



**SOMPO
HOLDINGS**

Innovation for Wellbeing

Highlights of 1H FY2017 Results

November 17, 2017
Sompo Holdings, Inc.



- Hello. I'm Yukinori Kuroda, Head of Investor Relations at Sompo Holdings.
- Thank you for participating in our conference call today.
- I would like to go through our business results for 1H FY2017 and our revised business forecasts for FY2017.
- The presentation materials and a data book in Excel file format have also been posted to our corporate website. Please take a look at these materials at your convenience.
- Let's now turn to page 2.

Table of Contents

Highlights of 1H FY2017 results	2	3. Domestic life insurance	
1. Trend of business results		Overview of 1H FY2017 results – Himawari Life	28
Overview of 1H FY2017 results – consolidated basis	4	Net income – J-GAAP	29
Main points of consolidated results – (1) Underwriting profit	5	Adjusted profit and adjusted net assets – Himawari Life	30
Main points of consolidated results – (2) Ordinary profit	6	4. Nursing care & healthcare, etc.	
Main points of consolidated results – (3) Net income	7	Overview of 1H FY2017 results – Nursing care & healthcare, etc.	32
Business forecasts for FY2017 – consolidated basis	8	Residents and occupancy rate of nursing care business	33
Main points of revised business forecasts for FY2017	9	5. Overseas insurance	
(Reference) Breakdown of business forecasts for FY2017	10	Overview of 1H FY2017 results – Overseas insurance	35
Outlook for consolidated net income in 2H FY2017	11	(Reference) The impact of hurricanes in North America, etc.	36
(Reference) Numerical management targets, etc.	12	Business results by region	37
2. Domestic P&C insurance		(Reference) Business results by company	38
Overview of 1H FY2017 results – Sompo Japan Nipponkoa	14	(Reference) Overview of business results of SI (Endurance)	39
Net premiums written	15	6. ERM & asset management	
Loss ratio (W/P)	16	Financial soundness – ESR (99.5% VaR)	41
Loss ratio (E/I)	17	(Reference) Breakdown of adjusted capital and risk (99.5% VaR)	42
Net expense ratio	18	Asset portfolio – group-wide	43
Combined ratio	19	Asset portfolio – Sompo Japan Nipponkoa	44
Investment profit	20	Asset portfolio – Himawari Life	45
(Reference) Breakdown of investment profit	21		
(Reference) Business forecasts for FY2017 – Sompo Japan Nipponkoa	22		
(Reference) Assumption of business forecasts for FY2017	23		
(Reference) Related indicators of automobile insurance	24		
(Reference) Domestic natural disasters	25		
(Reference) Fund and reserve	26		

Highlights of 1H FY2017 Results



- ◆ Consolidated net income for 1H FY2017 decreased ¥41.5 billion to ¥ 1.9 billion, mainly due to the impact of hurricanes in North America.
- ◆ Full-year business forecasts were adjusted to reflect recent conditions. Consolidated ordinary profit is now forecast at ¥189.0 billion, by - ¥70.0 billion below the previous forecasts, and Consolidated net income is now forecast at ¥152.0 billion, by - ¥31.0 billion below the previous forecast.

1H FY2017 Actual

- The top-line increased due to higher net premiums written at Sampo Japan Nipponkoa and the start of the consolidation of the profit/loss of SI (Endurance).
- Business progressed largely as planned in the domestic P&C insurance business. Meanwhile, the E/I loss ratio rose 3.3 points to 61.2%, mainly due to the one-time impact of hurricanes in North America and large losses.
- The impact of hurricanes in North America at SI and Canopiuis was included in the results for 1H FY2017 actual*¹. The resulting impact on consolidated net income was - ¥57.6 billion.
- Progress in the domestic P&C insurance business and the nursing care business was steady.
- The reduction in strategic-holding stocks (including hedges) amounted to ¥81.0 billion, progressing largely as planned.

FY2017 Forecast

- Based on consideration of current conditions, business forecasts were adjusted to reflect factors including extraordinary losses related to the sales of fixed assets, along with the impact of the sale of Canopiuis, which has already been disclosed, and a decrease in tax expenses scheduled to materialize in 2H FY2017 in connection with the reorganization of SI, as well as the impact of hurricanes in North America*².
- Adjusted Consolidated profit, which represents funds available for shareholder returns, is projected at ¥195.0 billion, ¥9.9 billion below the previous forecast (an increase + ¥11.7 billion (YoY)).

*1 See page 8 for the detail.
*2 See page 36 for the detail.

- I'd like to begin with the highlights of our 1H FY2017 results.
- Consolidated net income for 1H FY2017 decreased ¥41.5 billion to ¥1.9 billion.
- The main reason was that the impact of hurricanes that struck North America in August and September was included in the results for 1H FY2017 actual in the amount of ¥57.6 billion at overseas insurance subsidiaries.
- Excluding the impact of the hurricanes in North America, business progressed largely as planned. Various measures including the reduction in strategic-holding stocks were implemented as planned. In addition, Himawari Life and the nursing care business performed steadily.
- Meanwhile, we revised our business forecasts for FY2017. The main points of the revisions concern Sampo International and the former Endurance, as well as the impact of the hurricanes in North America. The business forecasts reflect factors including the positive effect of a decrease in tax expenses in connection with the reorganization of SI, and certain negative impacts following the decision to sell Canopiuis.
- After these revisions, consolidated net income is now forecast at ¥152.0 billion, ¥31.0 billion below the previous forecast. Adjusted consolidated profit, which represents funds available for shareholder returns, is forecast to increase ¥11.7 billion year on year, despite falling ¥9.9 billion short of the previous forecast. We thus expect adjusted consolidated profit to continue growing in year-on-year terms.
- Please turn to page 4.

1. Trend of business results

2. Domestic P&C insurance

3. Domestic life insurance

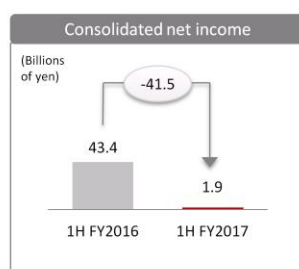
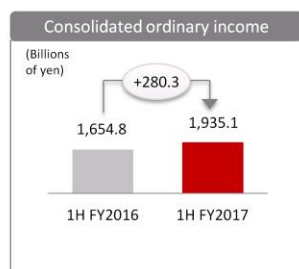
4. Nursing care & healthcare, etc.

5. Overseas insurance

6. ERM & asset management

Overview of 1H FY2017 Results – Consolidated Basis

- ◆ The top-line increased due to higher net premiums written at Sampo Japan Nipponkoa and the start of the consolidation of the profit of SI (Endurance).
- ◆ Consolidated ordinary profit and consolidated net income both decreased, but the performance trend excluding the impact of hurricanes in North America was largely in line with plan.



(Billions of yen)	1H FY2016	1H FY2017	Change
Consolidated ordinary income	1,654.8	1,935.1	+280.3(+16.9%)
Net premiums written (P&C)	1,279.5	1,498.8	+219.2(+17.1%)
Life insurance premiums	152.3	168.4	+16.1(+10.6%)
Consolidated ordinary profit	70.0	3.7	-66.2
Sampo Japan Nipponkoa	62.1	47.5	-14.5
Himawari Life	7.0	6.7	-0.2
Nursing care (SOMPO Care Message and Next)	-0.8	1.7	+2.5
Overseas insurance subsidiaries	7.7	17.9	+10.2
Consolidated adjustment ^{*1} /Others	-6.1	-70.3	-64.2
Consolidated net income ^{*2}	43.4	1.9	-41.5
Sampo Japan Nipponkoa	41.2	32.4	-8.7
Himawari Life	4.5	4.2	-0.2
Nursing care (SOMPO Care Message and Next)	-1.8	0.9	+2.8
Overseas insurance subsidiaries	6.7	17.1	+10.4
Consolidated adjustment ^{*1} /Others	-7.1	-53.0	-45.8
(Reference) Adjusted profit (by business)	77.0	29.9	-47.0
Domestic P&C insurance	57.1	48.9	-8.1
Domestic life insurance	14.1	14.7	+0.5
Nursing care & healthcare, etc.	-1.4	1.5	+2.9
Overseas insurance	7.1	-35.2	-42.4

*1 "Purchase method" accounting was adopted upon the establishment of Sampo 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.)

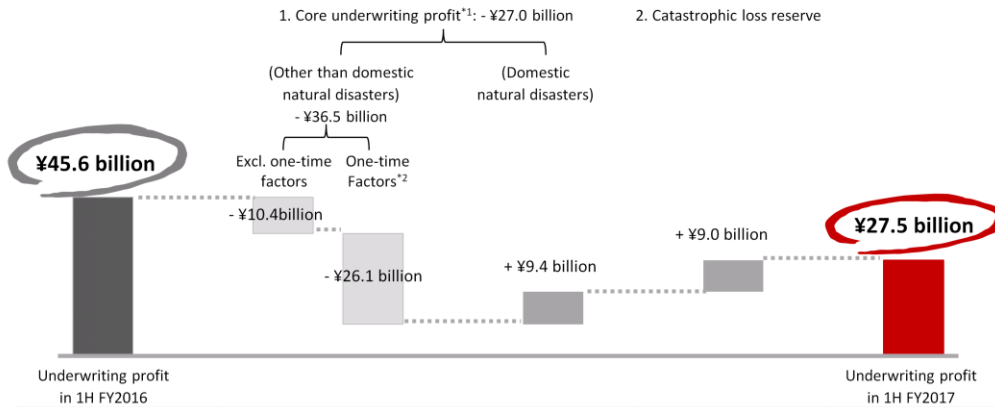
- Please refer to this page for an overview of our consolidated results for 1H FY2017.
- The top-line increased mainly due to higher net premiums written at Sampo Japan Nipponkoa and the start of consolidation of the profit of Sampo International.
- Meanwhile, consolidated ordinary profit and consolidated net income both decreased, mainly as the impact of hurricanes in North America at overseas insurance subsidiaries were included in the results for 1H FY2017 actual as the consolidated adjustment.
- In the following pages, I will discuss the main factors behind these results.
- Please turn to page 5.

Main Points of Consolidated Results – (1) Underwriting Profit



◆ Progressed as expected, excluding one-time factors.

Changing factors of underwriting profit (Sompo Japan Nipponkoa)



	1. Core underwriting profit		2. Catastrophic loss reserve	Underwriting profit
	(Other than domestic natural disasters)	(Domestic natural disasters)		
1H FY2016 Actual	¥108.7 billion	- ¥35.0 billion	- ¥28.0 billion	¥45.6 billion
1H FY2017 Actual	¥72.1 billion	- ¥25.6 billion	- ¥18.9 billion	¥27.5 billion

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

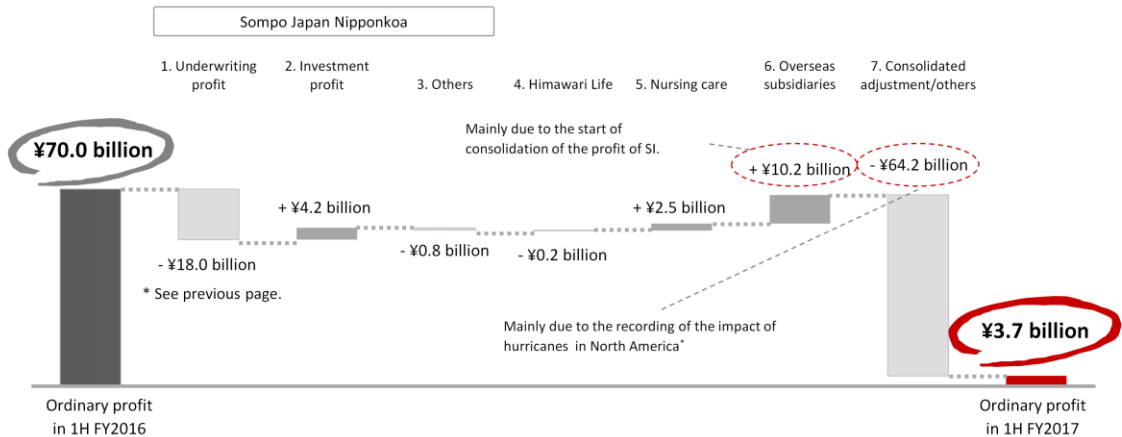
*2 The main one-time factors were hurricanes in North America (- ¥5.1 billion), the impact of reserve for outstanding losses and claims , etc. due to exchange rate (- ¥7.3 billion), and large losses (- ¥13.6 billion).

- This page shows the status of underwriting profit.
- Underwriting profit decreased by ¥18.0 billion to ¥27.5 billion. This decrease was mainly due to one-time factors including an impact of ¥5.1 billion from hurricanes in North America at Sompo Japan Nipponkoa, the impact of reserve for outstanding losses and claims, etc. due to exchange rate, and large losses.
- These factors were partly offset by a decline in domestic natural disasters.
- Please turn to page 6.

Main Points of Consolidated Results – (2) Ordinary Profit

◆ Consolidated ordinary profit decreased ¥66.2 billion to ¥3.7 billion, mainly due to the impact of hurricanes in North America.

Changing factors of consolidated ordinary profit



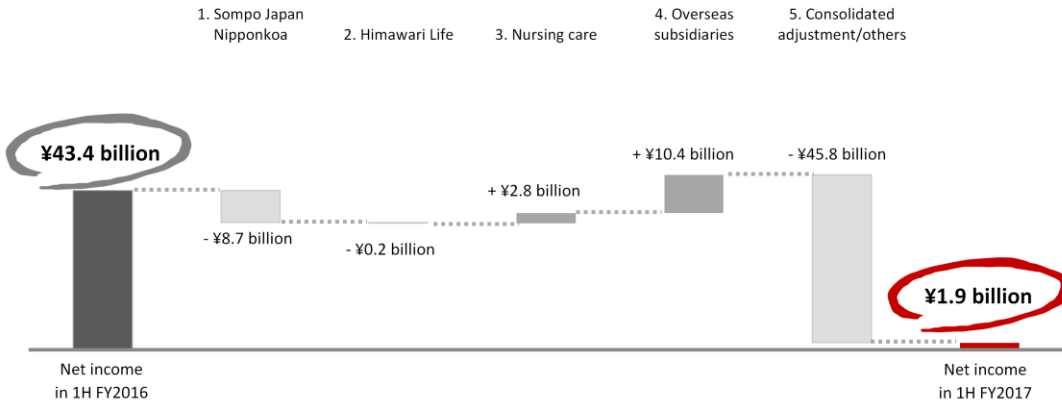
	1. Underwriting profit	2. Investment profit	3. Others	4. Himawari Life	5. Nursing care	6. Overseas subsidiaries	7. Consolidated adjustment/others	Ordinary profit
1H FY2016 Actual	¥45.6 billion	¥25.9 billion	- ¥9.4 billion	¥7.0 billion	- ¥0.8 billion	¥7.7 billion	- ¥6.1 billion	¥70.0 billion
1H FY2017 Actual	¥27.5 billion	¥30.2 billion	- ¥10.2 billion	¥6.7 billion	¥1.7 billion	¥17.9 billion	- ¥70.3 billion	¥3.7 billion

- This page shows consolidated ordinary profit.
- Consolidated ordinary profit was impacted significantly by several factors, including the underwriting profit I just discussed. Apart from underwriting profit, the other significant factors included increased profits at overseas insurance subsidiaries due to the start of consolidation of the profit of Sompo International, and the impact of hurricanes in North America.
- Consolidated ordinary profit for 1H FY2017 decreased ¥66.2 billion to ¥3.7 billion.
- The trend in consolidated net income is shown on page 7. It shows the same tendency.
- Please turn to page 8.

Main Points of Consolidated Results – (3) Net Income

◆ Consolidated net income decreased ¥41.5 billion, to ¥1.9 billion.

Changing factors of consolidated net income



	1. Somo Japan Nipponkoa	2. Himawari Life	3. Nursing care	4. Overseas subsidiaries	5. Consolidated adjustment/others	Net income
1H FY2016 Actual	¥41.2 billion	¥4.5 billion	- ¥1.8 billion	¥6.7 billion	- ¥7.1 billion	¥43.4 billion
1H FY2017 Actual	¥32.4 billion	¥4.2 billion	¥0.9 billion	¥17.1 billion	- ¥53.0 billion	¥1.9 billion

Business Forecasts for FY2017 – Consolidated Basis

- ◆ Business forecasts were adjusted in consideration of current conditions, the impact of North American hurricanes and certain other factors.
- ◆ Adjusted consolidated profit fell slightly below the previous forecasts, but increased (+ ¥11.7 billion).

(Billions of yen)	FY2016	FY2017		(Change) C-B	Change C-A
	(Actual) A	(Previous forecasts) B	(Revised forecasts) C		
Net premiums written (P&C)	2,550.3	2,908.0	2,854.0	-54.0	+303.6 (+11.9%)
Life insurance premiums	323.8	339.0	337.5	-1.5	+13.6 (+4.2%)
Consolidated ordinary profit	241.7	259.0	189.0	-70.0	-52.7
Sompo Japan Nipponkoa	230.4	227.0	202.0	-25.0	-28.4
Himawari Life	12.9	10.0	10.0	-	-2.9
Nursing care (SOMPO Care Message and Next)	-1.2	2.9	2.9	-	+4.1
Overseas subsidiaries	22.7	59.4	-23.1	-82.5	-45.8
Consolidated adjustment/others	-23.1	-40.3	-2.7	+37.5	+20.3
Consolidated net income	166.4	183.0	152.0	-31.0	-14.4 (-8.7%)
Sompo Japan Nipponkoa	164.4	157.0	185.0	+28.0	+20.5
Himawari Life	8.3	6.0	6.0	-	-2.3
Nursing care (SOMPO Care Message and Next)	-2.9	2.0	2.0	-	+4.9
Overseas subsidiaries	19.5	50.5	-16.5	-67.1	-36.1
Consolidated adjustment/others	-22.9	-32.5	-24.4	+8.1	-1.4
Consolidated net income per share (Yen)	419	465	392	-72	-26
(Reference) Adjusted profit (by business)	183.2	205.0	195.0	-9.9	+11.7 (+6.4%)
Domestic P&C insurance	134.9	114.9	100.2	-14.6	-34.6
Domestic life insurance	29.1	28.0	28.0	-	-1.1
Nursing care & healthcare, etc.	-0.7	3.4	3.6	+0.1	+4.3
Overseas insurance	19.9	58.4	63.1	+4.7	+43.2
Adjusted profit per share (Yen)	461	526	501	-24	+40 (+8.7%)

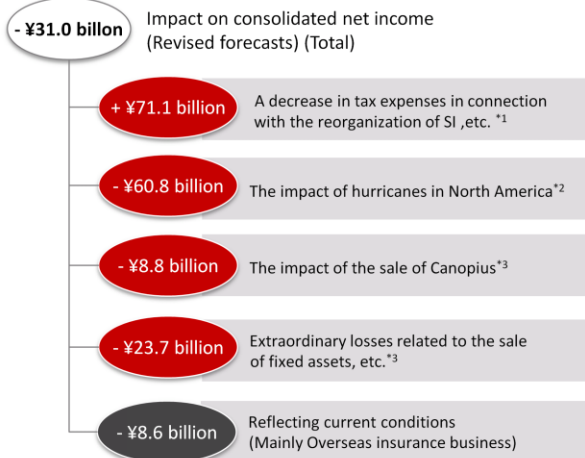
8

- This page presents an overview of business forecasts for FY2017.
- We have revised our business forecasts to reflect several positive and negative factors, as well as the impact of hurricanes in North America. In terms of the deviations from the previous forecasts, the revised forecast for consolidated ordinary profit is ¥70.0 billion below the previous forecast, while the revised forecast for consolidated net income is ¥31.0 billion below the previous forecast.
- In conjunction with these revisions, adjusted consolidated profit, which represents funds available for shareholder returns, was slightly below the previous forecast. Still, as noted earlier, we expect to generate a year-on-year increase of ¥11.7 billion in adjusted consolidated profit.
- Please turn to page 9.

Main Points of Revised Business Forecasts for FY2017

- ◆ The main points of consolidated net income revisions to the business forecasts for FY2017 reflect four one-time factors and current conditions.

Main points of revisions

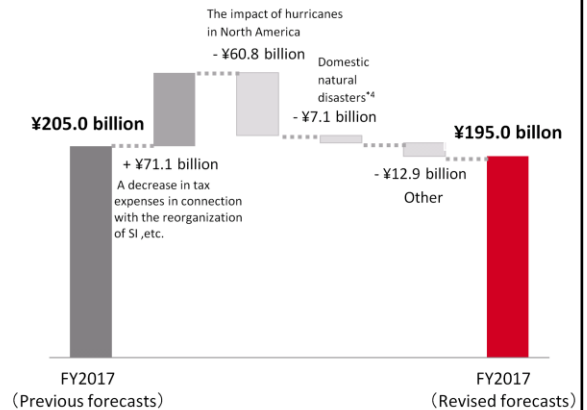


*1 Impact of tax-deductible expenses and losses and a gain on liquidation recorded upon the liquidation of the Endurance holding company following the transfer of all of the former Endurance companies to SI (excluding the impact of acquisition costs).

*2 Total amount of forecasts of Sompo Japan Nipponkoa, SI(Endurance), & Canopus.

*3 These are excluded from Adjusted profit.

(Reference) Differences from the previous forecasts of adjusted profit



*4 The impact on consolidated net income was limited due to the reversal of catastrophic loss reserve.

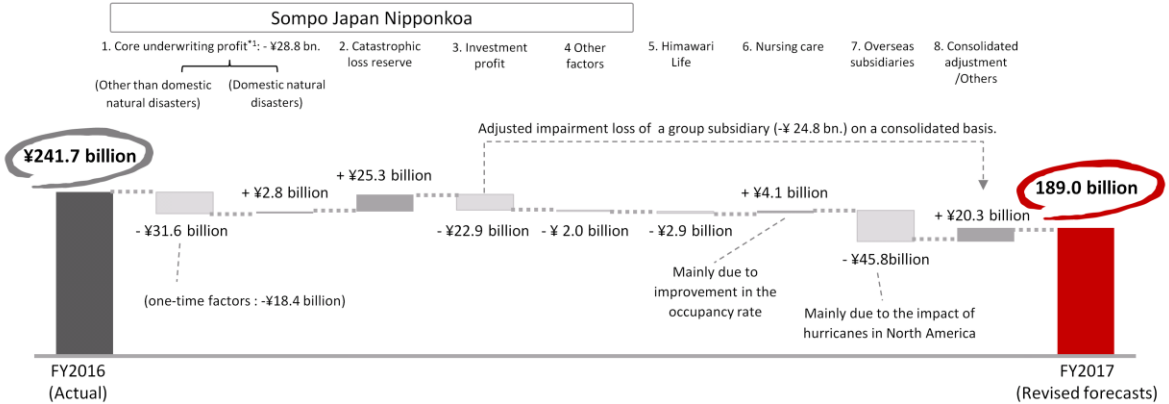
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- On this page, we present the main points of our revised business forecasts for FY2017.
- The main reasons for the shortfall of ¥31.0 billion in consolidated net income against the previous forecast were four one-time factors.
- The first factor was the anticipated impacts of the reorganization process in developed countries.
- On September 27, we transferred all of the former Endurance companies to Sompo International Holdings Ltd. Thereafter, Endurance Specialty Holdings Ltd was liquidated on November 7. The gain on liquidation, decrease in tax expenses and related items were incorporated into the forecast as a positive impact of ¥71.1 billion.
- The second factor was the impact of hurricanes in North America. On a Group-wide basis, we reflected an anticipated negative impact of ¥60.8 billion on consolidated net income. Details will be discussed later in this presentation.
- The third factor was the impact of the sale of Canopus, which was disclosed on September 1. Business performance was also pressured mainly by the impacts of hurricanes. However, we expect a separate negative impact of ¥8.8 billion in connection with the sale of Canopus to be recognized on a consolidated basis.
- Finally, the fourth factor reflected in the forecast was extraordinary losses related to the sale of fixed assets in connection with the sale of real estate. This item is expected to have an overall negative impact of ¥23.7 billion on consolidated net income.
- For reference, we have also indicated the status of adjustments to adjusted profit. Of the aforementioned items, we will deduct the components associated with capital gains and losses and certain other items from adjusted profit. In addition, we have incorporated the after-tax effects of the increase in domestic natural disasters. Even so, we still expect to achieve a year-on-year increase in adjusted profit.
- Please turn to page 10.

(Reference) Breakdown of Business Forecasts for FY2017



Main components of consolidated ordinary profit



	1. Core underwriting profit*		2. Catastrophic loss reserve	3. Investment profit	4. Other factors	5. Himawari Life	6. Nursing care	7. Overseas subsidiaries	8. Consolidated adjustment /Others	Ordinary profit
	(Other than domestic natural disasters)	(Domestic natural disasters)								
FY2016 Actual	¥184.1 billion	- ¥55.8 billion	- ¥15.8 billion	¥132.3 billion	- ¥14.3 billion	¥12.9 billion	- ¥1.2 billion	¥22.7 billion	- ¥23.1 billion	¥241.7 billion
FY2017 Revised forecasts	¥152.4 billion	- ¥53.0 billion	¥9.5 billion	¥109.3 billion	- ¥16.3 billion	¥10.0 billion	¥2.9 billion	- ¥23.1 billion	- ¥2.7 billion	¥189.0 billion
(Reference) FY2017 Previous forecasts	¥173.6 billion	- ¥43.0 billion	- ¥14.7 billion	¥128.6 billion	- ¥17.5 billion	¥10.0 billion	¥2.9 billion	¥59.4 billion	- ¥40.3 billion	¥259.0 billion

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

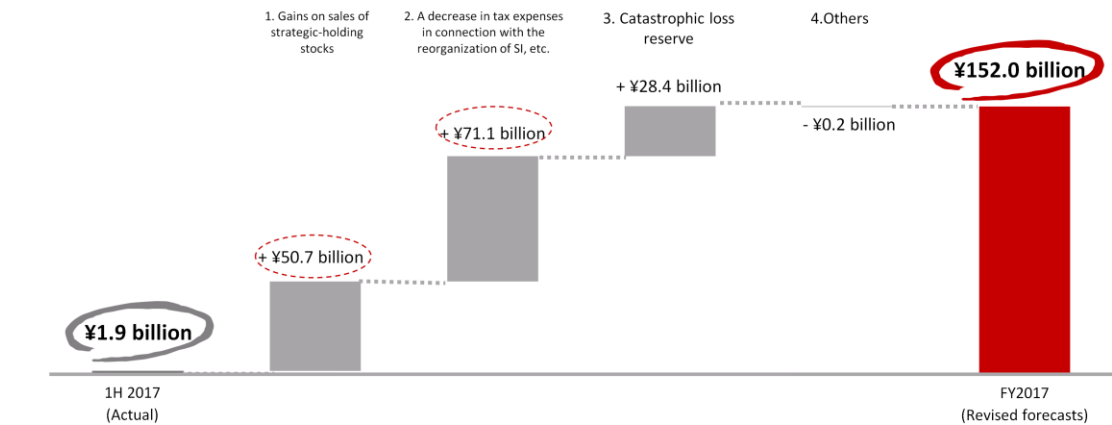
*2 The goodwill for the SI (Endurance) acquisition is \$1,513 million. Combined with intangible assets, the net amortization amount is around \$2,000 million. The amortization period for the goodwill is 10 years, and the amortization period for intangible asset has been set appropriately. The total annual amortization costs is around \$200 million (projected at \$199 million(¥22.4 billion) for FY2017).

- For reference, we present a breakdown of the revised forecast of consolidated ordinary profit. Please use this page to confirm our forecasts of the various components and related items.
- Please turn to page 11.

Outlook for Consolidated Net Income in 2H FY2017

- ◆ The sale of strategic-holding stocks and the materialization of a decrease in tax expenses in connection with the reorganization of SI, etc. will push up profits in the 2H FY2017.

Changing factors of consolidated net income in 2H FY2017



	1. Gains on sales of strategic-holding stocks	2. A decrease in tax expenses in connection with the reorganization of SI, etc.	3. Catastrophic loss reserve	4. Others	Consolidated net income
1H FY2017 Actual	¥21.7 billion	-	- ¥18.9 billion	- ¥0.8 billion	¥ 1.9 billion
FY2017 Revised forecasts	¥72.5 billion	¥71.1 billion	¥9.5 billion	- ¥1.1 billion	¥ 152.0 billion

11

- Consolidated net income for 1H FY2017 was low mainly because of the hurricanes in North America. Therefore, we have presented on this page the factors that we expect to push up profits in 2H.
- As you know, the reduction of strategic-holding stocks tends to be concentrated in the second half of every fiscal year. The first factor pushing up profits is gains on sales of strategic-holding stocks, which will continue to follow the usual pattern in the current fiscal year.
- The effects of a decrease in tax expenses in connection with the reorganization of Sompo International and related items, which I just discussed, are expected to push up consolidated net income by ¥71.1 billion in the second half.
- The third factor is the projected reversal of catastrophic loss reserve in connection with progress on the payout of losses incurred until 1H FY2017. This factor will push up consolidated net income by ¥28.4 billion.
- Based on the foregoing, we believe that the revised forecasts we have disclosed are well within reach at this time, despite the low progress rate through the first half.
- Page 12 shows our numerical management targets, such as adjusted profit and ROE. Please take a look at this page later.
- Please turn to page 14.

(Reference) Numerical Management Targets, etc.

Numerical management targets

(Billions of yen)	FY2016	FY2017				FY2018
	(Actual)	(1H actual)	(Previous forecasts) A	(Revised forecasts) B	(Change) B-A	(Plan)
Domestic P&C insurance ^{*1}	134.9	48.9	114.9	100.2	-14.6	Over 120.0
Domestic life insurance	29.1	14.7	28.0	28.0	-	Over 32.0
Nursing care & healthcare, etc.	-0.7	1.5	3.4	3.6	+0.1	Over 8.0
Overseas insurance	19.9	-35.2	58.4	63.1	+4.7	Over 60.0
Total (Adjusted consolidated profit)	183.2	29.9	205.0	195.0	-9.9	220.0 – 230.0
Adjusted consolidated ROE^{*2}	7.6%	--	8.1%	7.6%	-0.5pt	Over 8%
(Reference) ROE (J-GAAP)	9.7%	--	10.1%	8.2%	-1.9pt	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 Sampo Japan Nipponkoa, Saison Automobile & Fire, Sonpo 24, Sampo Japan Nipponkoa Insurance Services, DC Securities and Sampo 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.

1. Trend of business results

2. Domestic P&C insurance

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4. Nursing care & healthcare, etc.

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6. ERM & asset management

Overview of 1H FY2017 Results – Sampo Japan Nipponkoa

◆ Basically in line with plan, excluding the impact of hurricanes in North America.

(Billions of yen)	1H FY2016	1H FY2017	Change
Net premiums written	1,087.4	1,106.6	+19.2 (+1.8%)
(excl. CALI, household earthquake)	939.3	952.3	+12.9(+1.4%)
Net premiums earned (excl. CALI, household earthquake)	933.1	933.6	+0.4(+0.1%)
Loss ratio	61.9%	61.3%	-0.6pt
(excl. CALI, household earthquake)	57.8%	58.8%	+1.0pt
E/I loss ratio (excl. CALI, household earthquake)	57.9%	61.2%	+3.3pt
Net expense ratio	32.1%	32.1%	+0.0pt
(excl. CALI, household earthquake)	33.8%	33.9%	+0.0pt
Combined ratio	94.0%	93.4%	-0.6pt
(excl. CALI, household earthquake)	91.6%	92.7%	+1.0pt
Underwriting profit	45.6	27.5	-18.0
Investment profit	25.9	30.2	+4.2
Ordinary profit	62.1	47.5	-14.5
Net income	41.2	32.4	-8.7
(Reference) Adjusted profit			
+ Provisions for catastrophic loss reserve (after tax)	20.1	13.6	-6.4
+ Provisions for reserve for price fluctuation (after tax)	2.8	1.9	-0.9
- Gains/losses on sales of securities and impairment losses on securities (after tax)	4.9	-0.6	-5.6
- Special factors (after tax)*	0.3	-1.7	-2.0
Adjusted profit	58.9	50.4	-8.4

Mainly due to the impact of the absence of the reversal of foreign-currency reserve due to the appreciation of the yen in the previous fiscal year, in addition to the impact of hurricanes in North America.

Mainly an increase in gain on sale of strategic-holding stocks.

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

14

- This page provides an overview of the results of Sampo Japan Nipponkoa. In the following pages, I will go through each line item in turn.
- Please turn to page 15.

Net Premiums Written

◆ Net premiums written increased in all lines, centered on fire and allied lines and other lines.

Net premiums written by product line

(Billions of yen)	1H FY2016	1H FY2017	Change		FY2017 (Revised forecasts)
Fire and Allied Lines	131.2	135.9	+4.6	(+3.6%)	281.5
Marine	22.1	23.4	+1.3	(+5.9%)	44.8
Personal Accident	98.0	98.1	+0.1	(+0.2%)	176.4
Voluntary Automobile	536.0	538.0	+1.9	(+0.4%)	1,084.4
CALI	147.5	153.9	+6.3	(+4.3%)	290.5
Other	152.3	157.0	+4.7	(+3.1%)	296.0
of which, Liability	87.4	89.4	+2.0	(+2.3%)	158.4
Total	1,087.4	1,106.6	+19.2	(+1.8%)	2,174.0
Total (excl. CALI, household earthquake)	939.3	952.3	+12.9	(+1.4%)	1,882.7

(Main changing factors)

Fire and Allied Lines: Mainly due to the increase in the number of policies in force.

Marine: Mainly due to foreign exchange effect (101.12 JPY/USD at end of Sep. 2016, 112.73 JPY/USD at end of Sep. 2017)

Voluntary Automobile: Mainly due to the increase in the number of vehicles by product and rate revisions.

(Expanded discounts for multiple vehicles, etc.)

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

15

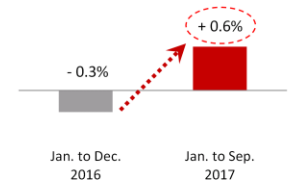
(Reference) Year-on-Year comparison of voluntary automobile insurance (April - September 2017)

	# of vehicles	Unit premium	Total Premium
Non-fleet	+0.4%	-0.2%	+0.2%
Fleet	+1.4%	+2.1%	+3.5%
Total	+0.6%	+0.1%	+0.8%

(Performance evaluation basis)

<Trends of the number of non-fleet vehicles>

On increasing trend after product revision in January 2017.

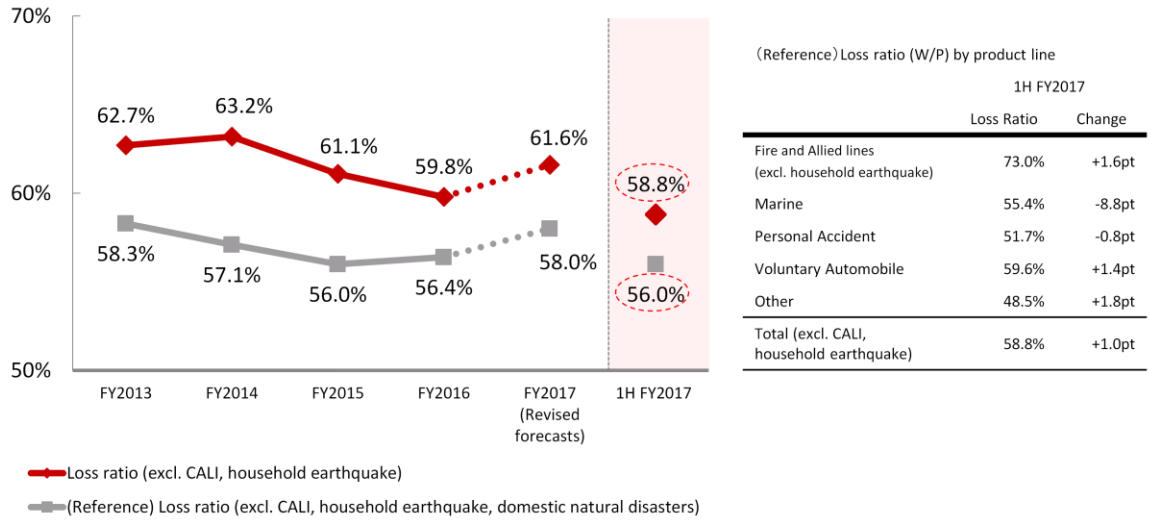


- This page presents net premiums written. Net premiums written increased in all lines.
- In voluntary automobile insurance, our largest line, we achieved high-quality growth in net premiums written through an increase in the number of insured vehicles, mainly due to the positive impact of product revisions undertaken in January 2017. Fire and allied lines and other lines also trended firmly.
- Please turn to page 16.

Loss Ratio (W/P)

◆ The loss ratio in 1H FY2017 rose due partly to the impact of large claims payments, but progressed below revised business forecasts for FY2017.

Loss ratio(W/P)



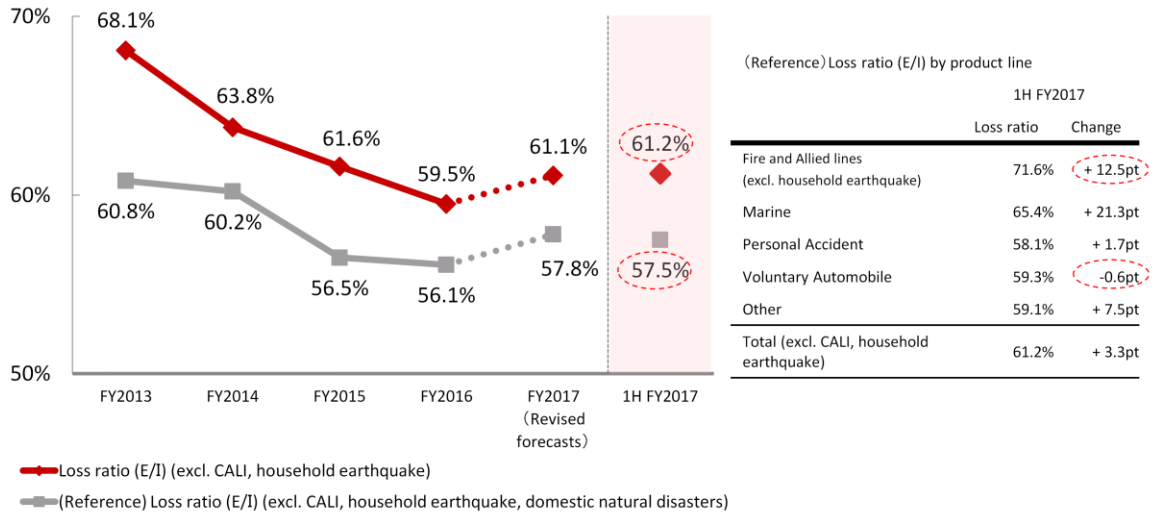
16

- This page shows the loss ratio on a written paid basis.
- The loss ratio rose in 1H FY2017, mainly due to the impact of large claims payments in fire and allied lines and other lines. However, the claims payments were lower than the level anticipated in our full-year business forecasts for FY2017. Therefore, we believe that the situation does not warrant too much concern.
- Please turn to page 17.

Loss Ratio (E/I)

◆ Mainstay voluntary automobile continued to improve, despite the impact of hurricanes in North America, etc.

Loss ratio(E/I)

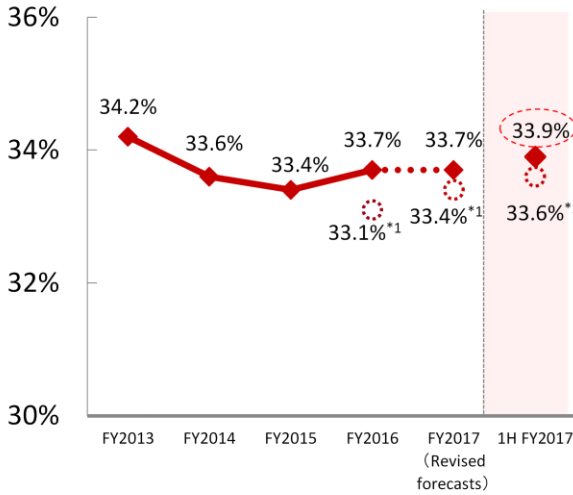


- This page shows the loss ratio on an earned incurred basis.
- The loss ratio rose primarily in fire and allied lines on a year-on-year basis, due to the impact of hurricanes in North America and related factors. However, the loss ratio improved by 0.6 points in mainstay voluntary automobile insurance. Overall, the loss ratio trended largely as anticipated.
- Please turn to page 18.

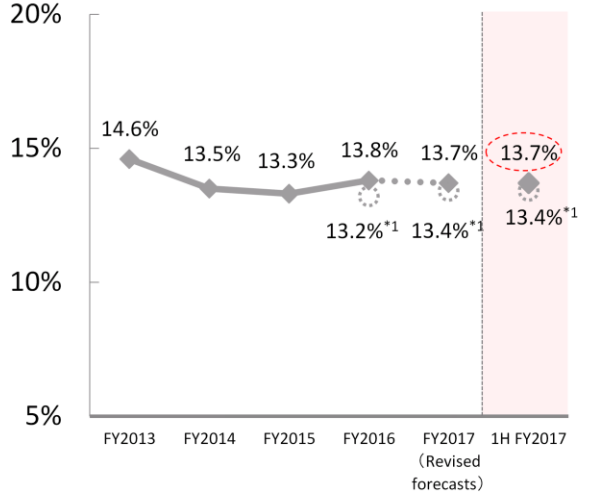
Net Expense Ratio

◆ While agency commissions slightly increased mainly due to an increase in net premiums written in fire and allied lines, the company expense ratio progressed as planned.

Net expense ratio (excl. CALI, household earthquake)



Company expense ratio*² (excl. CALI, household earthquake)



*1 Excluding upfront investments

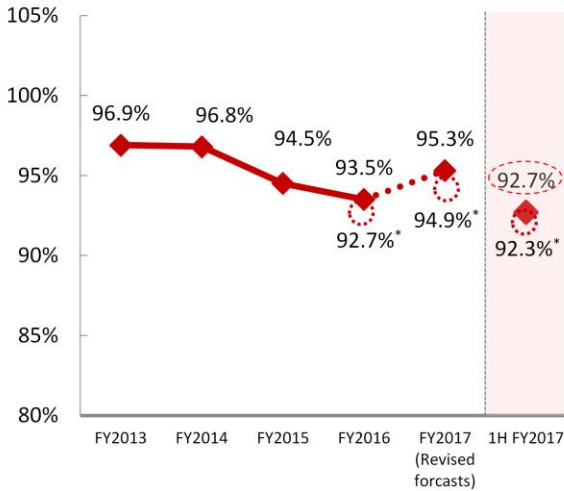
*2 Ratio of general administrative and selling expense related with underwriting to net premium written

- This page shows the net expense ratio.
- We recognize that the net expense ratio progressed as planned, because both personnel and property expenses are being properly controlled.
- Please turn to page 19.

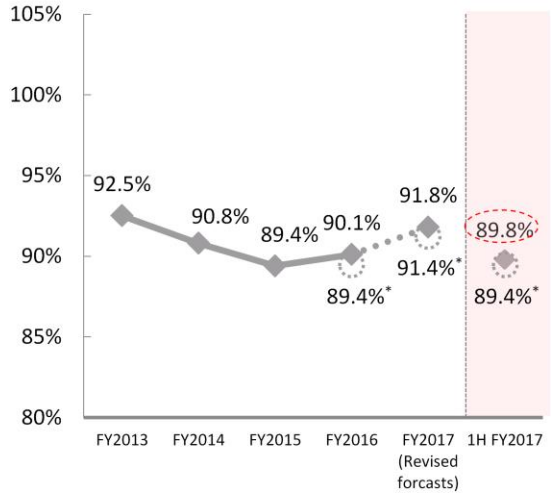
Combined Ratio

◆ The combined ratio in 1H FY2017 progressed below the level of revised business forecasts.

Combined ratio (excl. CALI, household earthquake)



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



* Excluding upfront investments.

- This page shows the combined ratio, which is the sum of the loss ratio and the net expense ratio.
- The combined ratio in 1H FY2017 was 92.7%, 1 point higher than in the same period a year earlier. However, the combined ratio has progressed below the level of our revised business forecasts for FY2017.
- Please turn to page 20.

Investment Profit

- ◆ The reduction of strategic-holding stocks progressed and investment profit largely tracked plans, excluding impairment losses on securities related to shares of consolidated subsidiaries.

Investment profit (Sompo Japan Nipponkoa, non-consolidated)

(Billions of yen)		1H FY2016	1H FY2017	Change	FY2017 (Revised forecasts)
Net interest and dividend income	1	26.3	31.5	+5.1	59.8
Interest and dividend income ^{*1}		48.7	51.5	+2.7	99.7
of which, dividends from overseas subsidiaries		0.0	0.0	-0.0	0.0
Gains on sales of securities ^{*1}	2	7.8	24.4	+16.5	75.0
of which, domestic stocks		3.0	21.7	+18.7	72.5
Impairment losses on securities ^{*1}	3	-0.8	-25.3	-24.4	-25.8
of which, domestic stocks		-0.7	-12.0	-11.2	-12.5
Gains on derivatives	4	1.1	-5.1	-6.2	-7.3
Other investment income	5	-8.4	4.7	+13.1	7.6
Investment profit	1+2+3+4+5	25.9	30.2	+4.2	109.3

(Reference)
Reduction of strategic-holding stocks

Actual ^{*2}	¥33.7 billion
Stock future ^{*3}	¥47.2 billion
Total	¥81.0 billion

*2 Net reduction on fair value basis.
(market value of sales minus market value of purchase)

*3 Short position of Nikkei 225 Futures.

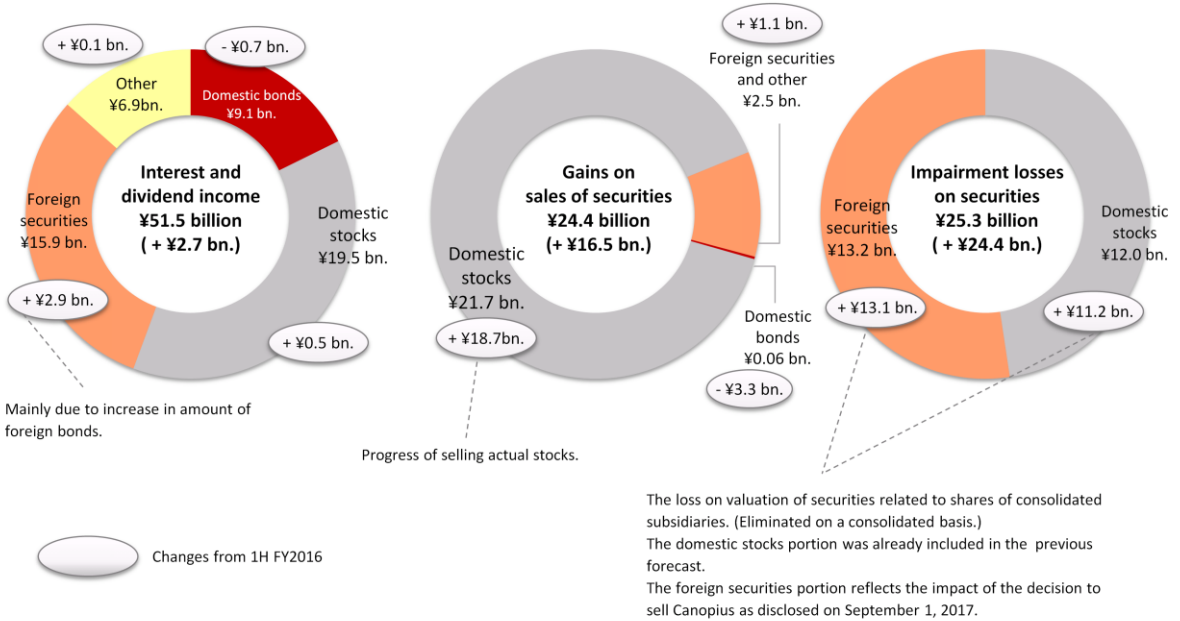
*1 See next page for breakdown

Mainly the loss on valuation of securities related to shares of consolidated subsidiaries.
(Eliminated on a consolidated basis.)

- This page shows investment profit.
- In 1H FY2017, investment profit rose by ¥4.2 billion to ¥30.2 billion, due to solid interest and dividend income and progress on the sale of strategic-holding stocks. Please see the next page for details on interest and dividend income, gains on sales of securities, and impairment losses on securities.
- We recognized the losses on valuation of securities related to shares of consolidated subsidiaries. One of these losses was included in the previous forecast, and another is the impact of the decision to sell Canopiuis. Both of these items will be adjusted in the consolidation of financial results.
- Please turn to page 22.

(Reference) Breakdown of Investment Profit

Breakdown of interest and dividend income, gains on sales of securities, and impairment losses on securities (1H FY2017)



(Reference) Business Forecasts for FY2017– Sampo Japan Nipponkoa

(Billions of yen)	FY2016 (Actual) A	FY2017		(Change) C-B	Change C-A
		(Previous forecasts) B	(Revised forecasts) C		
Net premiums written	2,165.6	2,205.4	2,174.0	-31.4 (-1.4%)	+8.3 (+0.4%)
(excl. CALI, household earthquake)	1,869.5	1,917.9	1,882.7	-35.2 (-1.8%)	+13.1 (+0.7%)
Net premiums earned (excl. CALI, household earthquake)	1,883.7	1,907.8	1,882.8	-24.9 (-1.3%)	-0.8 (-0.0%)
Loss ratio	63.2%	63.1%	64.3%	+1.2pt	+1.1pt
(excl. CALI, household earthquake)	59.8%	59.9%	61.6%	+1.6pt	+1.8pt
E/I loss ratio (excl. CALI, household earthquake)	59.5%	60.1%	61.1%	+1.0pt	+1.6pt
Net expense ratio	32.0%	31.7%	32.1%	+0.4pt	+0.1pt
(excl. CALI, household earthquake)	33.7%	33.2%	33.7%	+0.6pt	+0.0pt
Combined ratio	95.2%	94.8%	96.4%	+1.5pt	+1.2pt
(excl. CALI, household earthquake)	93.5%	93.1%	95.3%	+2.2pt	+1.8pt
Underwriting profit	112.4	115.8	109.0	-6.8 (-5.9%)	-3.4 (-3.1%)
Investment profit	132.3	128.6	109.3	-19.2 (-15.0%) ^{*1}	-22.9 (-17.4%)
Ordinary profit	230.4	227.0	202.0	-25.0 (-11.0%)	-28.4 (-12.4%)
Net income	164.4	157.0	185.0	+28.0 (+17.8%) ^{*2}	+20.5 (+12.5%)
(Reference) Adjusted profit					
+Provisions for catastrophic loss reserve (after tax)	11.4	10.5	-6.8	-17.4	-18.2
+Provisions for reserve for price fluctuation (after tax)	7.5	7.5	7.3	-0.1	-0.1
-Gains/losses on sales of securities and impairment losses on securities (after tax)	49.8	39.8	35.3	-4.5	-14.5
-Special factors (after tax) ^{*3}	-5.0	15.9	45.6	+29.7	+50.7
Adjusted profit	138.5	119.3	104.5	-14.7 (-12.4%)	-33.9 (-24.5%)

*1 Mainly due to a decrease in dividends from overseas subsidiaries and loss on valuation of subsidiaries' shares (both eliminated on a consolidated basis).

*2 Includes a decrease in tax expenses in connection with the reorganization of SI (included in adjusted profit for the overseas insurance business).

*3 Special factors are gains/losses related to stock future and some of one-time factors, etc.

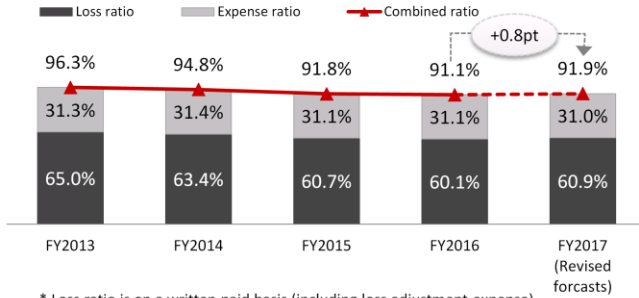
- Please take a look at this page for details of business forecasts for Sampo Japan Nipponkoa. In conjunction with these forecasts, please take a look at the assumptions for the business forecasts on page 23, and the automobile insurance-related data on page 24.
- Please turn to page 25.

(Reference) Assumption of Business Forecasts for FY2017

	Previous forecasts	Revised forecasts
Losses from domestic natural disasters (occurring in the fiscal year)	¥43.0 billion	¥53.0 billion
Catastrophic loss reserve	Net provision : ¥14.7 billion	Net reversal : ¥9.5 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%	(Unchanged)
Market indicators	(Stock) Nikkei 225 : ¥18,909 (Interest yield) 10y JGB : +0.07% (Foreign exchange) 1US\$: ¥112.19 1Euro : ¥119.79 * Assumptions for market indicators are based on ones as of end of March 2017.	(Stock) Nikkei 225 : ¥20,356 (Interest yield) 10y JGB : +0.07% (Foreign exchange) 1US\$: ¥112.73 1Euro : ¥132.85 * Assumptions for market indicators are based on ones as of end of September 2017.
Interest and dividend income	Gross : ¥113.4 billion Net : ¥73.6 billion	Gross : ¥99.7 billion Net : ¥59.8 billion
Realized gains on securities	Realized gains on security sales : ¥69.3 billion Impairment losses on securities : ¥13.9 billion	Realized gains on security sales : ¥75.0 billion Impairment losses on securities : ¥25.8 billion
Reserve for price fluctuation	Net provision : ¥10.5 billion	Net provision : ¥10.2 billion

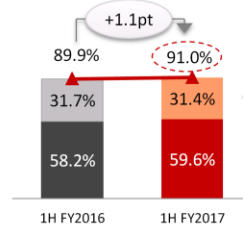
(Reference) Related Indicators of Automobile Insurance

Combined ratio



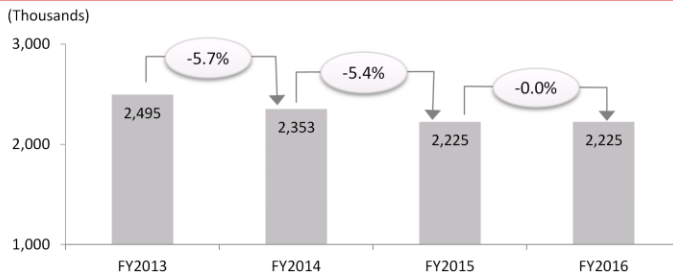
* Loss ratio is on a written paid basis (including loss adjustment expense).

Trend of 1H Results



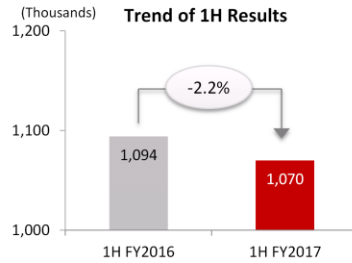
* Claims incurred remained flat and E/I loss ratio improved.
1H FY2016 : 59.9%
1H FY2017 : 59.3%

The number of reported claims



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

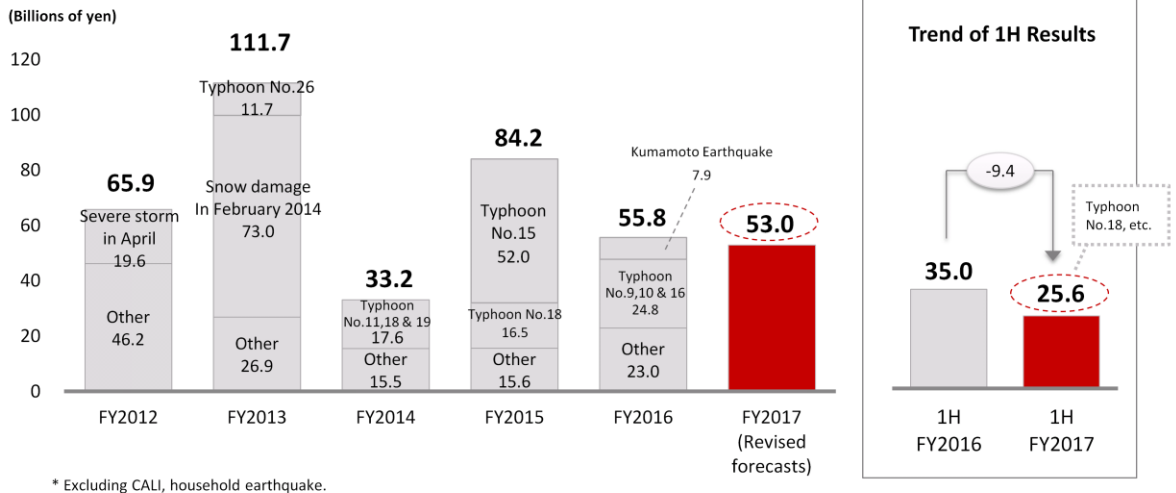
Trend of 1H Results



(Reference) Domestic Natural Disasters

◆ The net loss occurred was ¥25.6 billion in 1H FY2017, and are expected to be ¥53.0 billion in the full fiscal year, considering the impact of Typhoon No.21.

Trends of net loss occurred for domestic natural disasters (only events that occurred in the fiscal year)



- For reference, this page shows the status of domestic natural disasters.
- In 1H FY2017, the net loss occurred was ¥25.6 billion, a decrease of ¥9.4 billion, despite the impact of Typhoon No. 18 and other factors. For the full fiscal year, we had initially expected the net loss occurred to be ¥43.0 billion. However, considering the impact of Typhoon No. 21, which arose in October, we have revised our forecast to ¥53.0 billion.
- The next page shows reference data for reserves and related items.
- Please turn to page 28.

(Reference) Fund and Reserve**Underwriting reserves and reserve for outstanding losses and claims (at the end of 1H FY2017)**

(Billions of yen)	Ordinary underwriting reserve ^{*1}		Catastrophic loss reserve		Reserve for outstanding losses and claims	
	Amount	Change	Amount	Change	Amount	Change
Fire and allied lines ^{*2}	739.1	-8.0	173.9	-1.3	129.0	+4.0
Marine	16.9	-2.1	49.3	+1.2	27.7	+1.8
Personal accident	133.1	+9.7	73.9	+3.1	66.8	+0.5
Voluntary automobile	311.2	+0.5	77.4	+8.5	408.1	-1.9
CALI ^{*2}	430.3	+11.2	-	-	81.9	-2.8
Other	328.7	+13.7	208.5	+7.4	207.8	+7.0
Total	1,959.5	+25.1	583.2	+18.9	921.5	+8.8
Total (excluding CALI and household earthquake)	1,520.2	+13.5	583.2	+18.9	839.6	+11.6

	Amount	Change
Reserve for saving-type products ^{*3}	1,424.0	-25.4

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

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

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

1. Trend of business results

2. Domestic P&C insurance

3. Domestic life insurance

4. Nursing care & healthcare, etc.

5. Overseas insurance

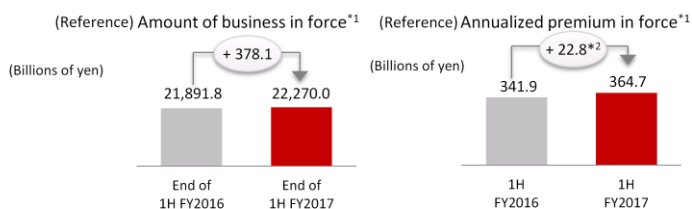
6. ERM & asset management

Overview of 1H FY2017 Results – Himawari Life

- ◆ Policies in force kept growing. Net income was ¥4.2 billion and steadily progressed against the full year forecast of ¥6.0 billion.

Major indicators

(Billions of yen)	1H FY2016	1H FY2017	Change		FY2017 (Forecasts)
Annualized new premium	21.6	18.1	-3.5	(-16.4%)	40.0
Premium and other income	202.5	213.7	+11.2	(+5.6%)	439.3
Expense	48.8	46.3	-2.4	(-5.1%)	103.4
Investment profit	20.5	22.3	+1.8	(+9.1%)	44.0
of which, general account	20.9	21.0	+0.1	(+0.5%)	44.0
Basic profit	9.0	9.8	+0.8	(+9.5%)	13.6
Ordinary profit	9.3	8.9	-0.3	(-4.1%)	13.9
Net income	4.5	4.2	-0.2	(-5.8%)	6.0



*1 The sum of individual insurance and individual annuities.

*2 Of which protection-type + ¥7.1 bn.

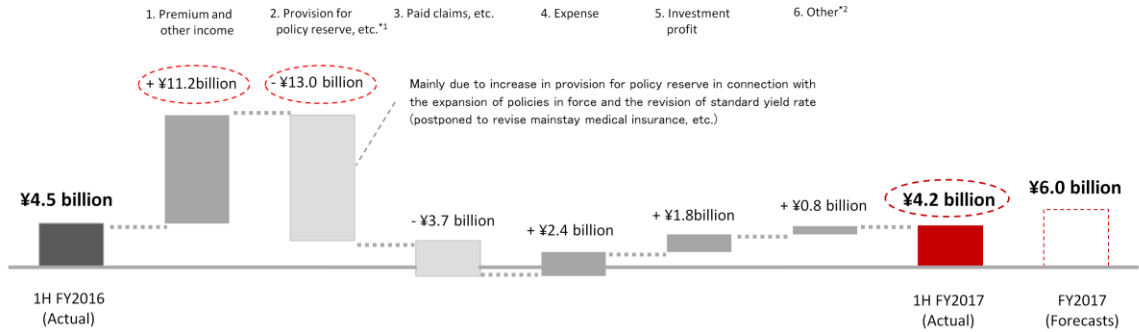
28

- This page presents an overview of the results of Himawari Life. Policies in force have kept growing, and steadily progressed as planned.
- Net income in 1H FY2017 was ¥4.2 billion. This result was largely in line with initial expectations, despite growth in policies in force and the increase in provision of policy reserve in connection with the revision to the standard yield rate. Net income steadily progressed against the full year forecast of ¥6.0 billion.
- Please refer to page 29 for an analysis of the main components of net income and to page 30 for the status of adjusted profit.
- Please turn to page 32.

Net Income – J-GAAP

◆ While provision for policy reserve increased, net income remained at the previous fiscal year level, due to expansion in policies in force and other factors.

Changing factors of net income



	1. Premium and other income	2. Provision for policy reserve, etc.	3. Paid claims, etc.	4. Expense	5. Investment profit	6. Other	Net income
1H FY2016 Actual	¥202.5 billion	-¥121.0 billion	-¥42.4 billion	-¥48.8 billion	¥20.5 billion	-¥6.1 billion	¥4.5 billion
1H FY2017 Actual	¥213.7 billion	-¥134.0 billion	-¥46.1 billion	-¥46.3 billion	¥22.3 billion	-¥5.3 billion	¥4.2 billion
FY2017 Forecasts	¥439.3 billion	-¥280.9 billion	-¥87.0 billion	-¥103.4 billion	¥44.0 billion	-¥6.0 billion	¥6.0 billion

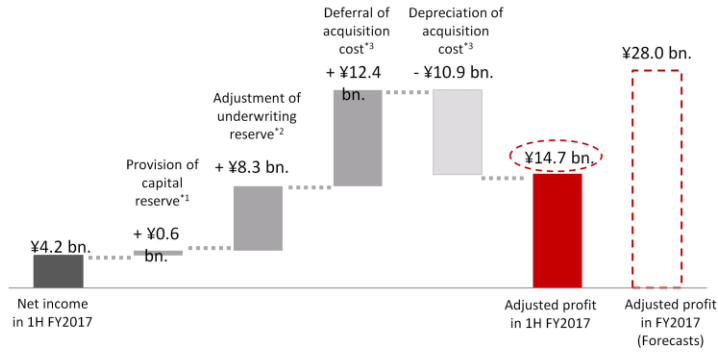
*1 Include the impact of cancellation refund

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

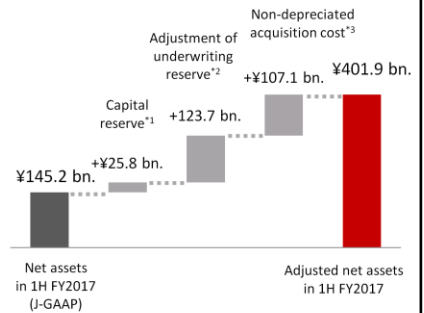
Adjusted Profit and Adjusted Net Assets – Himawari Life

◆ Adjusted profit (1H FY2017: ¥14.7 billion) progressed 53% against the full year forecasts (¥28.0 billion).

Conversion from net income to adjusted profit



(Reference) Adjusted net assets



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

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

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

1. Trend of business results

2. Domestic P&C insurance

3. Domestic life insurance

4. Nursing care & healthcare, etc.

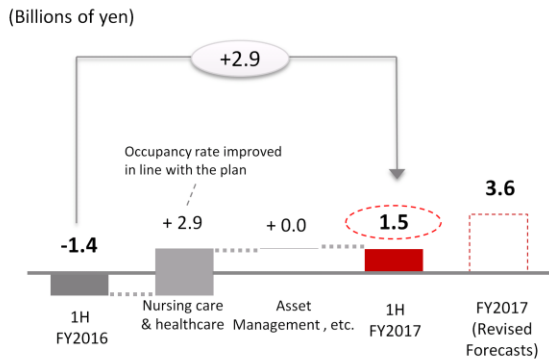
5. Overseas insurance

6. ERM & asset management

Overview of 1H FY2017 Results – Nursing Care & Healthcare, etc.

◆ Mainly due to steady improvement in the occupancy rate, net income in nursing care & healthcare, etc. for 1H FY2017 became profitable and amounted to ¥1.5 billion.

Changing factors of net income



* Nursing care & healthcare business is the sum of SOMPO Care Message, SOMPO Care Next and Cedar (non-consolidated) (from FY2017).

Main indicator of nursing care business

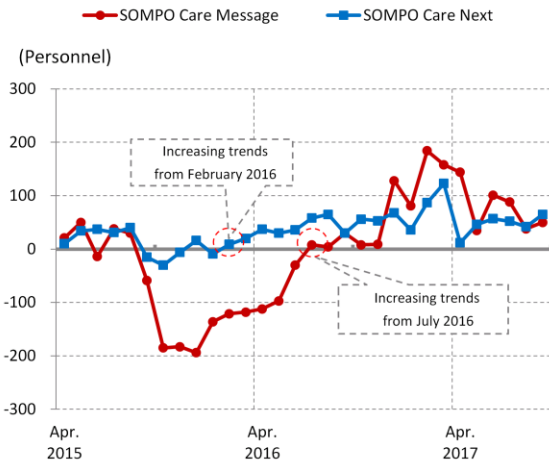
(Billions of yen)	1H FY2017	Change	FY2017 (Forecasts)
Sales	59.2	+3.9	119.8
(SOMPO Care Message)	38.8	+1.8	79.3
(SOMPO Care Next)	20.4	+2.1	40.5
Net income	0.9	+2.8	2.0
(SOMPO Care Message)	0.5	+1.8	1.8
(SOMPO Care Next)	0.3	+0.9	0.2
Occupancy rate (SOMPO-no-le)	88.9%	+4.7pt	91.4%
(SOMPO-no-le S)	87.5%	+7.0pt	89.0%
(La vie Re)	83.2%	+7.8pt	84.0%

* SOMPO-no-le, SOMPO-no-le S, and La vie Re are brands of SOMPO Care Message's nursing homes, SOMPO Care Message's serviced residential complexes for elderly, and SOMPO Care Next's nursing facilities respectively.

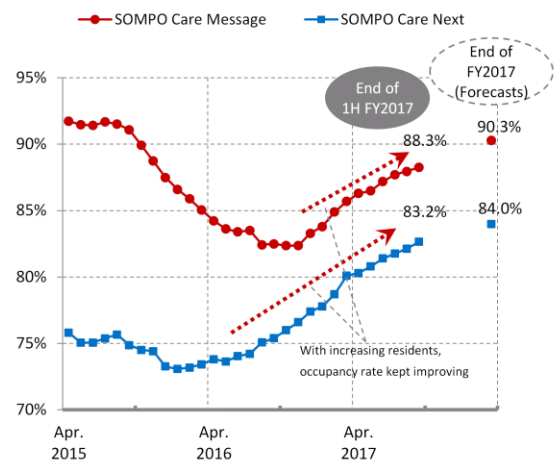
- This page shows the nursing and healthcare business. This business has also been progressing as planned.
- Profitability was achieved mainly due to steady improvement in the occupancy rate, a main indicator of the nursing care business. Net income in this sector for 1H FY2017 amounted to ¥1.5 billion, a change of ¥2.9 billion from the net loss in 1H FY2016.
- For reference, trends in the number of residents and the occupancy rate are shown on page 33. Please refer to this page later.
- Please turn to page 35.

Residents and Occupancy Rate of Nursing Care Business

Inflow of residents*1



Occupancy rate*2



*1 Inflow of residents = the number of new residents – the number of departing residents

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

1. Trend of business results

2. Domestic P&C insurance

3. Domestic life insurance

4. Nursing care & healthcare, etc.

5. Overseas insurance

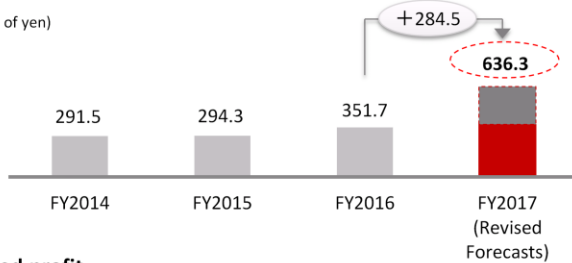
6. ERM & asset management

Overview of 1H FY2017 Results – Overseas Insurance

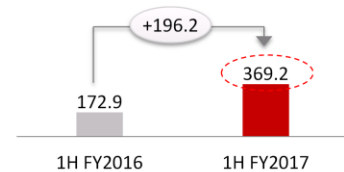
◆ 1H FY2017 results reflected the impact of hurricanes in North America, while the effect of the consolidation of profit of SI.

Net premiums written

(Billions of yen)



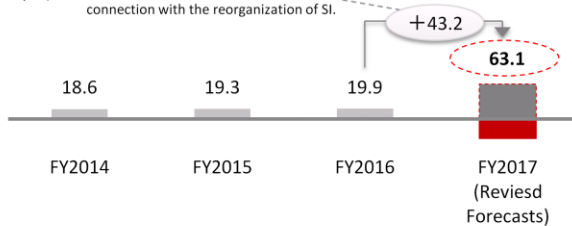
Trend of 1H Results



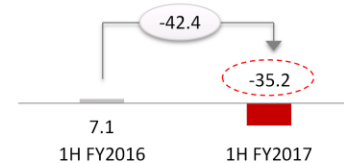
Adjusted profit

(Billions of yen)

Despite the impact of hurricanes in North America, adjusted profit is projected to be + ¥4.7 billion above previous forecasts, based on a decrease in tax expenses in connection with the reorganization of SI.



Trend of 1H Results



* Net premiums written of subsidiaries and affiliates reflect holding shares of each company. This treatment does not coincide with financial statements. Adjusted profits have been adjusted to reflect shareholdings and other factors. From FY2016, figures include Sompo Indonesia, Sompo Thailand, PGA Sompo (Philippines), United Insurance (Vietnam), and Sompo Mexico (The same shall apply hereafter).

35

- This page presents an overview of results for the overseas insurance business.
- In 1H FY2017, net premiums written increased by ¥196.2 billion to ¥369.2 billion due to the start of consolidation of the profit of Sompo International. Meanwhile, adjusted profit was a loss of ¥35.2 billion, reflecting the impact of hurricanes in North America.
- Looking at business forecasts for FY2017, there has been no change in our expectations that net premiums written will grow. Adjusted profit is forecast to increase by ¥43.2 billion to ¥63.1 billion, mainly due to a decrease in tax expenses in connection with the reorganization of Sompo International. Adjusted profit is projected to be ¥4.7 billion above the previous forecast.
- Please turn to page 36.

(Reference) The Impact of Hurricanes in North America, etc.

Impact of hurricanes in North America (Overseas insurance business)

- **Net incurred claim***

(Billions of yen)	SI (Endurance)	Canopius	Total
Harvey	11.8	9.5	21.4
Irma	25.0	10.7	35.7
Maria	6.5	1.3	7.9
	43.4	21.6	65.0

*Amounts of incurred loss estimates (net of reinsurance and less net loss attributable to non-controlling shareholders, etc.)

*In addition to the foregoing, given that ¥0.4 billion is forecast at Somo America and ¥5.1 billion is forecast at Somo Japan Nipponkoa, the amounts of incurred loss by Somo Holdings, Inc. will be ¥70.6 billion (forecast). (The amounts of net incurred claim before less net loss attributable to non-controlling shareholders, etc. will be ¥83.2 billion (forecast).)

*The amounts of net incurred claim (Earthquakes in Mexico) will be ¥0.9 billion (Canopius).

- **Impact on consolidated net income (forecasts)**

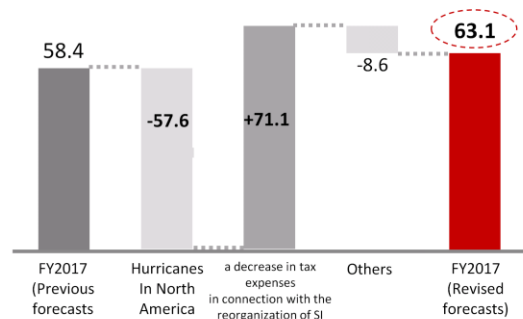
(Billions of yen)	SI (Endurance)	Canopius	Total
Harvey	-10.3	-7.7	-18.1
Irma	-23.7	-8.7	-32.4
Maria	-5.9	-1.1	-7.0
	-39.9	-17.6	-57.6

*The impact of hurricanes in North America at SI and Canopius was included in 1H FY2017 actual. The adjustments are made upon consolidation for the amounts of incurred loss attributable to hurricanes in North America in August and September, which occurred after the interim balance sheet dates of the overseas consolidated subsidiaries (June 30, 2017), because those materially affect the consolidated results of Somo Holdings, Inc. and are significant transactions.

*In addition to the foregoing, given that -¥3.2 billion is forecast at Somo Japan Nipponkoa, the amounts of incurred loss by Somo Holdings, Inc. will be approx. -¥61.0 billion (forecasts).

(Reference) Changing factors of the revised forecasts of adjusted profit (Overseas insurance business)

(Billions of yen)



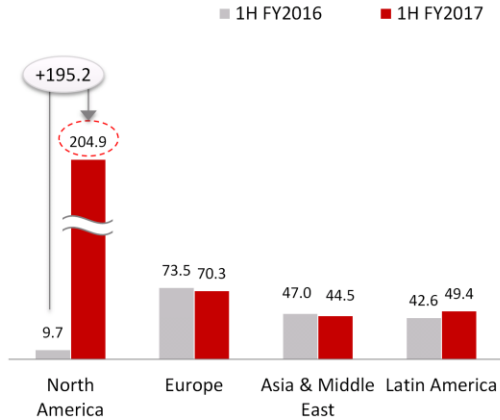
- This page presents the impact of hurricanes in North America.
- The impact of hurricanes in North America at overseas insurance subsidiaries Somo International and Canopius was included in 1H FY2017 actual, taking into account the materiality of this impact. The net incurred claim for both companies combined is forecast at ¥65.0 billion. There is expected to be a negative impact of ¥57.6 billion on consolidated net income.
- The revised forecast is included in an incurred loss estimate of just over approximately ¥70.0 billion, including an incurred loss of ¥5.1 billion forecast at Somo Japan Nipponkoa. We estimate that this will have a negative impact of around ¥61.0 billion on consolidated net income.
- For reference, we have presented the factors behind changes between the previous and revised forecasts of adjusted profit for the overseas insurance business. We hope that you find this information to be useful.
- We have provided a breakdown of business results by region on page 37 and the main points of business results by company on page 38. Please take a look at these pages later.
- Please turn to page 39.

Business Results by Region

- ◆ The top-line expanded in North America mainly due to the effect of the consolidation of the profit of SI.
- ◆ The bottom-line in North America and Europe includes the impact of hurricanes in North America.

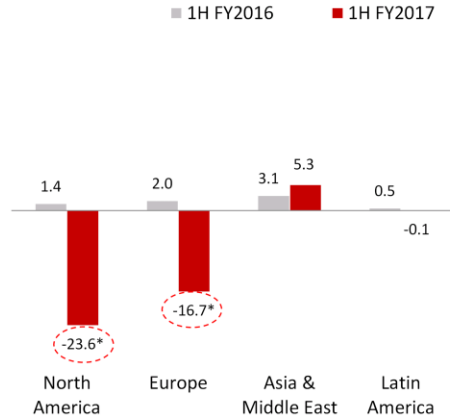
Net premiums written (by region)

(Billions of yen)



Adjusted profit (by region)

(Billions of yen)



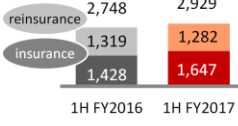
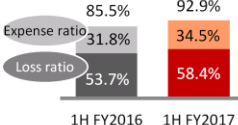
* See page 36 for the impact of hurricanes in North America

(Reference) Business Results by Company

(Billions of yen)		Net premiums written (FY2017)				Adjusted profit (FY2017)				Key points	(Reference) Exchange rate	
		1H Actual		Forecasts		1H Actual		Forecasts			Jun. 2017 (YoY Change)	
		Change	Previous	Revised	Change	Previous	Revised					
North America	Sompo America	11.5	+1.8	24.7	21.9	1.0	-0.4	2.2	1.9	Basically in line with the plan.	112.00 JPY/USD	(+8.8%)
	SI (Endurance)	193.3	+193.3	309.8	302.0	-24.6	-24.6	39.3	60.4	Despite the effects of softening market conditions and the hurricanes in North America, benefits will be derived from a decrease in tax expenses in connection with reorganization in 2H FY2017.	112.00 JPY/USD	(+8.8%)
Europe	SJNK Europe	0.7	+0.2	1.0	1.1	0.4	-0.3	0.0	0.2	Steady.	145.79 JPY/GBP	(+5.3%)
	Sompo Canopus	69.5	-3.5	126.5	112.0	-17.1	-18.4	5.9	-9.6	Mainly reflects the impact of hurricanes in North America.	112.00 JPY/USD	(+8.8%)
Asia & Middle East	SJ Sigorta (Turkey)	23.6	-6.0	48.6	45.8	4.1	+2.6	6.2	7.8	Supported by a favorable loss ratio and investment gains, the bottom-line outperformed plans.	31.79 JPY/TRY	(-10.8%)
	Sompo Singapore	3.5	+0.4	7.6	7.4	0.8	+0.1	0.5	1.0	The loss ratio trended favorably.	81.24 JPY/SGD	(+6.3%)
	Berjaya Sompo (Malaysia)	5.8	+0.3	13.1	12.9	0.5	-0.0	0.6	0.6	Basically in line with the plan.	26.08 JPY/MYR	(+1.6%)
	Sompo Indonesia	2.1	+0.8	10.2	7.4	-0.1	-0.3	-0.0	-0.1	Basically in line with the plan.	0.0084 JPY/IDR	(+6.3%)
	Sompo China NK China	2.6	-0.0	5.6	5.5	0.0	+0.0	-0.1	-0.7	The impact of Typhoon No.13 is expected in 2H.	16.49 JPY/RMB	(+6.7%)
	Sompo Hong Kong	1.8	+0.0	3.6	3.6	0.2	+0.0	0.4	0.4	Basically in line with the plan.	14.35 JPY/HKD	(+8.2%)
	Universal Sompo (India)	2.0	+0.7	4.5	3.6	0.1	+0.1	0.2	0.2	Basically in line with the plan.	1.73 JPY/INR	(+13.8%)
Latin America	Sompo Seguros (Brazil)	49.1	+6.7	109.1	106.7	-0.3	-0.7	2.7	1.4	The bottom-line is expected to improve following changes in underwriting conditions, etc.	33.90 JPY/BRL	(+6.8%)
	Other (non-consolidated)*	3.0	+1.1	7.0	5.7	-0.3	-0.5	0.2	-0.5	-	-	-
	Total	369.2	+196.2	671.9	636.3	-35.2	-42.4	58.4	63.1	-	-	-

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

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

(\$ million)	1H FY2016	1H FY2017	Change	FY2017	
				(Previous Forecasts)	(Revised Forecasts)
Gross premiums written					
Steadily expanding mainly in insurance business					
(\$ million) $\uparrow +180$					
					
Gross premiums written	2,748	2,929	+180	4,853	4,711
Net premiums written	1,656	1,726	+70	2,761	2,679
Net premiums earned	1,152	1,155	+2	2,568	2,480
Net losses and loss expenses	619	673	+54	1,495	1,938
Expense	366	398	+32	805	819
Loss ratio	53.7%	58.4%	+4.7pt	58.2%	78.2%
Expense ratio	31.8%	34.5%	+2.7pt	31.4%	33.0%
Combined ratio	85.5%	92.9%	+7.4pt	89.6%	111.2%
Underwriting income	165	24	-141	205	-334
Net investment income	55	106	+51	221	213
Net income (After Preferred dividend)	182	92	-90	288	-166
Mainly due to the timing of recognizing net premiums earned in crop insurance being concentrated in 2H.					
Due to hurricane in North America.					
Higher commission outlays in line with the change of product mix.					
Combined ratio					
Mainly due to the impact of a rising loss ratio in property insurance and higher commission outlays in line with the change of product mix.					
$\uparrow +7.4\text{pt}$					
					
+) Net foreign exchange gains	-44	2	+46	-	-
+) Net realized and unrealized gains	-20	-17	+2	-	14
+) Net impairment losses	10	0	-9	-	-
+) Income tax expense	10	0	-9	-	-
+) One-time merger cost	-	56	+56	62	57
Operating Income	139	134	-4	350	-94
+) a decrease in tax expenses in connection with reorganization, etc.	-	-	-	-	630
Adjusted profit	139	-219	-359	350	536

*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.

*The impact of hurricanes in North America was included in the adjusted profit for 1H FY2017.

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

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

- I would like to provide some supplementary information on Sampo International.
- We recognize that the result of Sampo International in 1H FY2017 was slightly behind plan. The main reasons were the timing of recognizing net premiums, along with the refusal of underwriting mainly for energy-related insurance, where profitability is expected to deteriorate amid a softening environment, and the impact of a rising loss ratio in certain property insurance lines, as well as higher commission outlays.
- Although operating income was ¥13.4 billion in 1H FY2017, adjusted profit was a loss due to the impact of hurricanes in North America. For the full fiscal year, adjusted profit is forecast to increase due to the one-time impact of reorganization.
- Please turn to page 41.

1. Trend of business results

2. Domestic P&C insurance

3. Domestic life insurance

4. Nursing care & healthcare, etc.

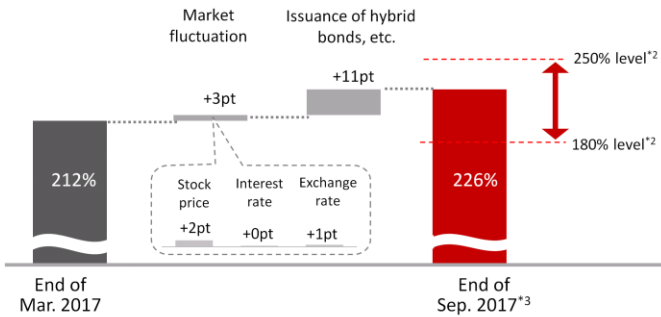
5. Overseas insurance

6. ERM & asset management

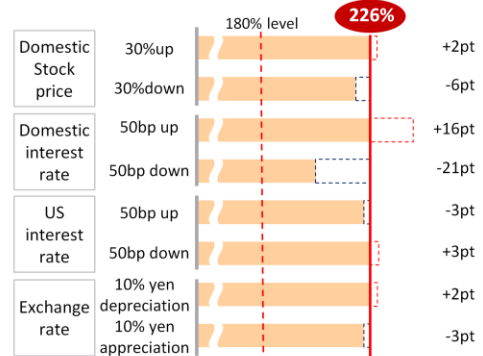
Financial Soundness – ESR (99.5%VaR)

◆ Our financial soundness stays robust.

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 September 2017: 156%
(Target range under this standard was around 120% to 170%)

(Reference) Market indicators

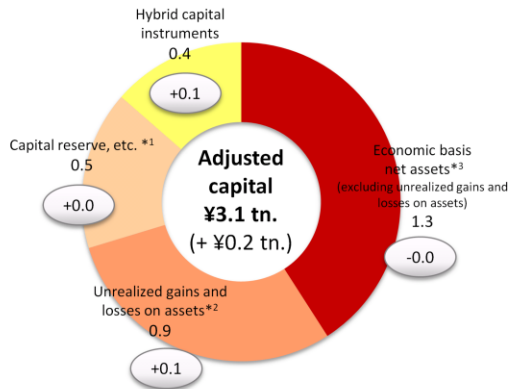
(Reference) Market indicators	End of Mar. 2017	End of Sep. 2017	
Domestic stock price (Nikkei 225)	¥18,909	¥20,356	(+7.7%)
Domestic interest rate (30y JGB)	0.85%	0.86%	(+1bp)
US interest rate	2.39%	2.33%	(-6bp)
Exchange rate (JPY/USD)	¥112.19/USD	¥112.73/USD	(+0.5%)
Exchange rate (JPY/EUR)	¥119.79/EUR	¥132.85/EUR	(+10.9%)

- I'd like to provide an update on the status of ESR.
- The latest ESR stood at 226%, within our target range and posing no particular problems.
- We have also presented a new analysis of the sensitivity of ESR to U.S. interest rates, considering the start of the consolidation of Sompo International. As you can see, the sensitivity of ESR to U.S. interest rates is well controlled to a certain extent.
- Page 42 presents a breakdown of adjusted capital and risk. Please take a look at this page later.
- Please turn to page 43.

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

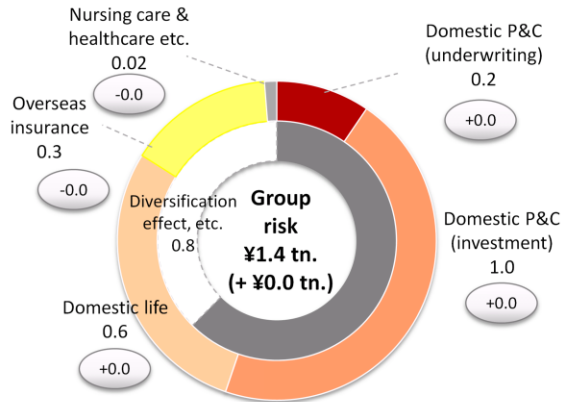
Adjusted capital (Trillions of yen)

(End of Sep 2017)



Risk amount*4 (Trillions of yen)

(End of Sep 2017)



○ : Change from end of Mar. 2017

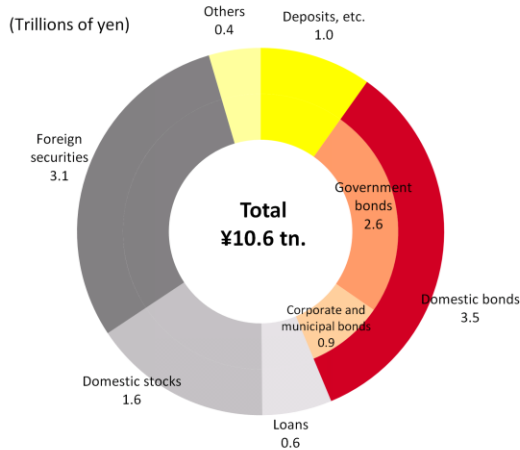
*1 Reserve for price fluctuation and catastrophic loss reserve, etc. (after tax)
 *2 Unrealized gains and losses on securities, etc., including non mark-to-market assets (e.g. policy reserve matching bonds)
 *3 Total of net assets on non-consolidated balance sheets, and value in force of P&C and life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

Asset Portfolio – Group-wide

- ◆ Build a stable portfolio centered on bonds, considering liability, liquidity and other characteristics.

Amount of investment assets (Group consolidated base, as of end of September 2017)



Investment assets by company

(Billions of yen)	Amount of investment assets	Composition
Sompo Japan Nipponkoa	6,099.6	57.4%
Himawari Life	2,659.2	25.0%
Overseas group subsidiaries	1,714.7	16.1%
(Of which, SI (Endurance))	(1,042.7)	(9.8%)
Saison Automobile & Fire	42.9	0.4%
Sonpo 24	22.3	0.2%
Other domestic subsidiaries	82.9	0.8%
Total	10,621.8	100.0%

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

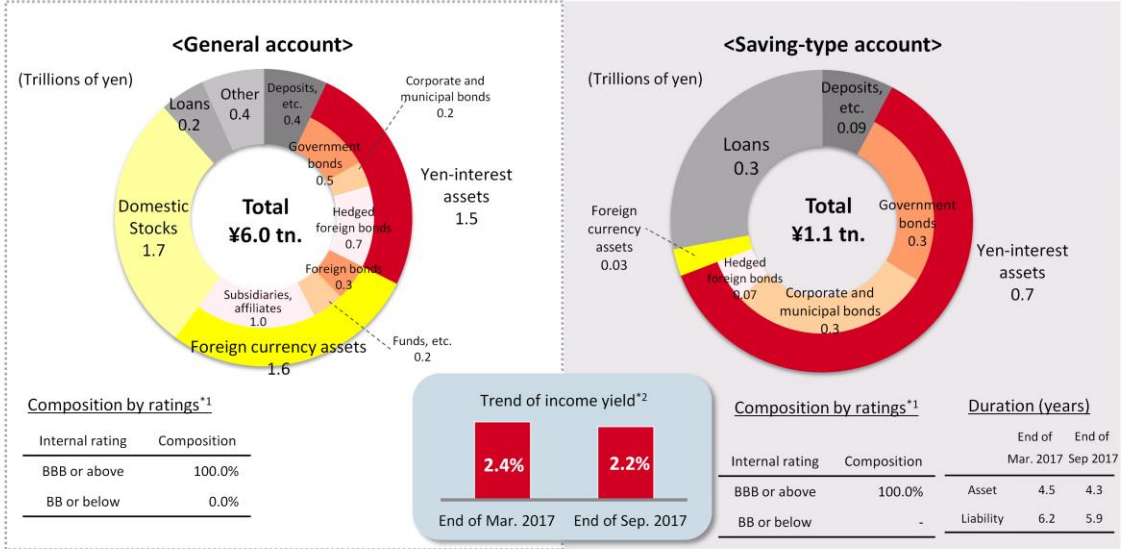
43

- In closing, we present our Group-wide asset portfolio. There have been no major notable movements in the asset portfolio. There have been no changes to the direction of our investment policy. We will continue to reduce strategic-holding stocks. In addition, against the backdrop of a low interest rate environment in Japan, we will generate returns through foreign bonds and related investments, while giving the utmost consideration to any increases in risk.
- The asset portfolios of Sompo Japan Nipponkoa and Himawari Life are shown on page 44 and 45. Please take a look at these pages later.
- That brings my presentation to a close. Thank you for your attention.

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 September 2017, Sompo Japan Nipponkoa, non-consolidated)



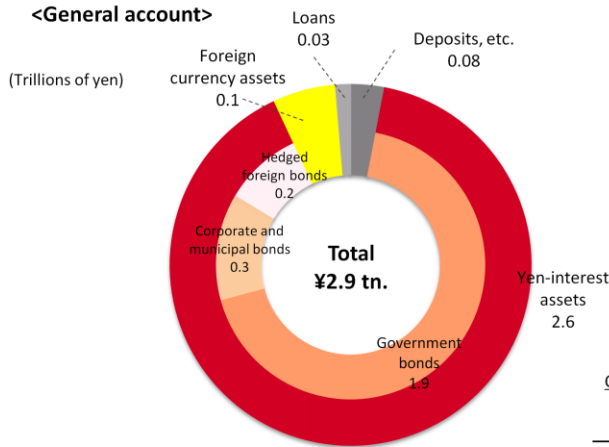
*1 Total of yen-interest assets and foreign currency assets
 *2 Excluding overseas subsidiaries' shares, etc.

Asset Portfolio – Himawari Life



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

Amount of investment assets (end of September 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 Sep. 2017
Asset	13	13
Liability	21	22

(Reference) Amount of separate account (End of Sep. 2017): ¥23.1 billion
(mainly investment in domestic stocks and bonds in the separate account)

* Total of yen-interest assets and foreign currency assets

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/>