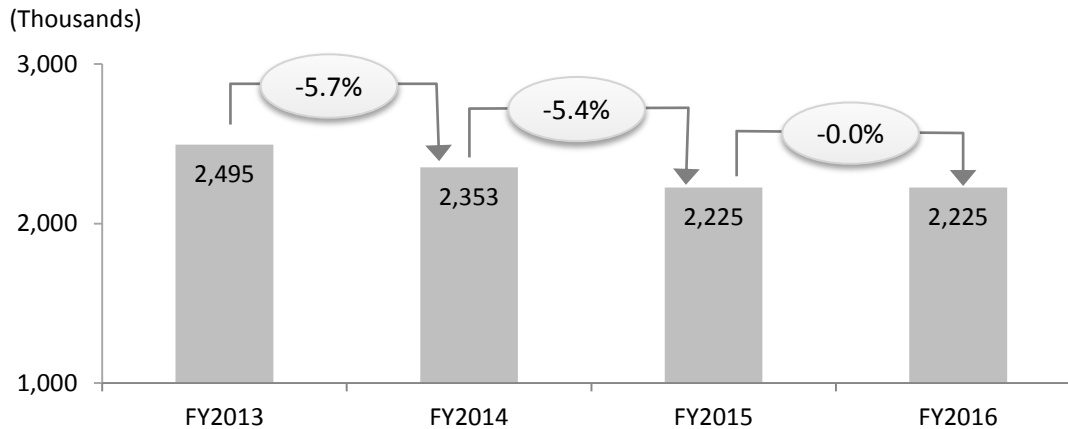
* Loss ratio is on a written paid basis (including loss adjustment expense).

Trend of 3Q Results



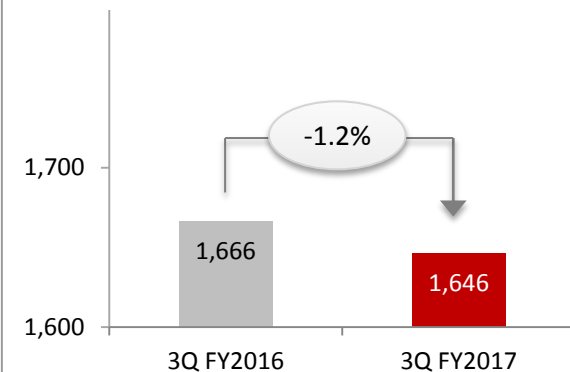
* Claims incurred remained flat and E/I loss ratio improved.
 3Q FY2016 : 60.3%
 3Q FY2017 : 59.9%

The number of reported claims



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

Trend of 3Q Results



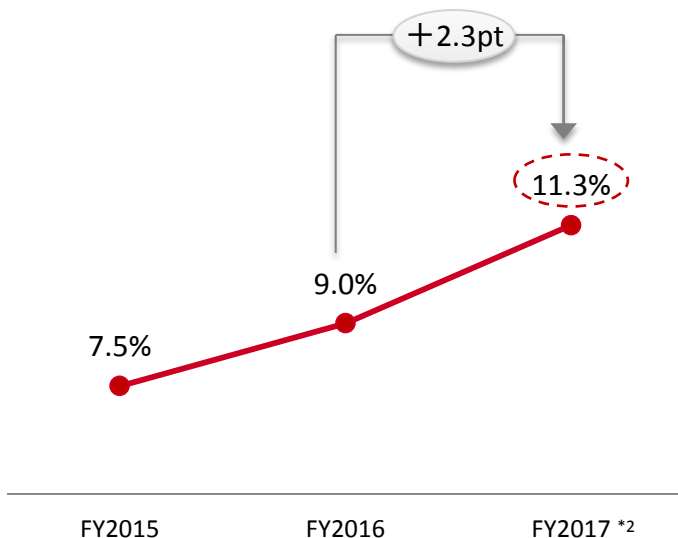
Automobile Insurance (2) Direct Business



Market share in direct automobile insurance market

Due to “ALSOK reliable accident site support service,” etc. top line growth rate*1 is the No. 1 in the market for 2 consecutive years. Market share has been continuously expanding.

Market share in the direct market



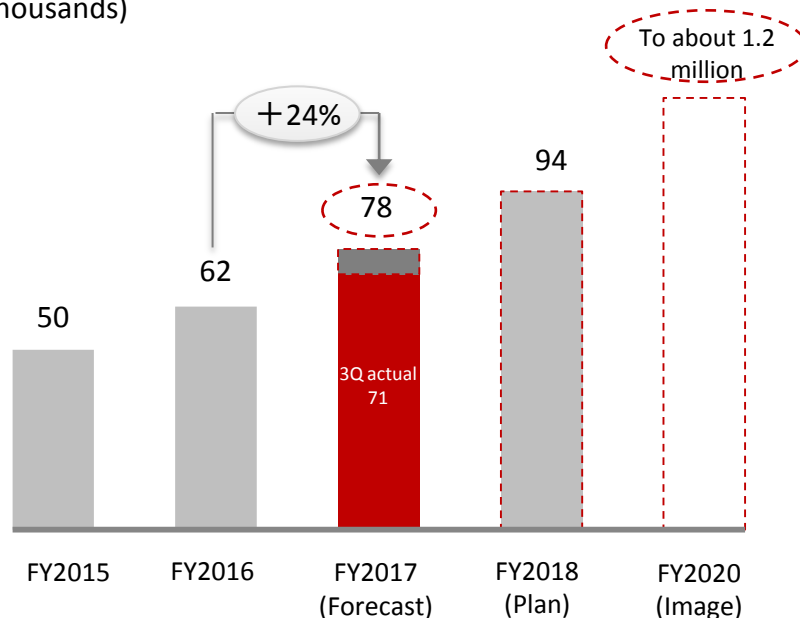
*1 +20% year on year (Reference: market average increase ratio +5%)

*2 Until 1H FY2017

Policies in force of “Otona no Jidsha Hoken”*3

Progress steadily in line with the plan toward turning to be profitable in FY2020.

(10 thousands)



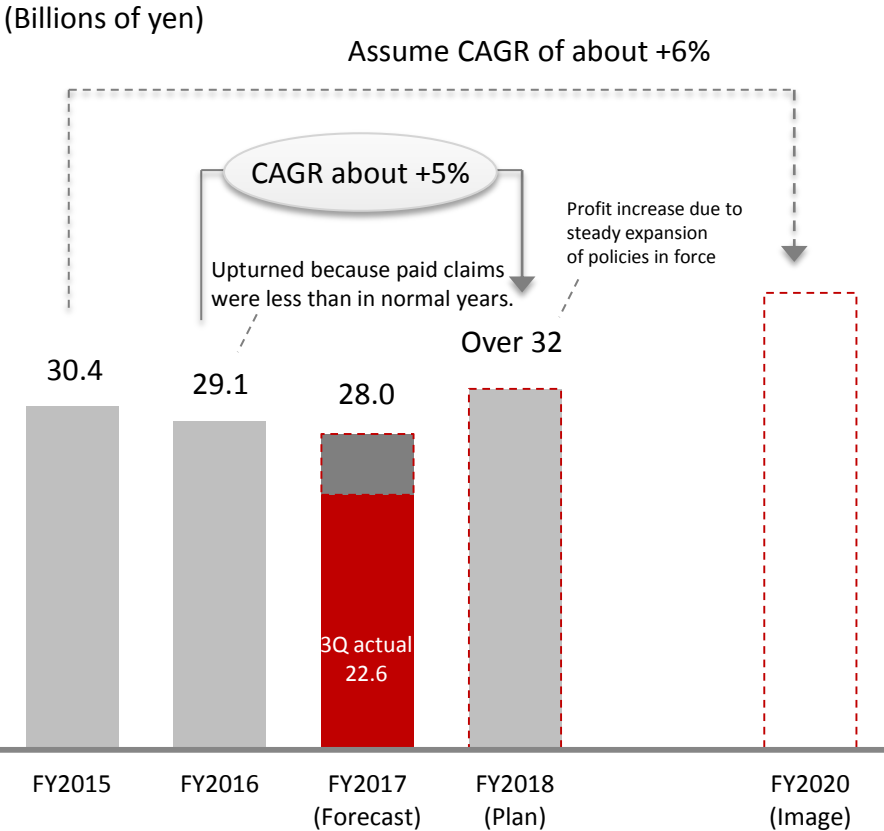
*3 Mainstay direct product name of Saison Auto.

Progress of Domestic life insurance

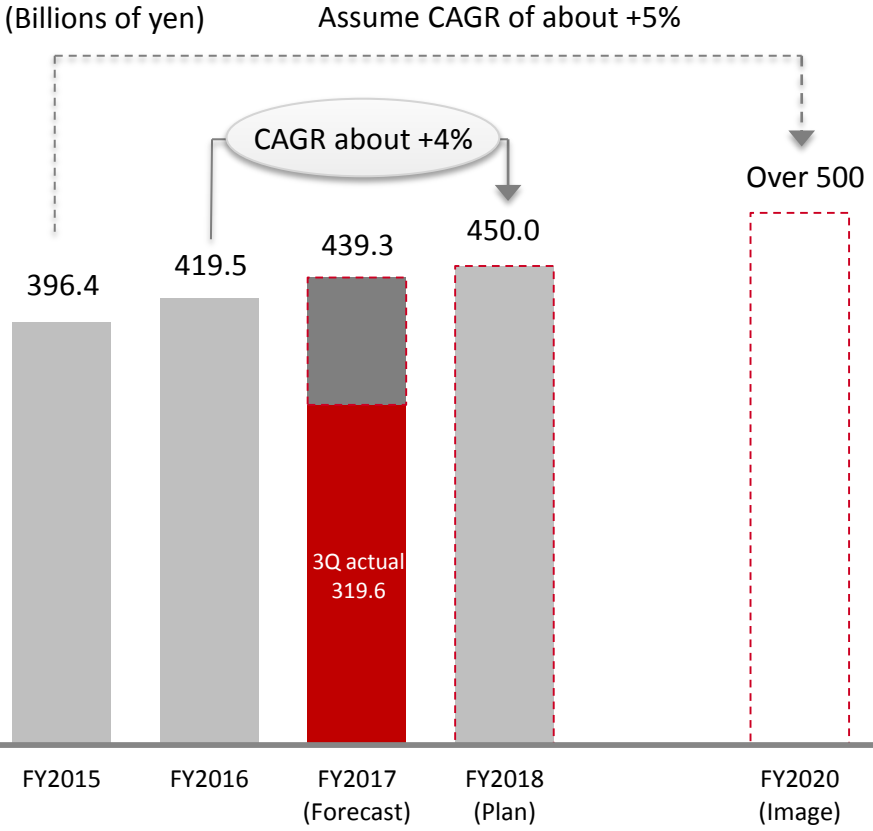


◆ Progressed steadily in 3Q FY2017.

Plan for adjusted profit



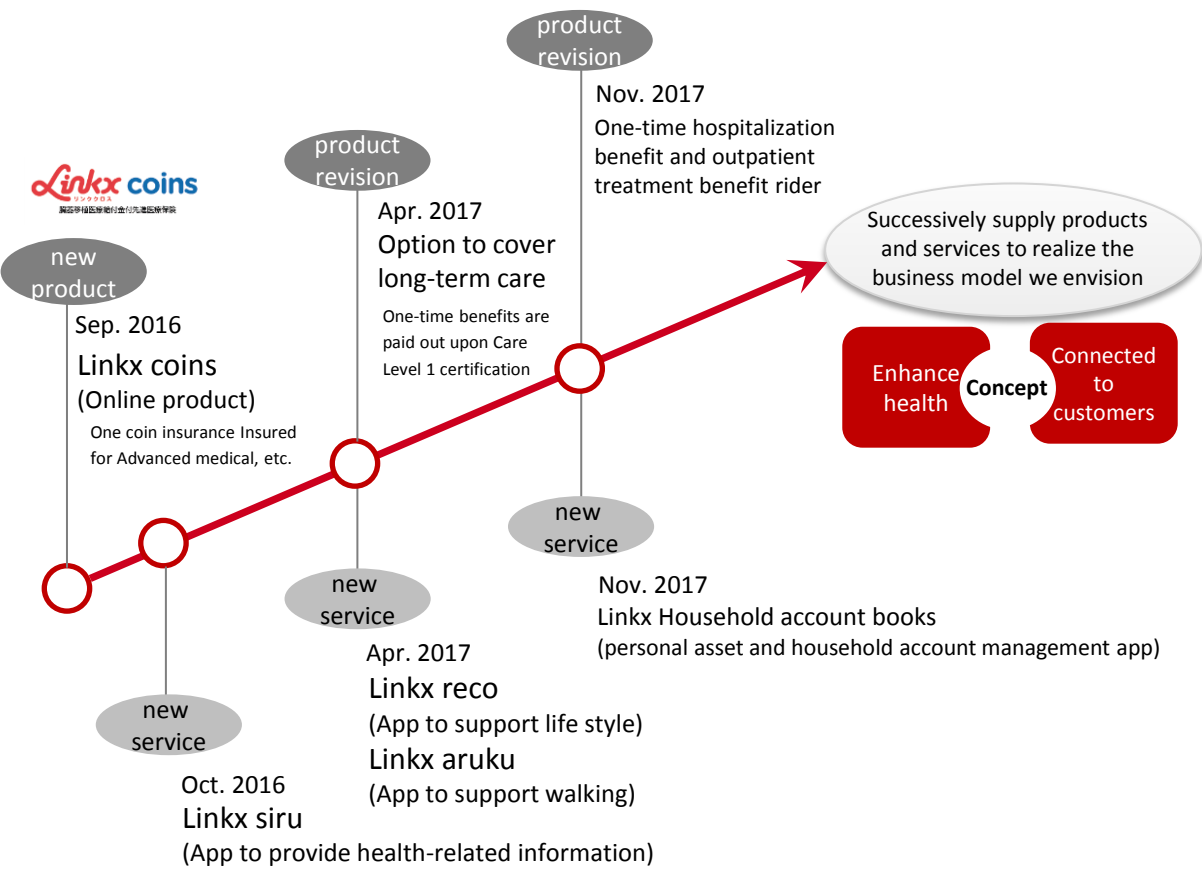
Premium and other income



Materialized products and services strategy (Himawari life)

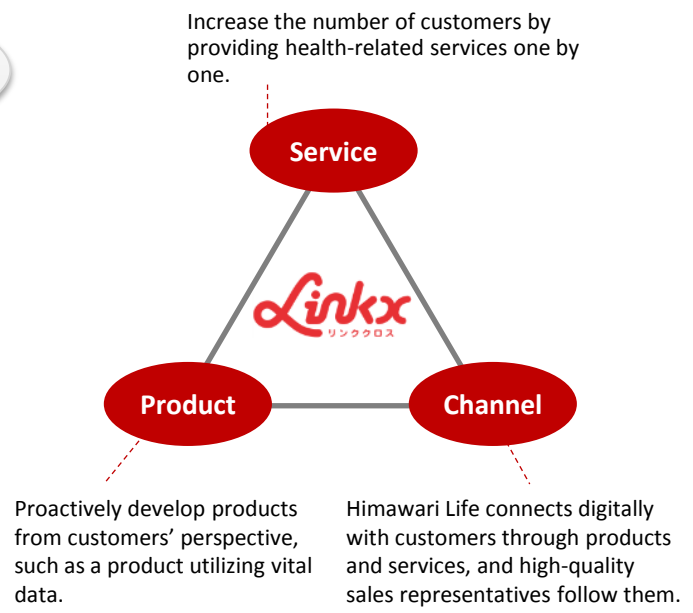
◆ Aim to evolve into a health support enterprise by going beyond boundaries of “insurance.”
 ◆ Increase the number of customers and earnings in the future through new business model.

New products and services



(Reference) business model

- Establish lifelong connection with customers.
- Accelerate growth strategy centered on health service brand “Linkx (Link cross).”

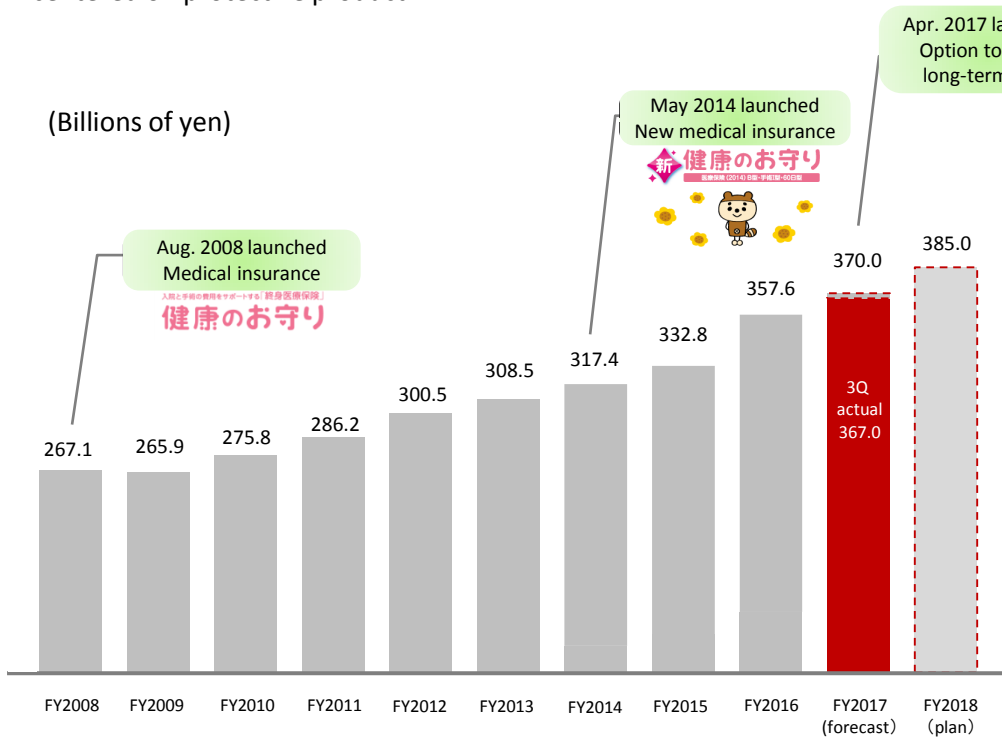


(Reference) Annualized premium in force and product mix

Annualized premium in force

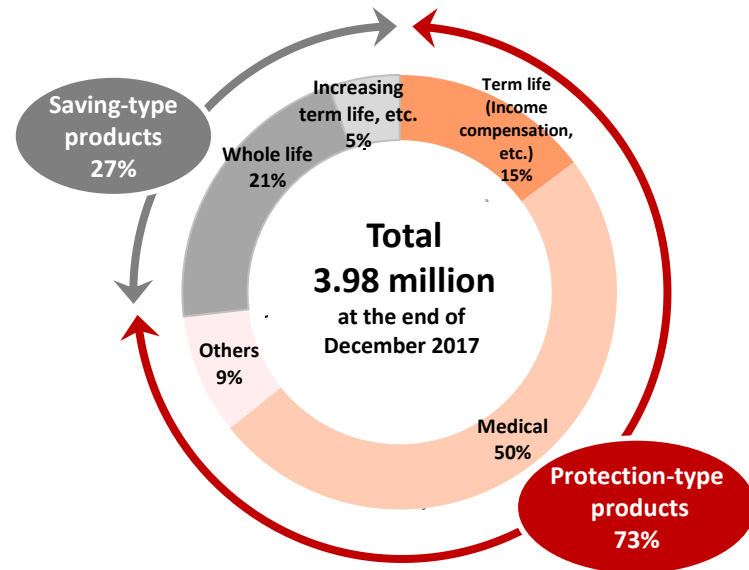
By providing new product at proper timing, etc. expand policies in force centered on protective product

(Billions of yen)



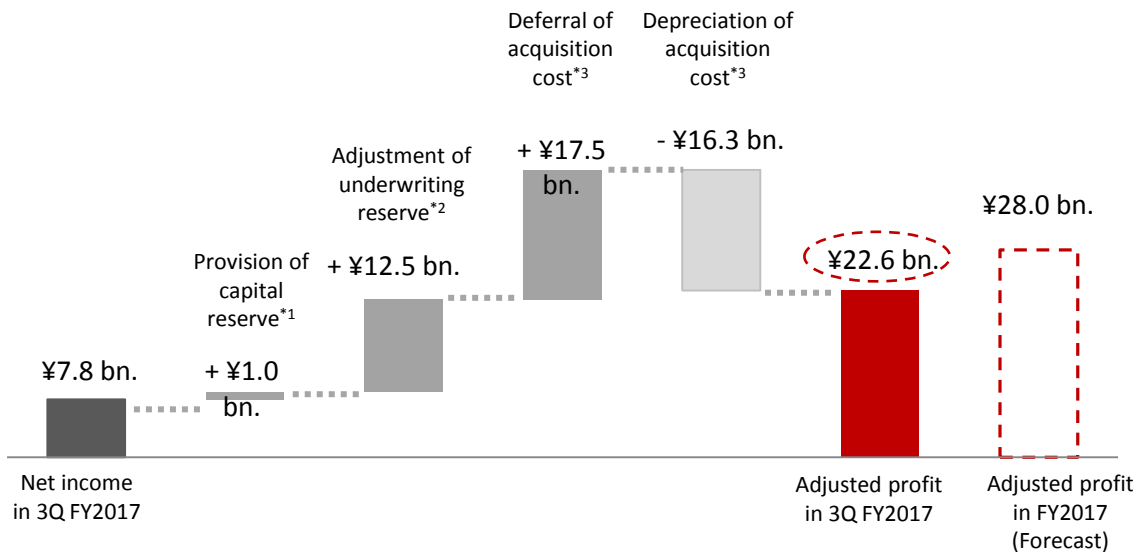
Product mix (the number of policies in force)

While keeping highly profitable product mix, aim to grow continuously

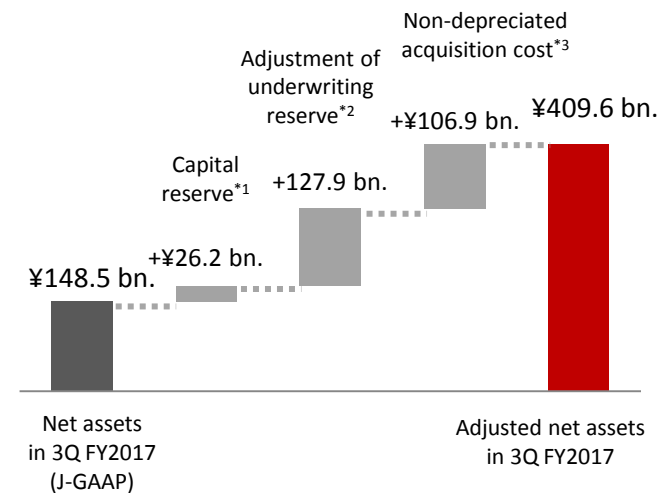


Protection-type products: Medical, cancer, income compensation, and term life insurance (excluding long term life and increasing term life insurance), etc.

Conversion from net income to adjusted profit



(Reference) Adjusted net assets



*1 Contingency reserve and reserve for price fluctuation (after tax).

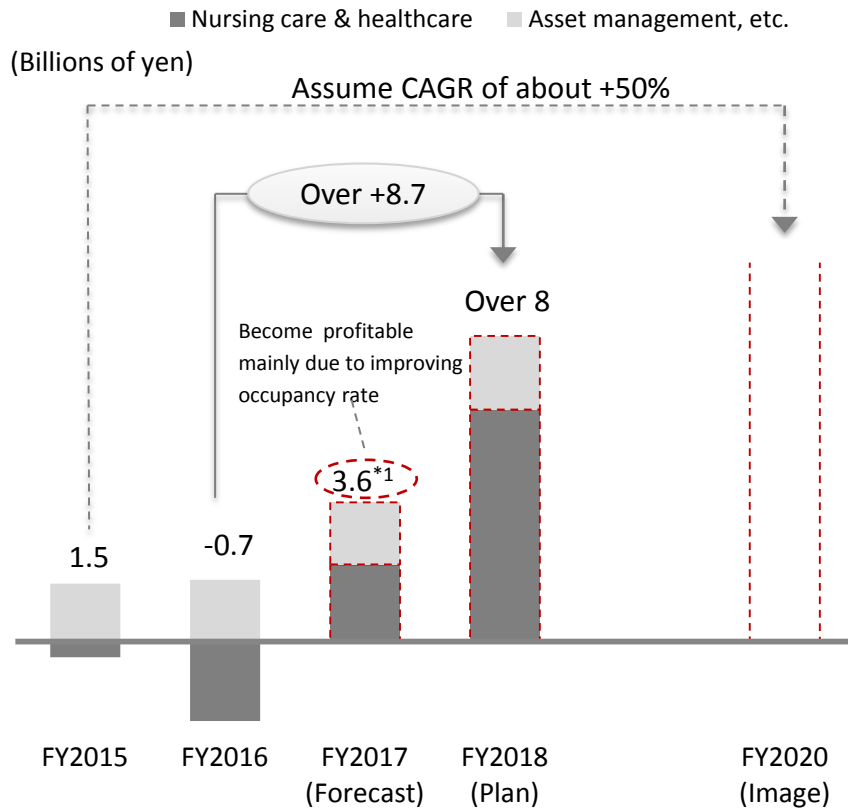
*2 Re-calculate underwriting reserve, which is calculated conservatively, with factors used for calculation of premiums (after tax).

*3 Acquisition cost, such as commissions for new contracts, depreciated over 10 years (after tax).

Progress of Nursing Care & Healthcare, etc.

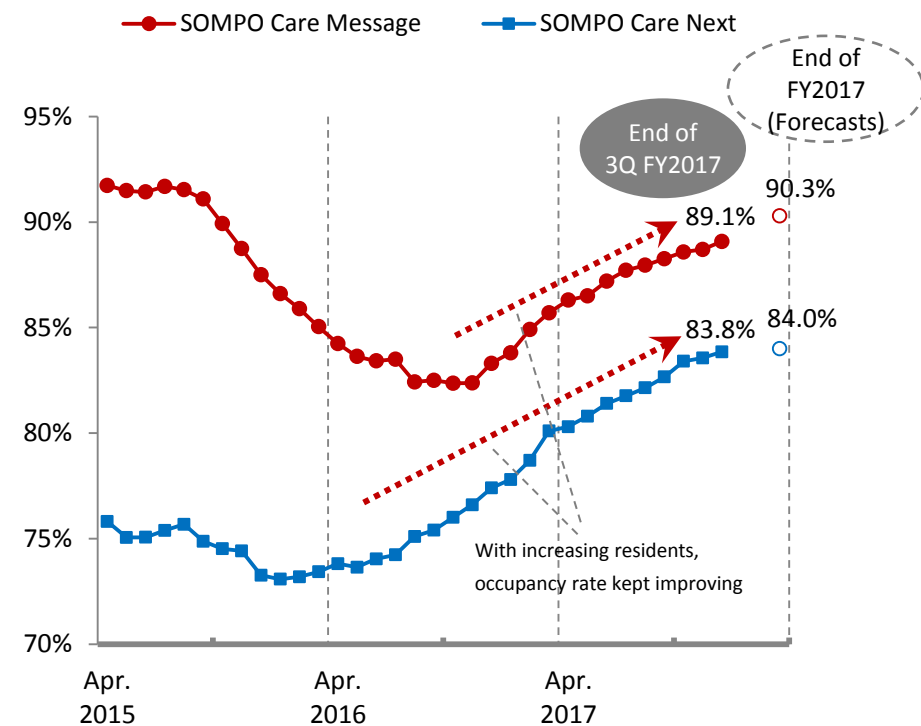
◆ In nursing care business, occupancy rate has been improving steadily. The business became profitable.

Plan for adjusted profit



* 1 3Q FY2017 Actual ¥2.4 billion

Occupancy rate*2

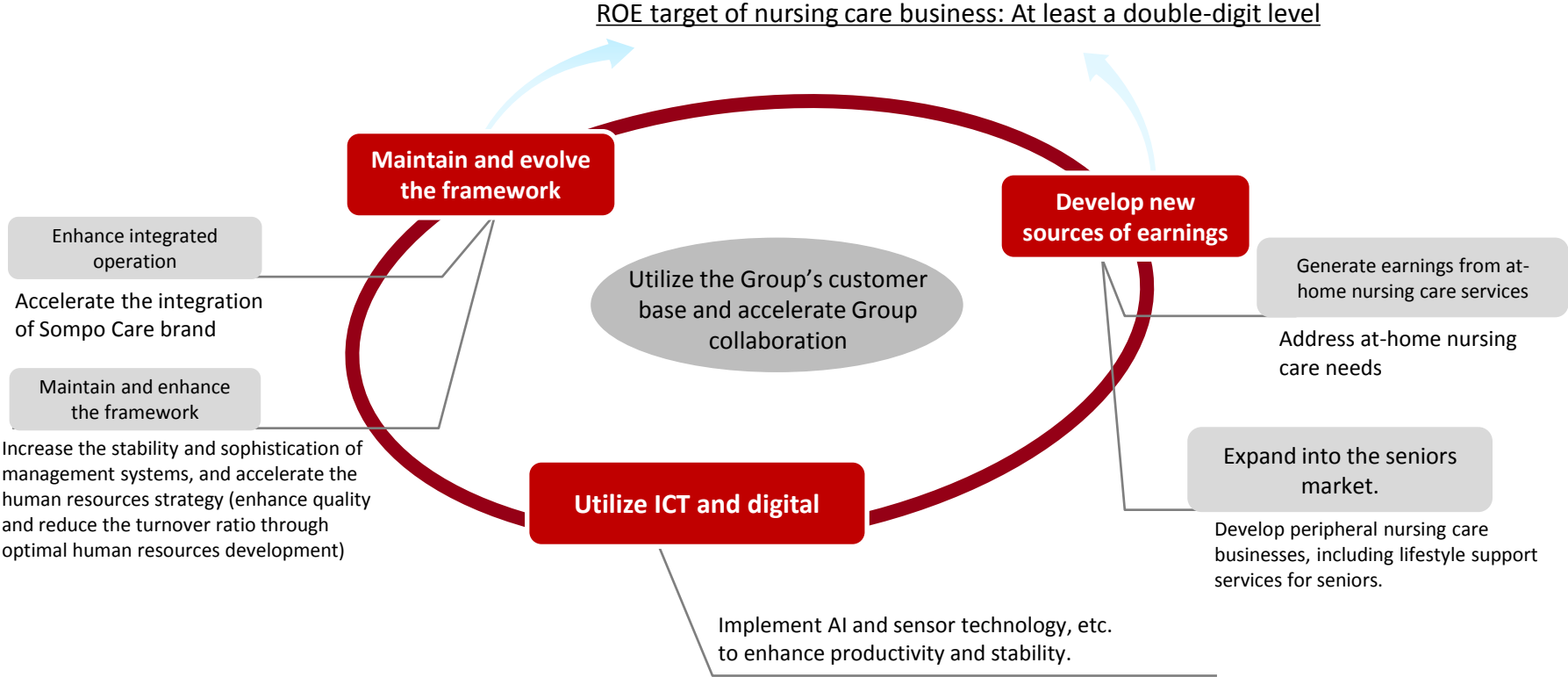


*2 Occupancy rate = the number of residents / capacity of facilities

Vision of nursing care business after mid-term management plan

- ◆ Maximize the use of the Group’s resources in conjunction with continuously maintaining and enhancing internal management.
- ◆ Aim to maintain capital efficiency at a certain level.

Vision of nursing care business (image)



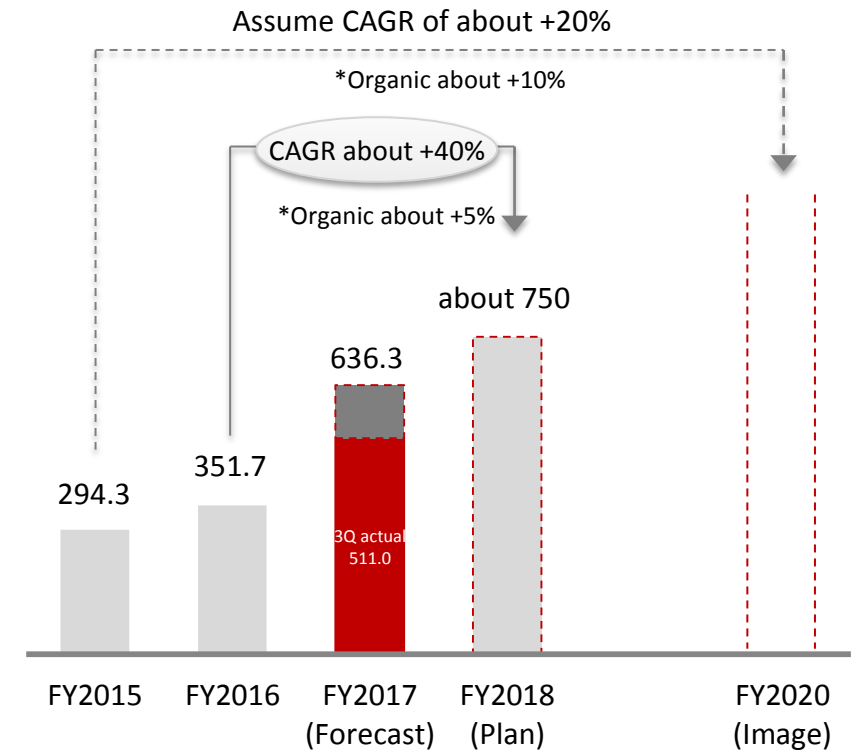
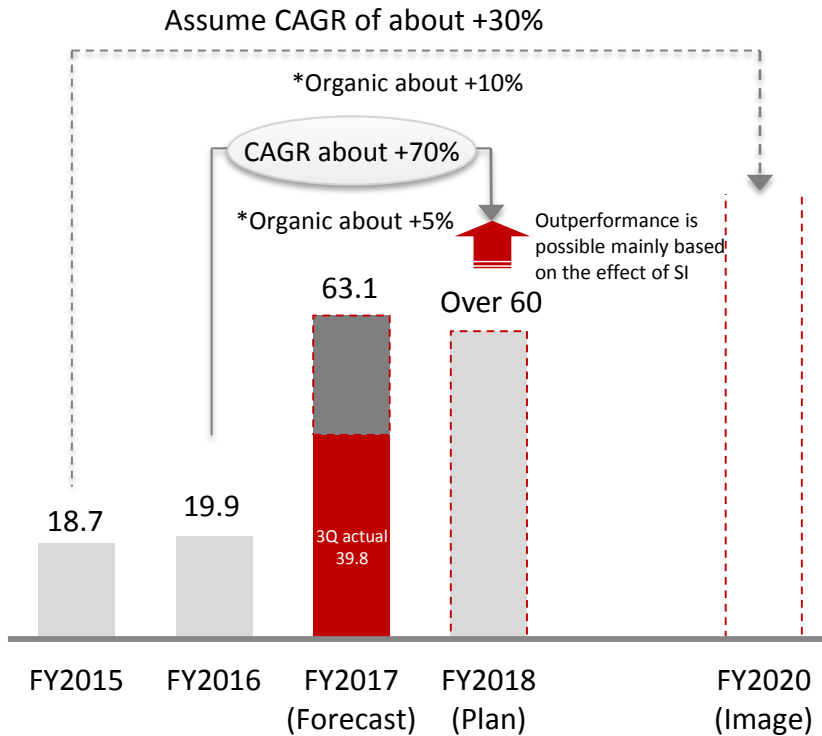
◆ Mainly due to the growth of SI, FY2018 targets could be outperformed.

Plan for adjusted profit

Premiums*

(Billions of yen)

(Billions of yen)

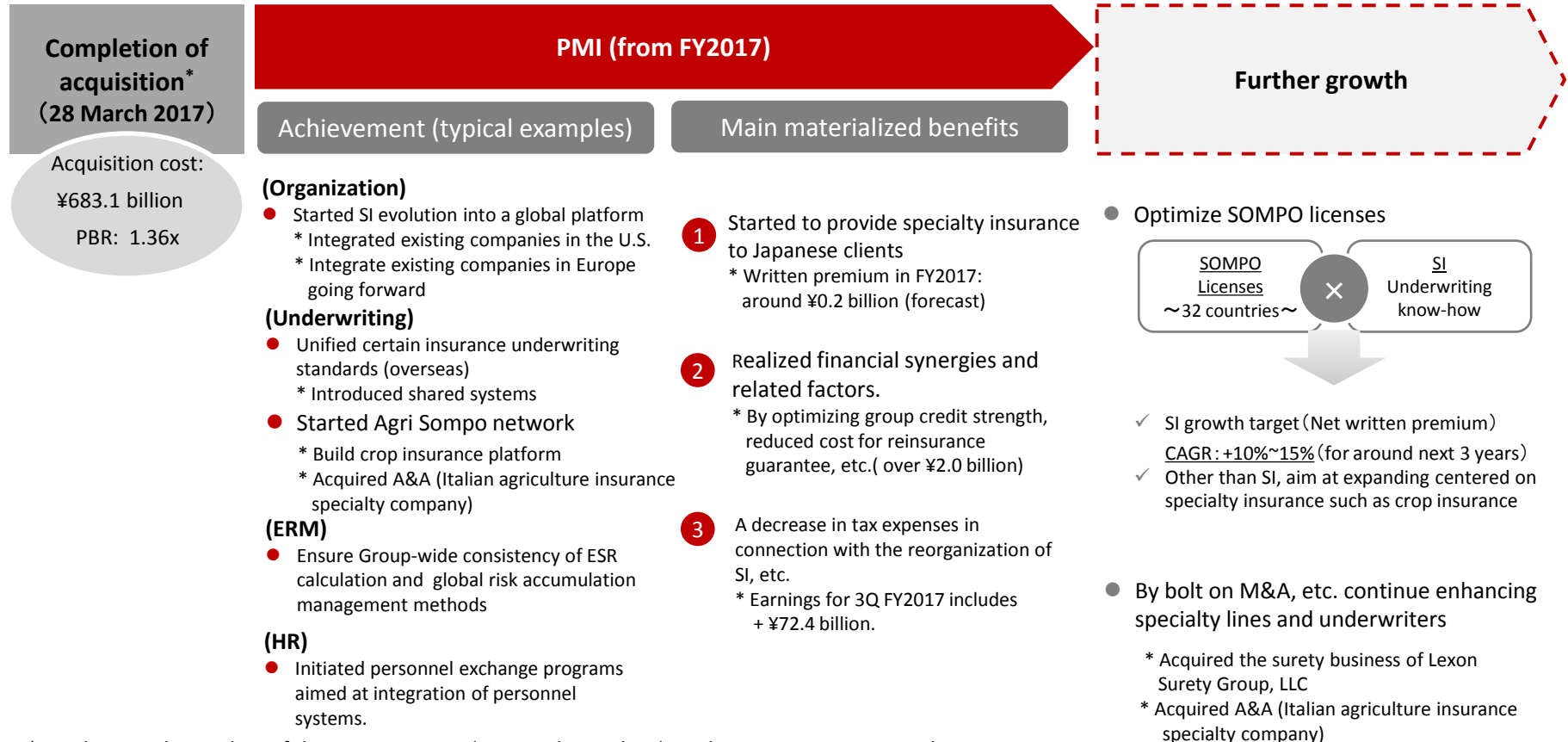


* FY2017 includes a decrease in tax expenses in connection with the reorganization of SI.

* Net premiums written of subsidiaries and affiliates reflect holding shares of each company. This treatment does not coincide with financial statements.

- ◆ Post-Merger Integration (PMI) progressed steadily. While advanced measures such as optimizing the organization, quantitative benefits started to materialize as well.
- ◆ Evolve SI into a global platform of the Company, while targeting further growth of the group.

Advanced PMI and evolution into a global platform

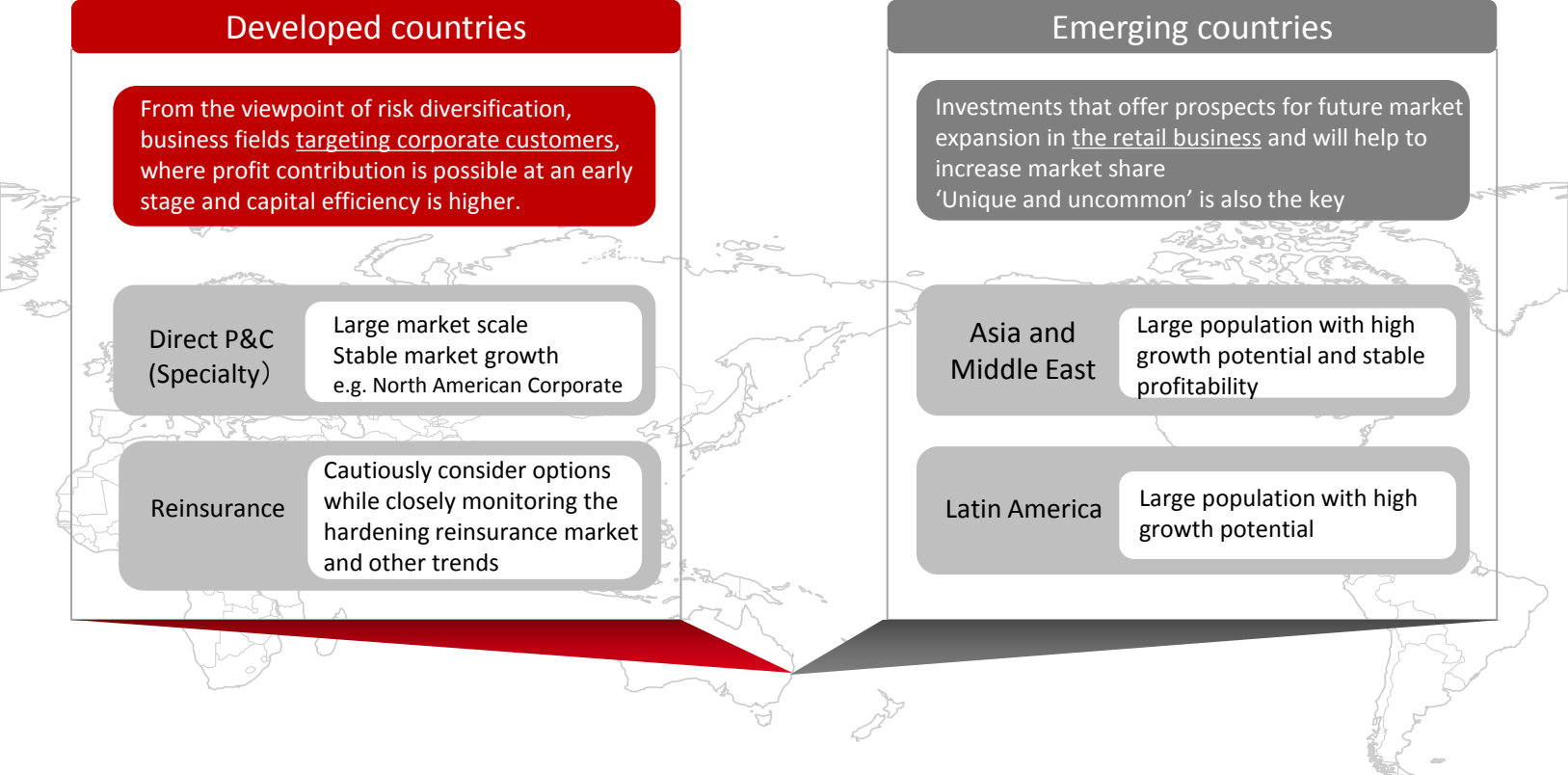


* On the completion date of the acquisition, Endurance changed its brand to Sompo International.

◆ Consider selectively M&As that will enhance Group profit and ROE in a disciplined manner.

Typical criteria of M&A

Our policy is to selectively consider M&As that will enhance Group capital efficiency based on a robust financial base, according to the following perspectives

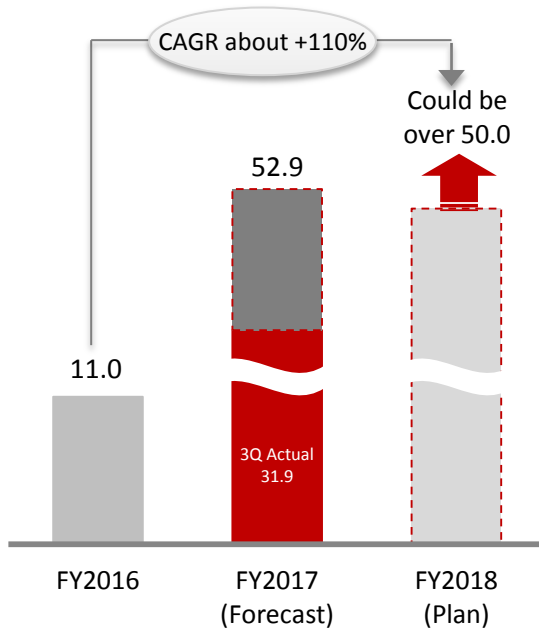


Net income by region

(Billions of yen)

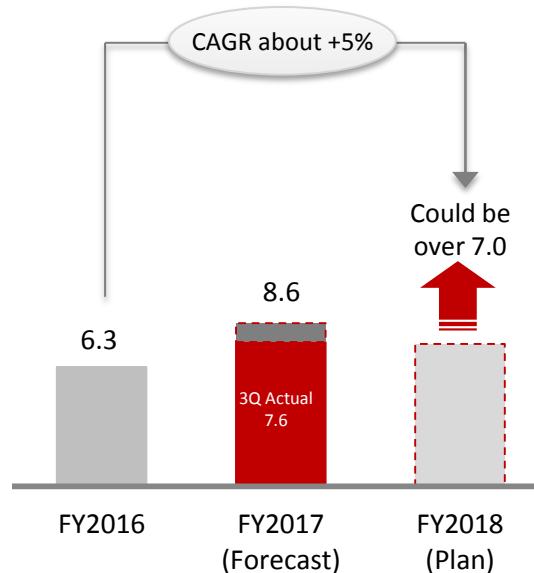
Developed countries (North America and Europe)

- In 3Q FY2017, while the impact of hurricanes in North America, earnings increased mainly due to the effect of SI consolidation.
- In FY2018, mainly due to further contribution of SI, could outperform the targets.



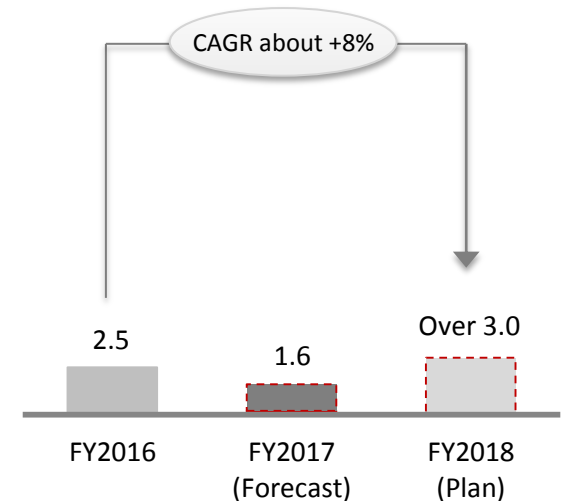
Asia & Middle East

- In 3Q FY2017, favorable L/R and investment income of SJ Sigorta (Turkey) contributed to profit expansion.
- In FY2018, aim to out perform the targets centered on strong SJ Sigorta.



Latin America

- While in 3Q FY2017 lowering earnings mainly due to a downturn in the performance of specific policies, implemented changes in underwriting conditions.
- In FY2018, by the Initiatives for further optimizing underwriting and cost reduction, etc. plan to increase in profit.



* FY2017 includes a decrease in tax expenses in connection with the reorganization of SI.

* 3Q FY2017 actual: +¥0.2 billion

Blank page

1. Mid-term management plan

P1

- (1) Key points of management plan P1
- (2) Business strategies for each business segment P11
- (3) ERM, capital policy & asset management P28

2. About SOMPO Holdings

P35

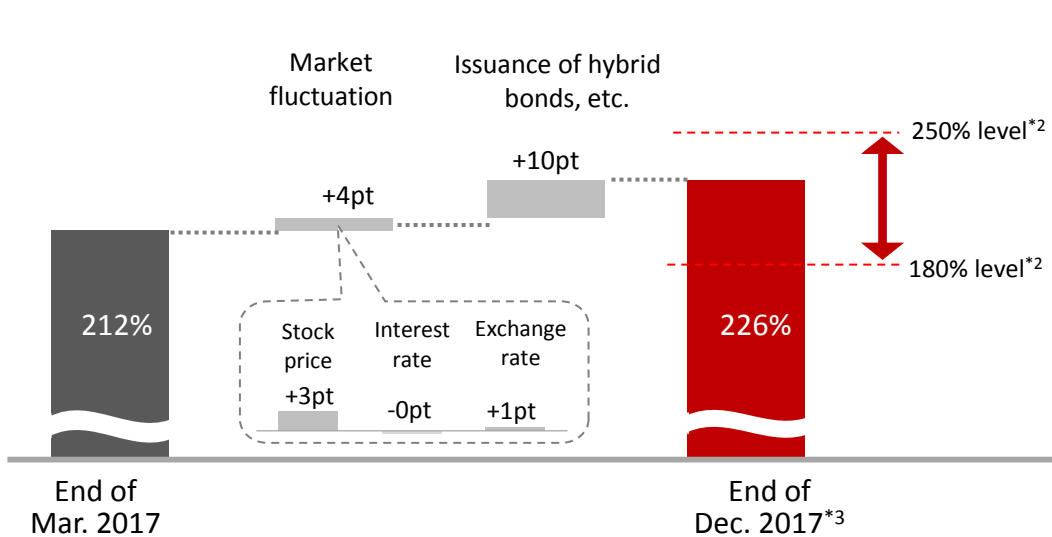
Appendix

P39

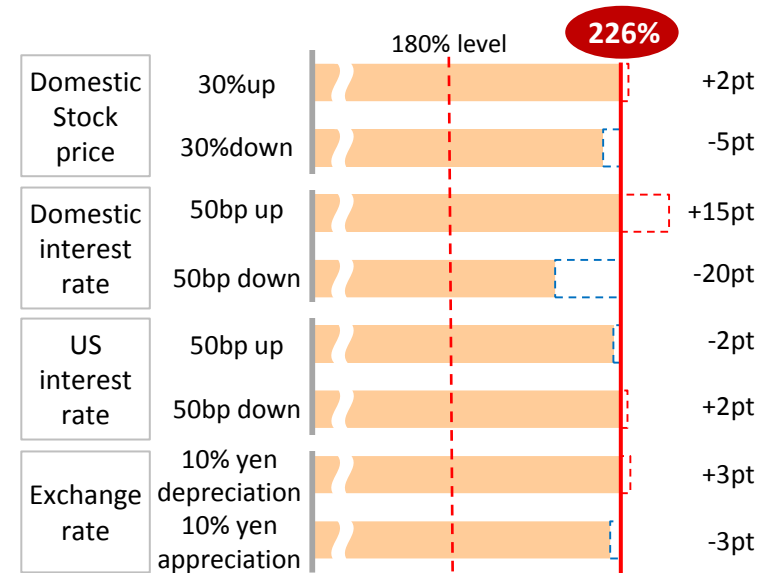
Financial Soundness – ESR (99.5%VaR)

◆ Consistently maintained a robust financial base, based on steady execution of the Mid-Term Management Plan.

Trend of ESR (99.5%VaR)*1



Sensitivity of ESR (99.5%VaR)



*1 In accordance with Solvency II

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

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

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

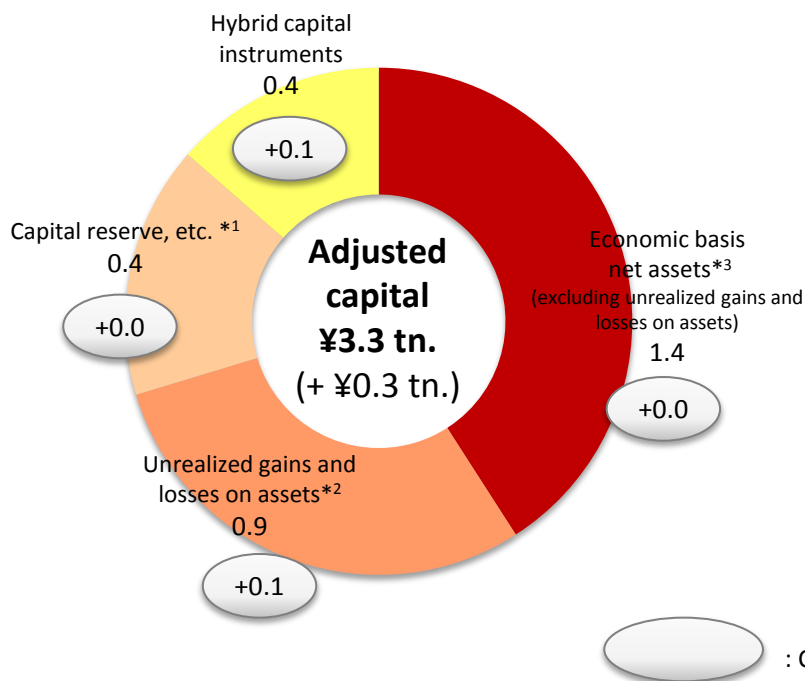
*3 (Reference) ESR (99.95%VaR) at the end of December 2017: 158%
(Target range under this standard was around 120% to 170%)

(Reference) Market indicators	End of Mar. 2017	End of Dec. 2017	
Domestic stock price (Nikkei 225)	¥18,909	¥22,765	(+20.4%)
Domestic interest rate (30y JGB)	0.85%	0.81%	(-4bp)
US interest rate	2.39%	2.41%	(+2bp)
Exchange rate (JPY/USD)	¥112.19/USD	¥113.00/USD	(+0.7%)
Exchange rate (JPY/EUR)	¥119.79/EUR	¥134.94/EUR	(+12.6%)

(Reference) Breakdown of Adjusted Capital and Risk (99.5% VaR)

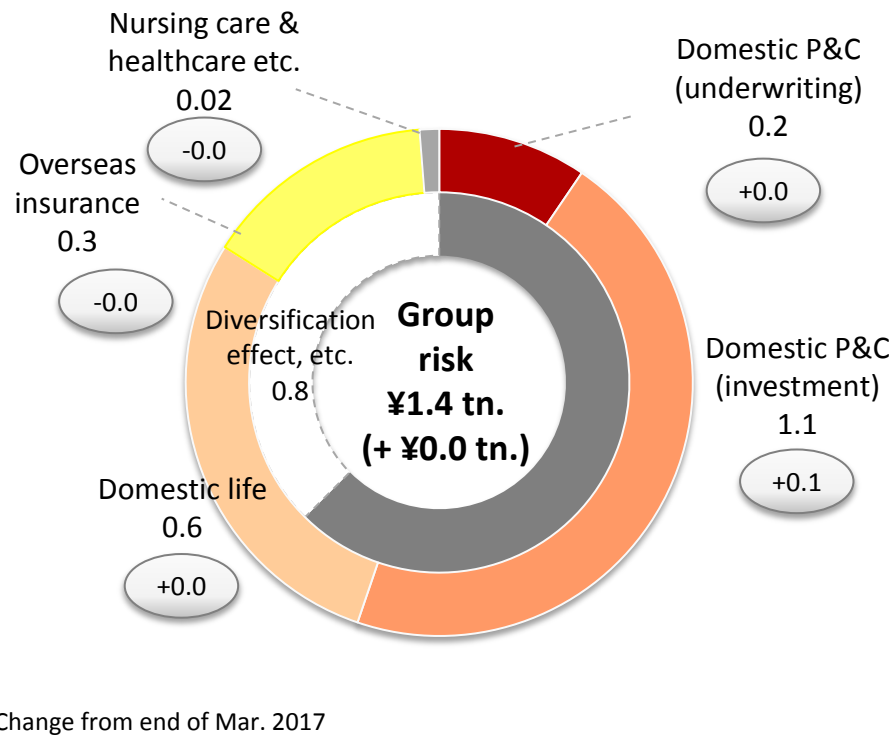
Adjusted capital (Trillions of yen)

(End of Dec 2017)



Risk amount*4 (Trillions of yen)

(End of Dec 2017)



*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.

*4 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.

(Reference) 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

Blank page

Asset Management

- ◆ Remain unchanged policy to keep reducing strategic-holding stocks.
- ◆ Policy of promoting ALM, considering characteristics of liability, liquidity, safety, etc.

Status of asset management

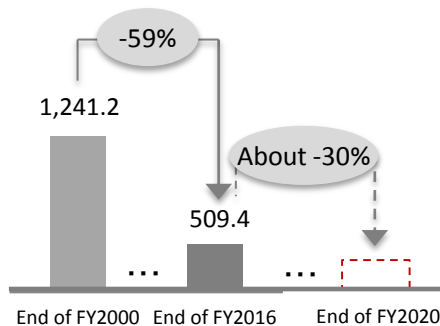
<Balance of investment assets (Trillions of yen)> *end of December 2017, group-wide basis

Reduction of strategic-holding stocks

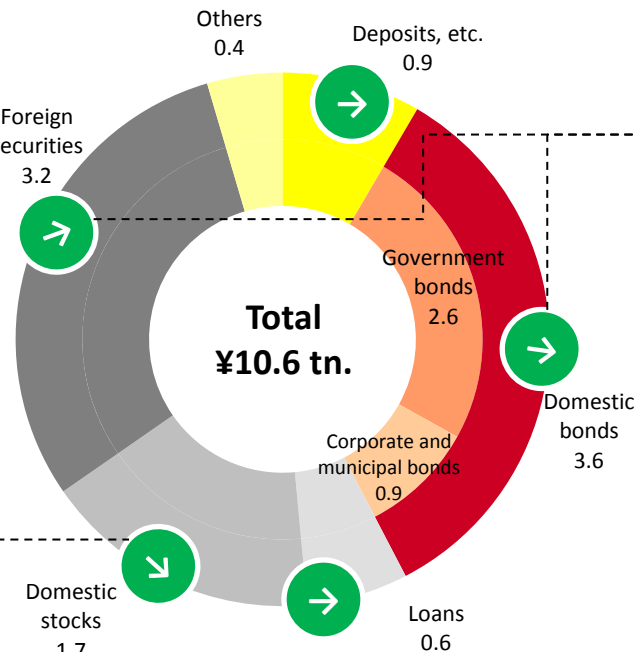
Plan to reduce ¥100 billion per annum on fair value basis.
* By 3Q FY2017, reduced ¥97.4 billion (including hedges)

Balance of strategic-holding stocks on book value (Plan and actual)

(Billions of yen)



* End of 3Q 2017: balance ¥486.1 billion

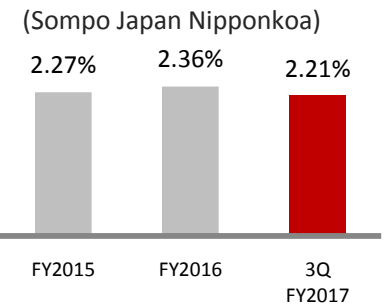


● Arrow is image of direction of asset allocation.

Measures for low interest rate

- Diversify investments, such as foreign currency assets.
- Sophisticate asset management, such as growth investment, monitoring credit risk

Income yield*

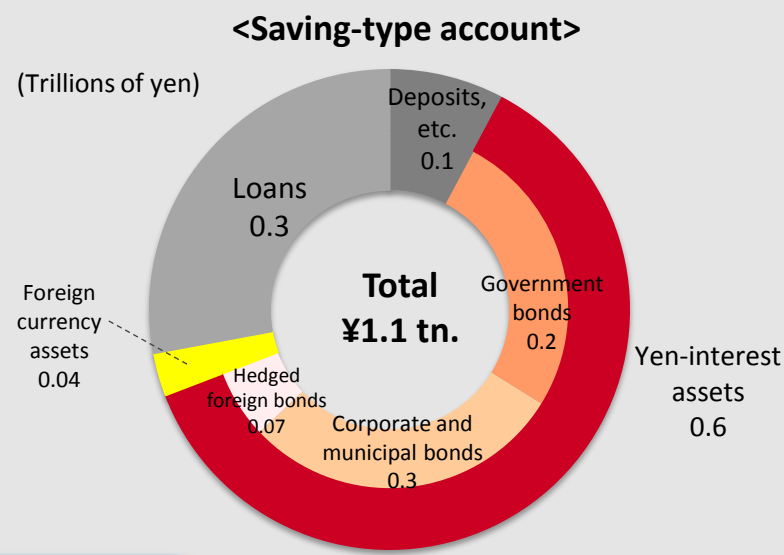
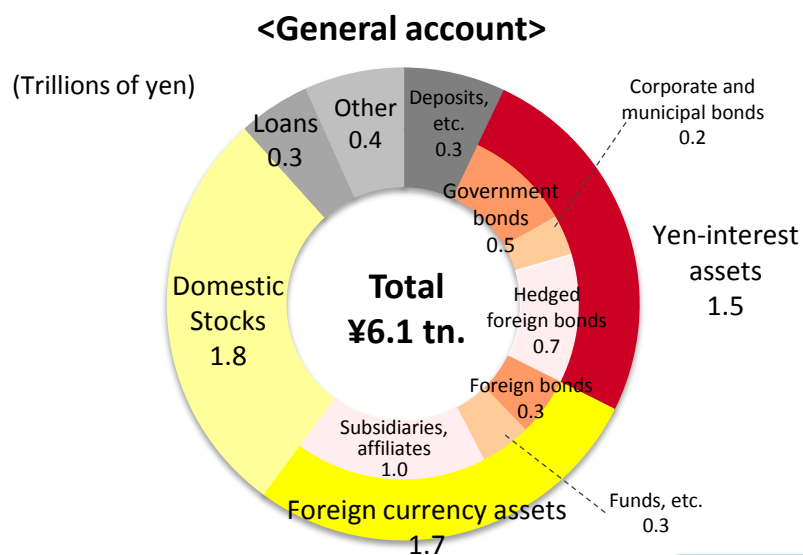


* Excluding group companies' stocks, etc.

Asset Portfolio – Sompo Japan Nipponkoa

- ◆ The general account is managed with diversified investments while the saving-type account utilizes portfolio management based on ALM.
- ◆ While diversifying investment methods, considering the risk-return balance in light of the domestic low interest rate environment, keep focusing on stability of asset management.

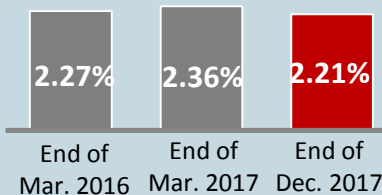
Amount of investment assets (end of December 2017, Sompo Japan Nipponkoa, non-consolidated)



Composition by ratings*1

Internal rating	Composition
BBB or above	100.0%
BB or below	0.0%

Trend of income yield*2



Composition by ratings*1

Internal rating	Composition
BBB or above	100.0%
BB or below	-

Duration (years)

	End of Mar. 2017	End of Dec 2017
Asset	4.5	4.4
Liability	6.2	5.8

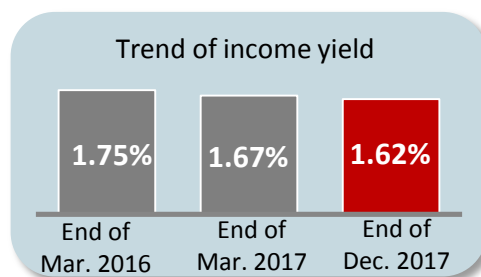
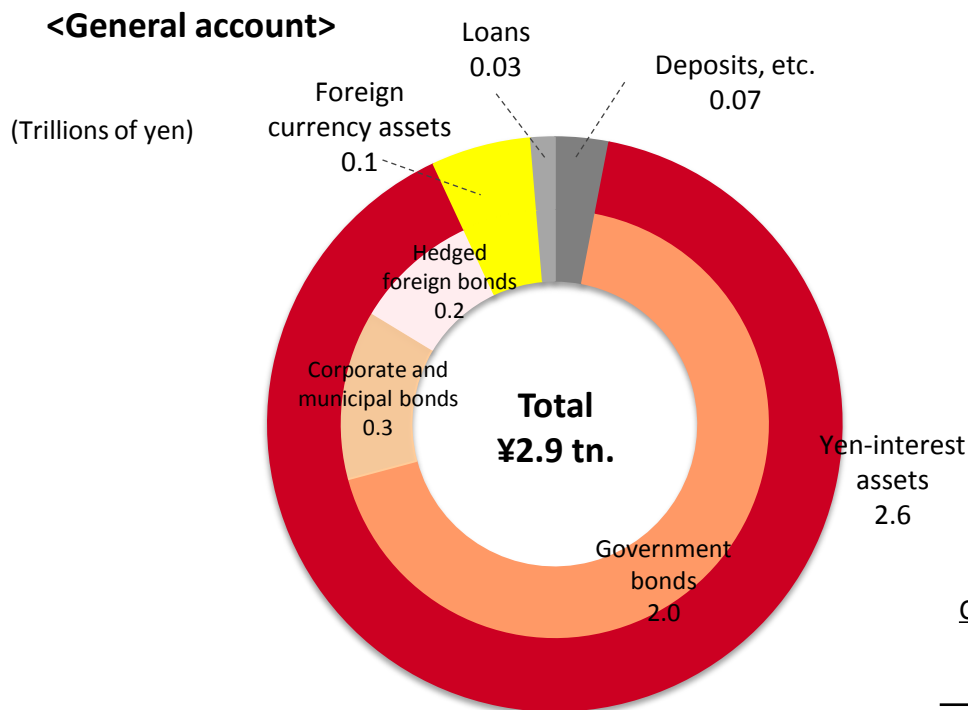
*1 Total of yen-interest assets and foreign currency assets

*2 Excluding overseas subsidiaries' shares, etc.

Asset Portfolio – Himawari Life

- ◆ Manage the portfolio through disciplined ALM, which mainly consists of yen-interest assets.
- ◆ Slightly increased allocation to foreign currency assets, in light of the domestic low interest rate environment.

Amount of investment assets (end of December 2017, Himawari Life, non-consolidated)



Composition by ratings*

Internal rating	Composition
BBB or above	100.0%
BB or below	-

Duration (years)

	End of Mar. 2017	End of Dec. 2017
Asset	13	13
Liability	21	23

(Reference) Amount of separate account (End of Dec. 2017): ¥24.1 billion
(mainly investment in domestic stocks and bonds in the separate account)

* Total of yen-interest assets and foreign currency assets

1. Mid-term management plan P1

(1) Key points of management plan P1

(2) Business strategies for each business segment P11

(3) ERM, capital policy & asset management P28

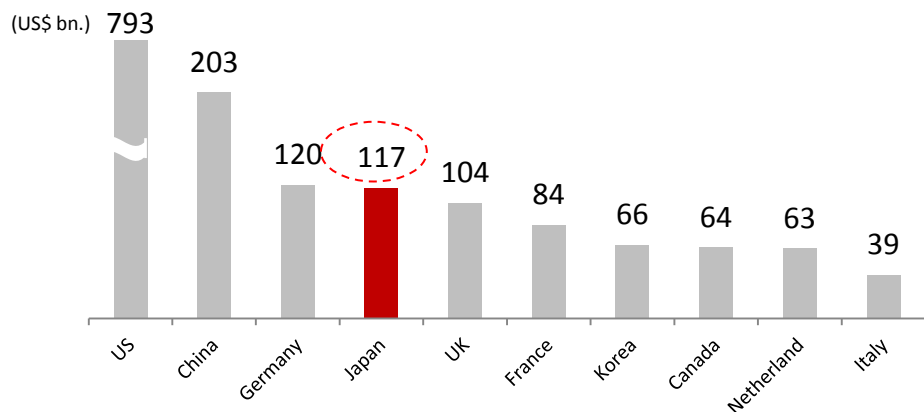
2. About SOMPO Holdings P35

Appendix P39

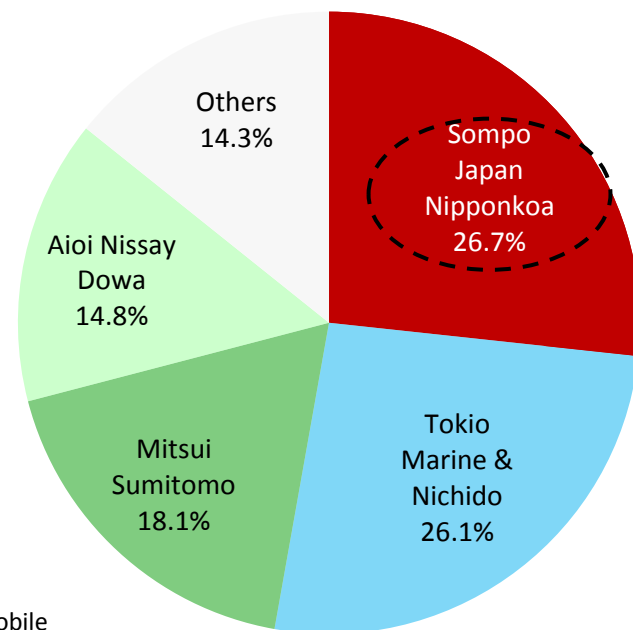
Overview of the Japanese P&C Insurance Market and our Position

- ◆ The market Premiums have been growing mainly in automobile insurance. The total market share of the top 4 companies is approximately 90%.
- ◆ Sompo Japan Nipponkoa has the largest share in the Japanese P&C insurance market.

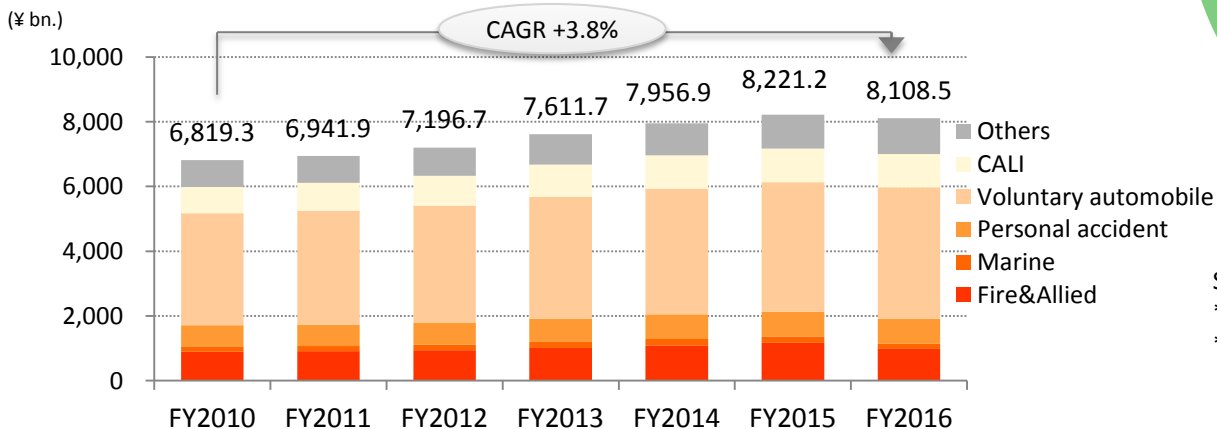
Size of P&C insurance market by country*1 (FY2016)



Market share in the Japanese P&C insurance market*2 (FY2016)



Historical premiums in the Japanese P&C insurance market*2



Source: Swiss Re "Sigma Report", Hoken Kenkyujo "Insurance".
 *1 Gross premiums, including reinsurance premiums
 *2 Based on net premiums of P&C insurers in Japan excluding reinsurance companies

Overview of SOMPO Holdings

- ◆ Positioning the Sampo Japan Nipponkoa as the core, SOMPO Holdings develops insurance businesses at home and abroad, etc.
- ◆ Ordinary income amounted to over ¥3.4 trillion and total assets amounted to around ¥12 trillion.

Group at a glance



Domestic P&C

- Sampo Japan Nipponkoa
- Saison Automobile & Fire
- Sonpo 24
- Insurance Service
- DC Securities
- Risk Management & Healthcare

Domestic Life

- Himawari Life

Nursing care & healthcare business, etc.

- SOMPO Care Message
- SOMPO Care Next
- Asset management business
- Assistance business, etc.

Overseas insurance

- SI (Endurance)
- Sampo Seguros (Brazil)
- Sampo America (US)
- SJ Sigorta (Turkey)
- Berjaya Sampo (Malaysia)
- Sampo Singapore, etc.

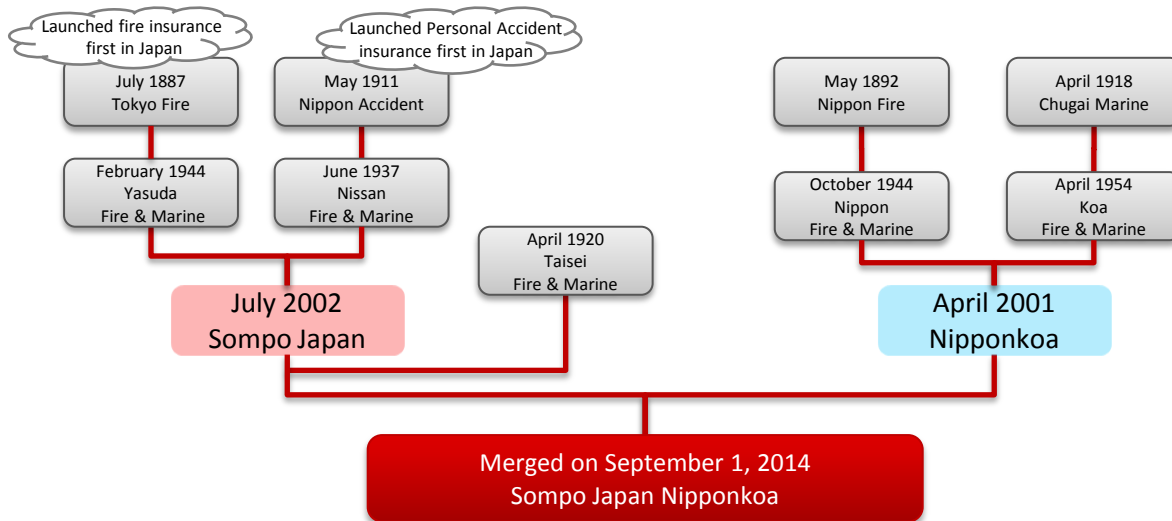
Selected financial data (Consolidated)

(¥ bn.)	FY2015	FY2016	FY2017 (Forecasts)
Consolidated Ordinary Income	3,256.1	3,419.5	-
Consolidated Ordinary Profit (Loss)	216.8	241.7	189.0
Consolidated Net Income (Loss)	159.5	166.4	152.0
Total Assets	10,186.7	11,931.1	-
Total Net Assets	1,652.8	1,868.9	-
Market Capitalization	1,288.4	1,607.1	-

Overview of Sompo Japan Nipponkoa

◆ We have 130 years of history, and net premiums written amount to around ¥2.2 trillion.

History of domestic P&C insurance



Selected financial data

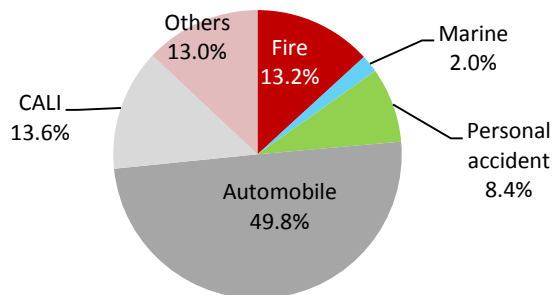
(¥ bn)	FY2015	FY2016	FY2017 (Forecasts)
Net Premiums	2,218.4	2,165.6	2,174.0
Ordinary Profit (Loss)	178.0	230.4	202.0
Net Income (Loss)	126.2	164.4	185.0
Total Assets	7,036.2	7,568.7	-
Total Net Assets	1,324.8	1,455.2	-
Combined Ratio	95.3%	95.2%	96.4%

Credit Ratings (As of February 2018)

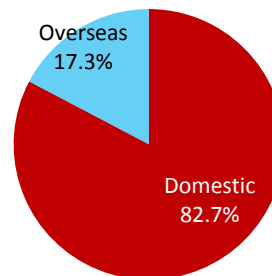
Moody's	S&P	R&I	JCR	A.M. Best
A1 (Stable)	A+ (Stable)	AA (Stable)	AA+ (Stable)	A+ (Stable)

Premiums in FY2016

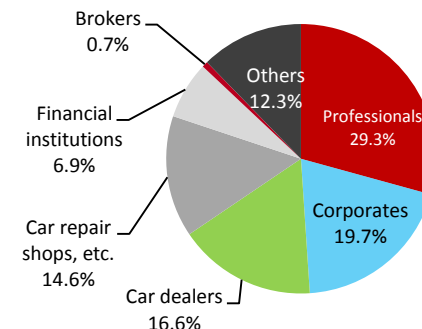
By products (Net premiums)



Domestic vs. Overseas*1 (Net premiums)



By distribution channel*2 (Gross premiums)



*1 Overseas net premiums = Net premiums of overseas subsidiaries + Net premiums from overseas insurance contracts of Sompo Japan Nipponkoa

*2 Gross premium on a performance evaluation basis, excluding saving-type insurance.

"Professionals", "Corporates", "Car dealers", "Car repair shops, etc.", "Financial institutions" and "Others" are all agents.

1. Mid-term management plan P1

(1) Key points of management plan P1

(2) Business strategies for each business segment P11

(3) ERM, capital policy & asset management P28

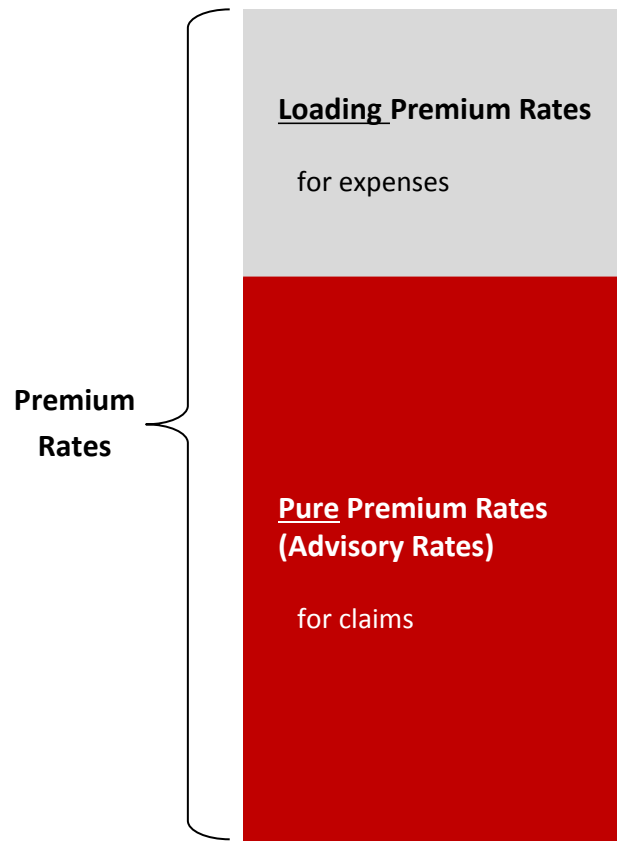
2. About SOMPO Holdings P35

Appendix

P39

(Domestic P&C) Advisory Rating System in Japan

- ◆ Advisory rates are pure premium calculated based on a wide range of statistics, and member insurance companies*¹ refer them when calculating their own premiums.
- ◆ The advisory rating system functions as a profit stabilizer.



Advisory Pure Premium Rates

- Calculated for: fire insurance, personal accident insurance, automobile insurance, etc.
- Calculated by the GIROJ.*²
- The GIROJ collects large quantities of data from member insurance companies.
- The GIROJ uses statistical approach to calculate the advisory pure premium rates and present it to member insurance companies.
- Member insurance companies can use the advisory pure premium rates with respect to the pure premium rates as a basis of calculating their own premium rates.
- The GIROJ annually reviews whether the current advisory pure premium rates are at an appropriate level and reports the result to FSA. If they are judged to be inappropriate, the advisory rates are promptly recalculated.

*¹ Member companies of the General Insurance Association of Japan

*² General Insurance Rating Organization of Japan

(Overseas insurance) Business Results of Group subsidiaries

(Billions of yen)		Net premiums written (FY2017)			Adjusted profit (FY2017)			Key points	(Reference) Exchange rate	
		3Q Actual	Change	forecasts	3Q Actual	Change	forecasts		Sep. 2017 (YoY Change)	
North America	Sompo America	16.2	+2.4	21.9	1.9	-0.5	1.9	Basically in line with the plan.	112.73 JPY/USD	(+11.5%)
	SI (Endurance)	247.8	+247.8	302.0	45.4	+45.4	60.4	While the effects of hurricanes in North America ^{*1} , a decrease in tax expenses in connection with reorganization materialized.	112.73 JPY/USD	(+11.5%)
Europe	SJNK Europe	0.9	+0.3	1.1	0.4	-0.1	0.2	Basically in line with the plan.	151.37 JPY/GBP	(+15.5%)
	Sompo Canopus	102.0	+6.8	112.0	-15.9	-20.2	-9.6	The impact of hurricanes in North America ^{*1} and wild fires in California.	112.73 JPY/USD	(+11.5%)
Asia & Middle East	SJ Sigorta (Turkey)	35.9	-7.1	45.8	6.0	+3.5	7.8	The bottom line progressed above forecast, supported by an improving loss ratio and investment gains in step with growth in investment assets.	31.73 JPY/TRY	(-5.6%)
	Sompo Singapore	5.1	+0.9	7.4	1.2	+0.0	1.0	The loss ratio trended favorably.	83.05 JPY/SGD	(+12.2%)
	Berjaya Sompo (Malaysia)	8.4	+0.8	12.9	0.6	-0.2	0.6	Basically in line with the plan.	26.66 JPY/MYR	(+9.0%)
	Sompo Indonesia	3.6	+1.5	7.4	0.0	-0.3	-0.1	Basically in line with the plan.	0.0084 JPY/IDR	(+7.7%)
	Sompo China NK China	3.8	+0.4	5.5	-0.2	-0.0	-0.7	While the impact of Typhoon No.13, basically in line with the plan.	16.96 JPY/RMB	(+12.0%)
	Sompo Hong Kong	2.6	+0.1	3.6	0.3	+0.1	0.4	Basically in line with the plan.	14.43 JPY/HKD	(+10.7%)
	Universal Sompo (India)	3.3	+1.2	3.6	0.2	+0.1	0.2	Basically in line with the plan.	1.73 JPY/INR	(+13.8%)
Latin America	Sompo Seguros (Brazil)	76.1	+14.4	106.7	0.0	-1.1	1.4	The bottom line is improving, following the execution of measures to improve the loss ratio, including changes in underwriting conditions.	35.43 JPY/BRL	(+14.2%)
Other (non-consolidated) ^{*2}		4.5	-0.7	5.7	-0.4	-1.0	-0.5	-	-	-
Total		511.0	+271.5	636.3	39.8	+26.0	63.1	-	-	-

*1 The impact of hurricanes in North America (less net loss attributable to non-controlling shareholders, etc.)

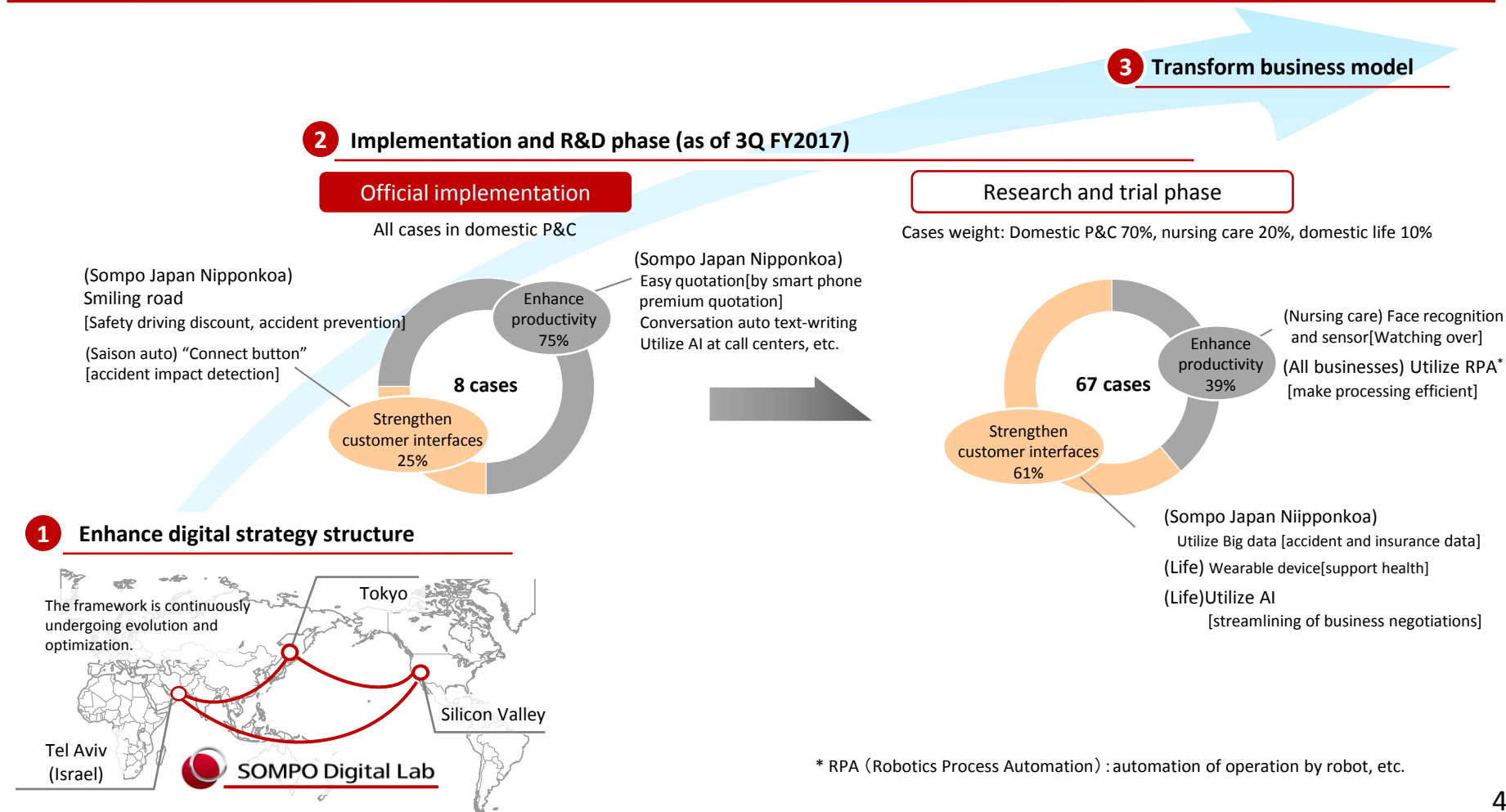
net incurred losses: SI ¥43.4 billion, Sompo Canopus ¥24.4 billion, impact on net income: SI - ¥39.9 billion, Sompo Canopus - ¥20.0 billion

*2 Sum of Sompo Thailand, PGA Sompo (Philippines), United Insurance (Vietnam), and Sompo Mexico. Sompo Indonesia was consolidated from FY2017.

Digital transformation

- ◆ First, implement digital technologies that help to enhance productivity, primarily in the domestic P&C insurance business.
- ◆ Research and trials designed to strengthen customer interfaces, etc., are accelerating, including in the nursing care and domestic P&C insurance businesses.

Development of digital strategy



Governance

- ◆ Achieve both robust governance and agile and flexible execution of operation.
- ◆ Established unique governance structure in overseas insurance business (developed countries).

Governance structure of Sampo Holdings (as of February 1, 2018)

Robust governance

- Diverse plural outside directors
(4 out of 12 directors are outside directors.)
- Voluntary establishment of Nomination and Compensation Committee
(4 out of 5 members are outside directors. Committee is chaired by a outside director)

Proactive engagement of outside directors

- Diverse background: 2 executives, 1 lawyer, and 1 professor
(2 women, 1 non-Japanese)
- Integrating preliminary briefing session and Board of Directors meeting
- 98% of attendance rate (FY2016)



Agile and flexible execution of operation

- Agile decision-making by delegating authority to business owners
- Introduction of CxO* system (April 2017), appointing heads of functions in the group

* CFO (finance), CRO (risk management), CACO (internal control and compliance), CIO (IT system), CDO (digital), CHRO (human resource)

Governance of overseas insurance business (developed countries)

- Out of 3 directors of a management company of business in developed countries, Sampo Holdings sends 2 directors to keep effectiveness of governance.
- Delegating authority to Board of Directors of Sampo International to realize agile decision-making.



Overseas insurance
business owner



Managing Executive Officer
General Manager, Global
Strategy Office



Sampo International
CEO

Overview of 3Q FY2017 Results and Business Forecasts for FY2017 – Consolidated Basis

(Billions of yen)	3Q FY2016	3Q FY2017	Change	FY2017 (Forecasts)	Change (against FY2016)
Consolidated ordinary income	2,503.8	2,856.4	+352.5 (+14.1%)	-	-
Net premiums written (P&C)	1,886.3	2,179.6	+293.3 (+15.6%)	2,854.0	+303.6 (+11.9 %)
Life insurance premiums	231.0	253.8	+22.7 (+9.8%)	337.5	+13.6 (+4.2 %)
Consolidated ordinary profit	165.5	107.4	-58.0	189.0	-52.7
Sompo Japan Nipponkoa	150.8	150.2	-0.6	202.0	-28.4
Himawari Life	12.4	12.2	-0.2	10.0	-2.9
Nursing care (SOMPO Care Message and Care Next)	-1.3	2.4	+3.8	2.9	+4.1
Overseas subsidiaries	15.2	-39.7	-55.0	-23.1	-45.8
Consolidated adjustment ^{*1} /others	-11.7	-17.6	-5.9	-2.7	+20.3
Consolidated net income ^{*2}	109.7	137.2	+27.4	152.0	-14.4
Sompo Japan Nipponkoa	102.6	175.0	+72.4	185.0	+20.5
Himawari Life	8.1	7.8	-0.2	6.0	-2.3
Nursing care (SOMPO Care Message and Care Next)	-2.4	1.4	+3.8	2.0	+4.9
Overseas subsidiaries	12.9	-31.1	-44.1	-16.5	-36.1
Consolidated adjustment ^{*1} /others	-11.5	-15.8	-4.3	-24.4	-1.4
(Reference) Adjusted profit (by business)	132.9	150.1	+17.1	195.0	+11.7
Domestic P&C insurance	97.8	85.2	-12.6	100.2	-34.6
Domestic life insurance	22.2	22.6	+0.4	28.0	-1.1
Nursing care & healthcare, etc.	-0.9	2.4	+3.3	3.6	+4.3
Overseas insurance	13.8	39.8	+26.0	63.1	+43.2

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

*2 Consolidated net income denotes net income (loss) attributable to shareholders of the parent. (The same shall apply hereafter.)

Overview of 3Q FY2017 Results and Business Forecasts for FY2017 – Major Subsidiaries

Sompo Japan Nipponkoa

(Billions of yen)	3Q FY2016	3Q FY2017	Change	FY2017 (Forecasts)	Change (against FY2016)
Net premiums written	1,618.8	1,636.1	+17.3 (+1.1%)	2,174.0	+ 8.3(+0.4%)
(excl. CALI, household earthquake)	1,398.8	1,412.3	+13.5 (+1.0%)	1,882.7	+ 13.1(+0.7%)
Net premiums earned (excl. CALI, household earthquake)	1,410.8	1,413.1	+2.3 (+0.2%)	1,882.8	-0.8 (-0.0%)
Loss ratio	63.2%	64.0%	+0.9pt	64.3%	+1.1pt
(excl. CALI, household earthquake)	59.3%	61.6%	+2.3pt	61.6%	+1.8pt
E/I loss ratio (excl. CALI, household earthquake)	59.1%	60.7%	+1.6pt	61.1%	+1.6pt
Net expense ratio	31.9%	32.1%	+0.1pt	32.1%	+0.1pt
(excl. CALI, household earthquake)	33.7%	33.8%	+0.1pt	33.7%	+0.0pt
Combined ratio	95.1%	96.1%	+1.0pt	96.4%	+1.2pt
(excl. CALI, household earthquake)	92.9%	95.3%	+2.4pt	95.3%	+1.8pt
Underwriting profit	85.8	94.6	+8.7	109.0	-3.4 (-3.1%)
Investment profit	79.2	71.3	-7.9	109.3	-22.9 (-17.4%)
Ordinary profit	150.8	150.2	-0.6	202.0	-28.4 (-12.4%)
Net income	102.6	175.0	+72.4	185.0	+20.5 (+12.5%)
Adjusted profit	100.1	86.6	-13.4	104.5	-33.9 (-24.5%)

Himawari Life

(Billions of yen)	3Q FY2016	3Q FY2017	Change	FY2017 (Forecasts)	Change (against FY2016)
Annualized new premium	32.9	26.5	-6.3	40.0	- 10.2 (- 20.4%)
Premium and other income	304.6	319.6	+15.0	439.3	+ 19.8 (+ 4.7%)
Investment profit (general account)	32.0	32.5	+0.4	44.0	+ 0.6 (+ 1.6%)
Ordinary profit	15.7	15.4	-0.3	13.9	- 2.9 (- 17.4%)
Net income	8.1	7.8	-0.2	6.0	- 2.3 (- 27.9%)
Adjusted profit	22.2	22.6	+0.4	28.0	- 1.1 (- 3.8%)

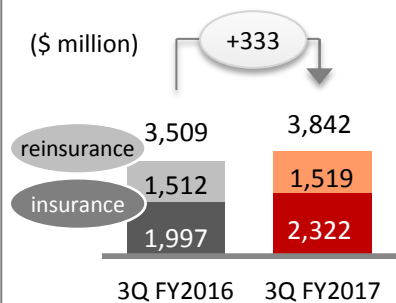
Overview of 3Q FY2017 Results and Business Forecasts for FY2017 - SI (Endurance)

(\$ million)	3Q FY2016	3Q FY2017	Change	FY2017 (Forecasts)
Gross premiums written				
Gross premiums written	3,509	3,842	+333	4,711
Net premiums written	2,005	2,198	+192	2,679
Net premiums earned	1,762	1,854	+91	2,480
Net losses and loss expenses	950	1,628	+677	1,938
Expense	567	605	+37	819
Loss ratio	53.9%	87.8%	+33.9pt	78.2%
Expense ratio	32.2%	32.7%	+0.5pt	33.0%
Combined ratio	86.1%	120.5%	+34.4pt	111.2%
Underwriting income	242	-438	-680	-334
Net investment income	117	160	+43	213
Net income (After Preferred dividend)	313	-256	-569	-166
+) Net foreign exchange gains	-63	10	+71	-
+) Net realized and unrealized gains	-33	-15	+18	14
+) Net impairment losses	10	1	-8	-
+) Income tax expense	14	-6	-20	-
+) One-time merger cost	-	57	+57	57
Operating Income	242	-207	-449	-94
+) a decrease in tax expenses in connection with reorganization, etc.	-	643	+643	630
Adjusted profit	242	435	+193	536

Gross premiums written

Steadily expanding mainly in insurance business

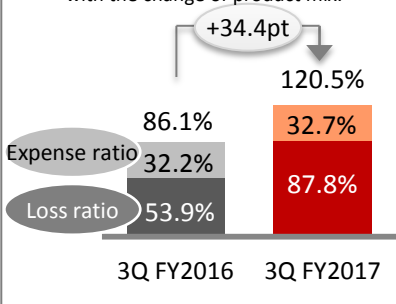
(\$ million)



Category	3Q FY2016	3Q FY2017
reinsurance	1,512	1,519
insurance	1,997	2,322
Total	3,509	3,842

Combined ratio

Mainly due to the impact of a rising loss ratio by hurricanes in North America and higher commission outlays in line with the change of product mix.



Category	3Q FY2016	3Q FY2017
Expense ratio	32.2%	32.7%
Loss ratio	53.9%	87.8%
Total	86.1%	120.5%

Higher commission outlays in line with the change of product mix.

Impact of hurricane in North America.
Loss ratio: +26.0pt
Underwriting profit: -469

*One-time merger cost is excluded as a special factor in expense, expense ratio, and combined ratio.

*The denominator of loss ratio and combined ratio is net premium earned.

(Reference) Timing of recognizing net premiums earned in crop insurance (Seasonality)

1Q:10-15% 2Q: 25-30% 3Q:30-35% 4Q:25-30%

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



Sampo Holdings, Inc.

Investor Relations Team, Office of Group CEO

Telephone : +81-3-3349-3913
Fax : +81-3-3349-6545
E-Mail : ir@sampo-hd.com
URL : <http://www.sampo-hd.com/en/>