

Highlights of 3Q FY2017 Results

February 14, 2018
Sompo Holdings, Inc.



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Highlights of 3Q FY2017 Results

- ◆ Consolidated ordinary profit for 3Q FY2017 decreased ¥58.0 billion to ¥107.4 billion, mainly due to the impact of hurricanes in North America.
- ◆ Consolidated net income for 3Q FY2017 increased ¥27.4 billion to ¥137.2 billion, mainly due to a decrease in tax expenses in connection with the reorganization of SI, etc.

- Non-consolidated net income of Sompo Japan Nipponkoa largely increased ¥72.4 billion to ¥175.0 billion, mainly due to a decrease in tax expenses in connection with the reorganization of SI, etc.
 - E/I loss ratio (excl. CALI, household earthquake) was 60.7%, progressing below the level anticipated in FY2017 forecasts (61.1%).
 - The reduction in strategic-holding stocks (including hedges) amounted to ¥97.4 billion.
- Domestic life insurance business delivered solid business performance with steady growth in policies in force.
- Net income in the nursing care business rose ¥3.8 billion to ¥1.4 billion, due to becoming profitable based on an improving occupancy rate.
- Overseas insurance business was impacted by an incurred loss related to hurricanes in North America.
 - Earnings increased on an adjusted profit basis, due partly to the impact of the abovementioned reorganization.
- The progress rate for consolidated net income improved dramatically in 3Q FY2017.
Progress rate for adjusted consolidated profit (¥150.1 billion) was 77% against FY2017 forecast (¥195.0 billion).

1. Trend of business results

2. Domestic P&C insurance

3. Domestic life insurance

4. Nursing care & healthcare, etc.

5. Overseas insurance

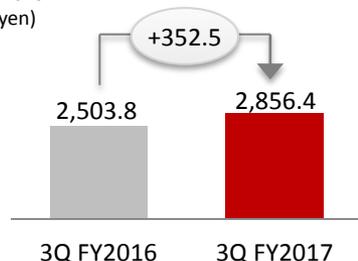
6. ERM & asset management

Overview of 3Q FY2017 Results – Consolidated Basis

- ◆ The top-line increased due to higher net premiums written in Sampo Japan Nipponkoa and the consolidation of P/L of SI (Endurance).
- ◆ Consolidated net income drastically increased to ¥137.2 billion by covering the impact of hurricanes in North America with a decrease in tax expenses in connection with the reorganization of SI, etc.

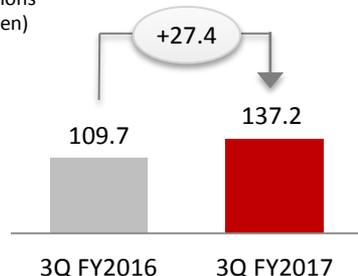
Consolidated ordinary income

(Billions of yen)



Consolidated net income

(Billions of yen)



(Billions of yen)	3Q FY2016	3Q FY2017	Change
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%)
Life insurance premiums	231.0	253.8	+22.7(+9.8%)
Consolidated ordinary profit	165.5	107.4	-58.0
Sampo Japan Nipponkoa	150.8	150.2	-0.6
Himawari Life	12.4	12.2	-0.2
Nursing care (SOMPO Care Message and Next)	-1.3	2.4	+3.8
Overseas insurance subsidiaries	15.2	-39.7	-55.0
Consolidated adjustment* ¹ /Others	-11.7	-17.6	-5.9
Consolidated net income* ²	109.7	137.2	+27.4
Sampo Japan Nipponkoa	102.6	175.0	+72.4
Himawari Life	8.1	7.8	-0.2
Nursing care (SOMPO Care Message and Next)	-2.4	1.4	+3.8
Overseas insurance subsidiaries	12.9	-31.1	-44.1
Consolidated adjustment* ¹ /Others	-11.5	-15.8	-4.3
(Reference) Adjusted profit (by business)	132.9	150.1	+17.1
Domestic P&C insurance	97.8	85.2	-12.6
Domestic life insurance	22.2	22.6	+0.4
Nursing care & healthcare, etc.	-0.9	2.4	+3.3
Overseas insurance	13.8	39.8	+26.0

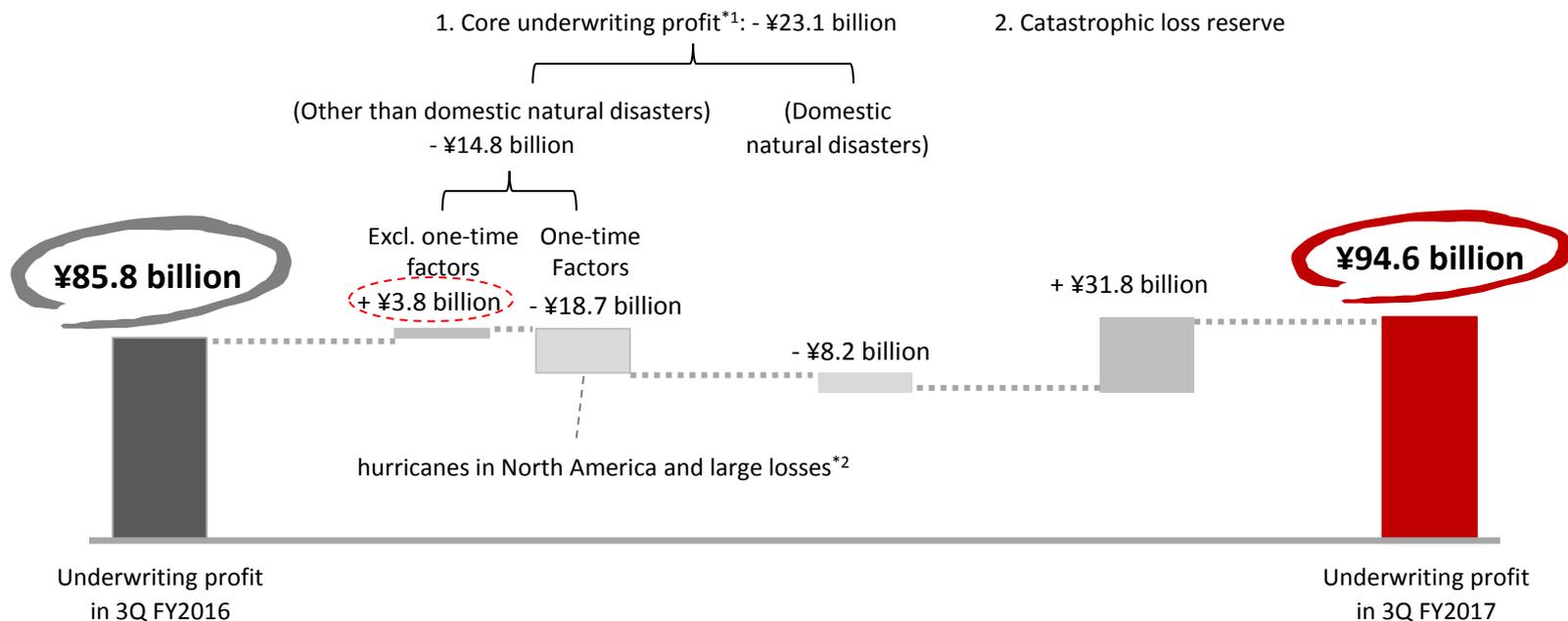
*1 "Purchase method" accounting was adopted upon the establishment of Sampo Holdings. The figures therefore include adjustments for gains/losses on sales, etc.

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

Main Points of Consolidated Results – (1) Underwriting Profit

◆ Core underwriting profit excluding domestic natural disasters and one-time factors increased ¥3.8 billion.

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)			
3Q FY2016 Actual	¥108.1 billion	¥142.3 billion	- ¥34.2 billion	- ¥22.2 billion	¥85.8 billion
3Q FY2017 Actual	¥85.0 billion	¥127.4 billion	- ¥42.4 billion	+ ¥9.5 billion	¥94.6 billion

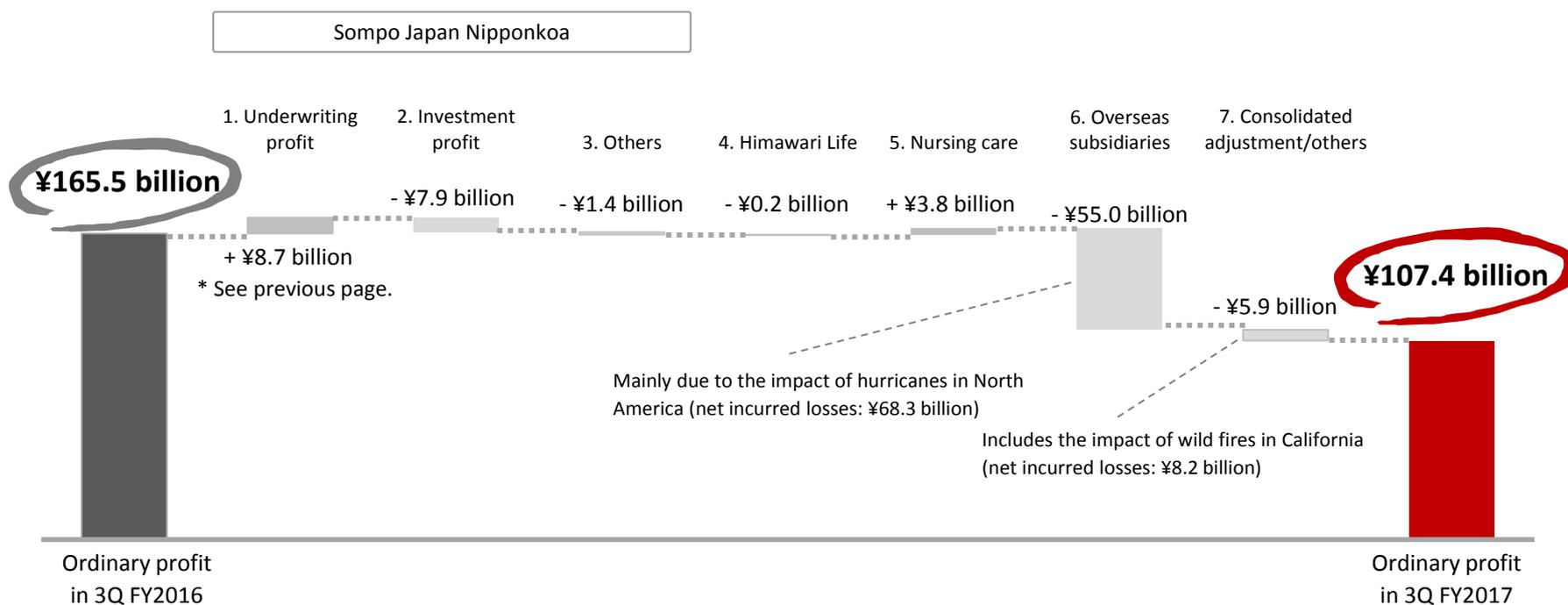
*1 Core underwriting profit is underwriting profit less the impact related to catastrophic loss reserve.

*2 The breakdown (net incurred losses): hurricanes in North America (- ¥5.1 billion) and large losses (- ¥13.6 billion).

Main Points of Consolidated Results – (2) Ordinary Profit

- ◆ Consolidated ordinary profit decreased ¥58.0 billion to ¥107.4 billion, mainly due to the impact of hurricanes in North America.

Changing factors of consolidated ordinary profit

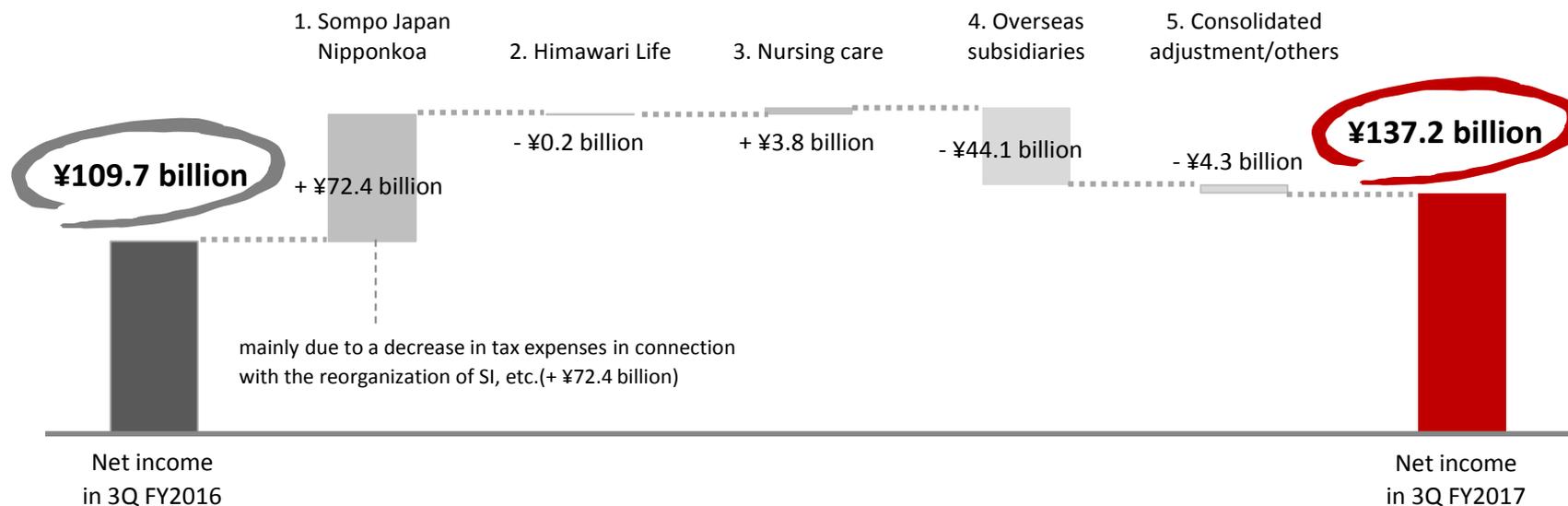


	1. Underwriting profit	2. Investment profit	3. Others	4. Himawari Life	5. Nursing care	6. Overseas subsidiaries	7. Consolidated adjustment/others	Ordinary profit
3Q FY2016 Actual	¥85.8 billion	¥79.2 billion	- ¥14.3 billion	¥12.4 billion	- ¥1.3 billion	¥15.2 billion	- ¥11.7 billion	¥165.5 billion
3Q FY2017 Actual	¥94.6 billion	¥71.3 billion	- ¥15.7 billion	¥12.2 billion	¥2.4 billion	- ¥39.7 billion	- ¥17.6 billion	¥107.4 billion

Main Points of Consolidated Results – (3) Net Income

- ◆ Consolidated net income increased ¥27.4 billion to ¥137.2 billion, mainly due to a decrease in tax expenses in connection with the reorganization of SI ,etc.

Changing factors of consolidated net income



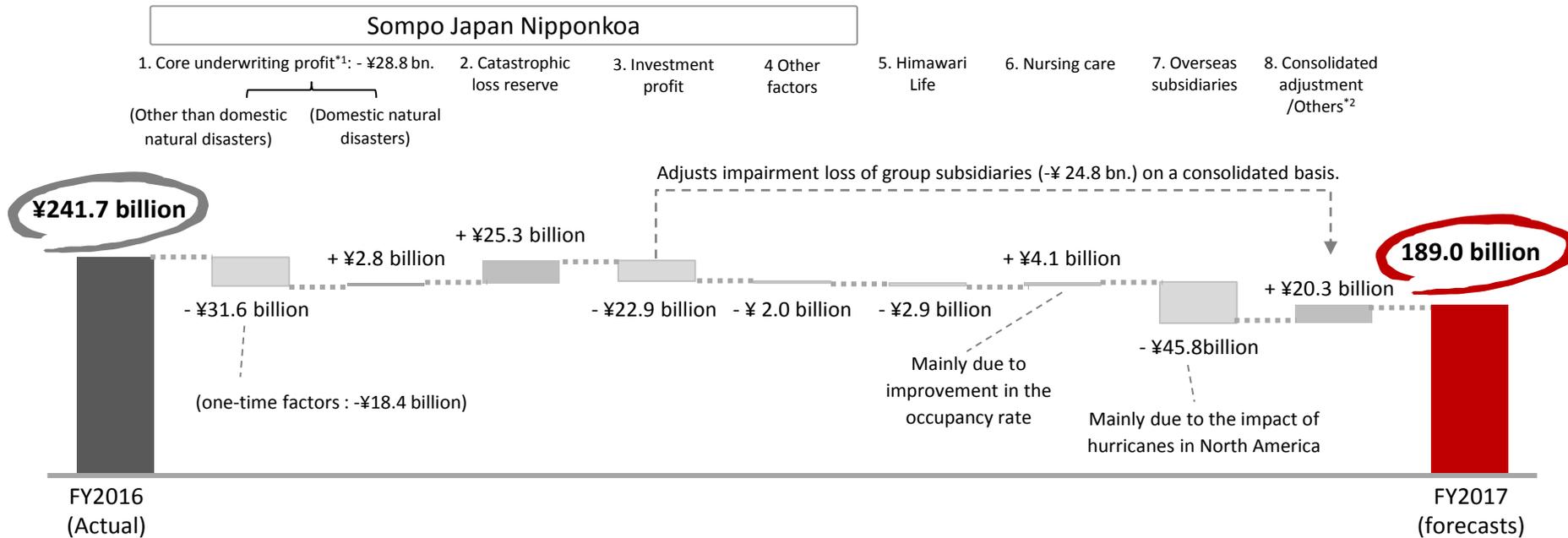
	1. Sompco Japan Nipponkoa	2. Himawari Life	3. Nursing care	4. Overseas subsidiaries	5. Consolidated adjustment/others	Net income
3Q FY2016 Actual	¥102.6 billion	¥8.1 billion	- ¥2.4 billion	¥12.9 billion	- ¥11.5 billion	¥109.7 billion
3Q FY2017 Actual	¥175.0 billion	¥7.8 billion	¥1.4 billion	- ¥31.1 billion	- ¥15.8 billion	¥137.2 billion

(Reference) Business Forecasts for FY2017 – Consolidated Basis

(Billions of yen)	FY2016 (Actual)	FY2017 (forecasts)	Change
Net premiums written (P&C)	2,550.3	2,854.0	+303.6 (+11.9%)
Life insurance premiums	323.8	337.5	+13.6 (+4.2%)
Consolidated ordinary profit	241.7	189.0	-52.7
Sompo Japan Nipponkoa	230.4	202.0	-28.4
Himawari Life	12.9	10.0	-2.9
Nursing care (SOMPO Care Message and Next)	-1.2	2.9	+4.1
Overseas subsidiaries	22.7	-23.1	-45.8
Consolidated adjustment/others	-23.1	-2.7	+20.3
Consolidated net income	166.4	152.0	-14.4 (-8.7%)
Sompo Japan Nipponkoa	164.4	185.0	+20.5
Himawari Life	8.3	6.0	-2.3
Nursing care (SOMPO Care Message and Next)	-2.9	2.0	+4.9
Overseas subsidiaries	19.5	-16.5	-36.1
Consolidated adjustment/others	-22.9	-24.4	-1.4
Consolidated net income per share (Yen)	419	392	-26
(Reference) Adjusted profit (by business)	183.2	195.0	+11.7 (+6.4%)
Domestic P&C insurance	134.9	100.2	-34.6
Domestic life insurance	29.1	28.0	-1.1
Nursing care & healthcare, etc.	-0.7	3.6	+4.3
Overseas insurance	19.9	63.1	+43.2
Adjusted profit per share (Yen)	461	501	+40 (+8.7%)

(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 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

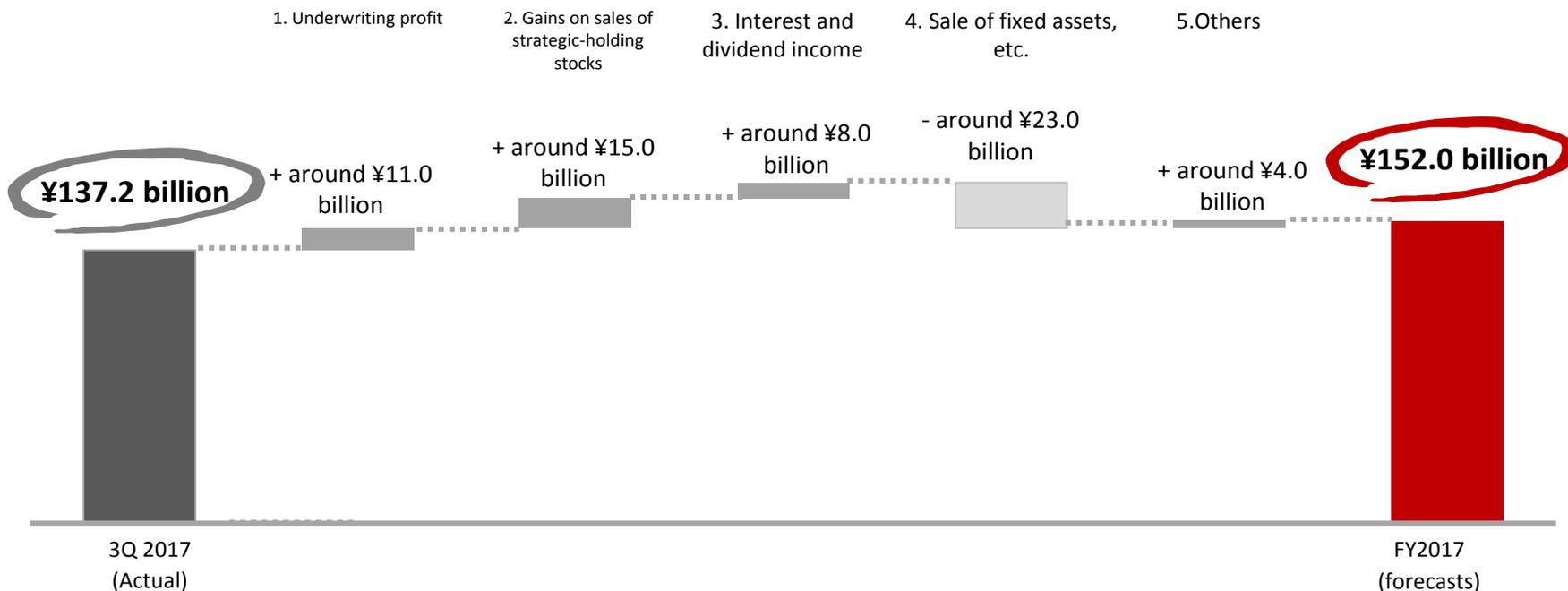
*1 Core underwriting profit is underwriting profit less the impact related to catastrophic loss reserve.

*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).

Expected progress for Consolidated Net Income in 4Q FY2017

◆ Expecting to generate steady underwriting profit and outperform the target for sales of strategic-holding stocks, business forecasts for FY2017 remains unchanged.

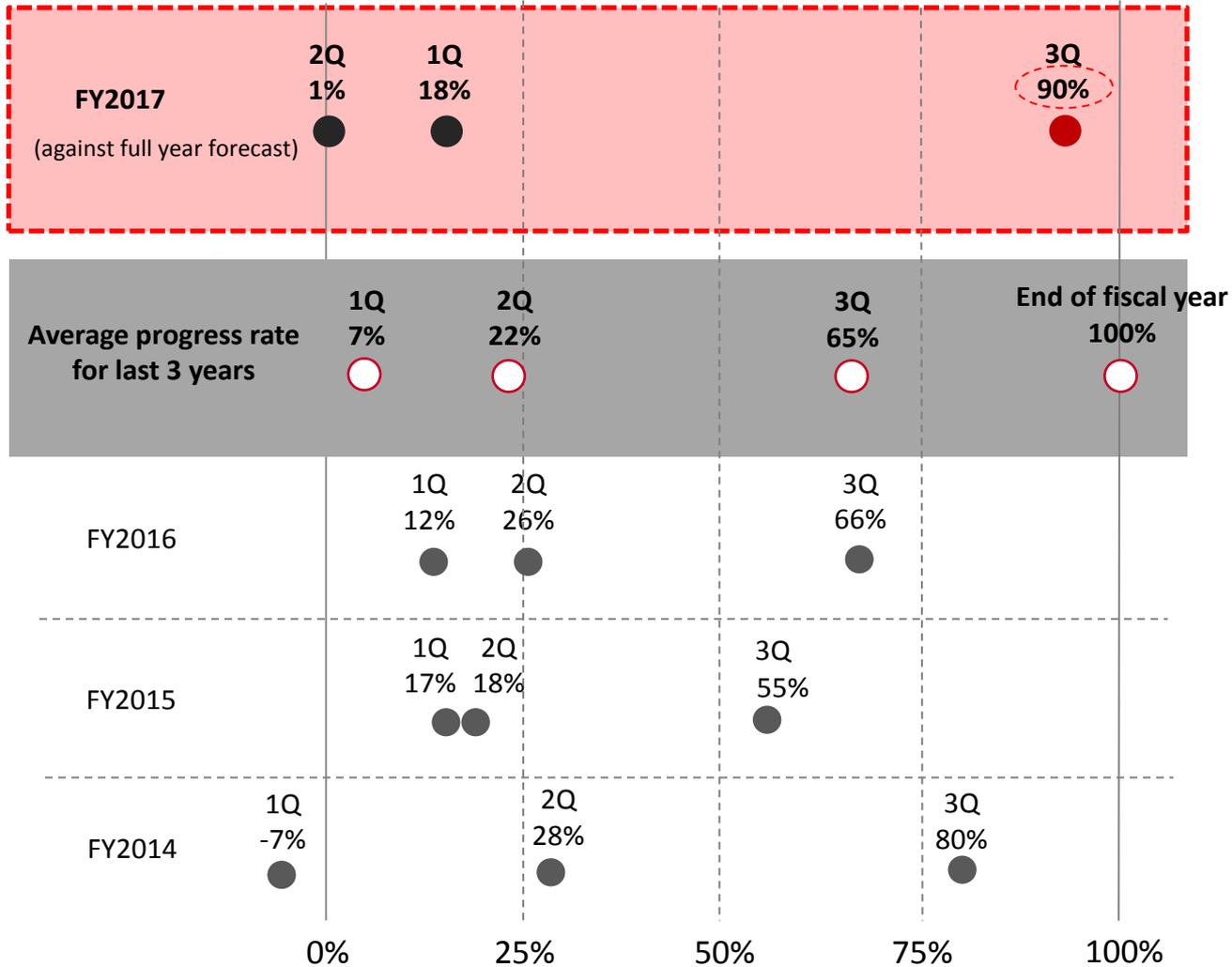
Changing factors of consolidated net income in 4Q FY2017



* 1 to 4 figures are expected by Sompo Japan Nipponkoa

(Reference) Progress of Quarterly Results

Progress in each quarter (consolidated net income)



(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.

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 3Q FY2017 Results – Sompo Japan Nipponkoa

- ◆ Ordinary profit was largely flat year on year.
- ◆ Net income increased ¥72.4 billion, based on a decrease in tax expenses in connection with the reorganization, etc.

(Billions of yen)	3Q FY2016	3Q FY2017	Change	
Net premiums written	1,618.8	1,636.1	+17.3 (+1.1%)	
(excl. CALI, household earthquake)	1,398.8	1,412.3	+13.5(+1.0%)	
Net premiums earned (excl. CALI, household earthquake)	1,410.8	1,413.1	+2.3(+0.2%)	
Loss ratio	63.2%	64.0%	+0.9pt	
(excl. CALI, household earthquake)	59.3%	61.6%	+2.3pt	
E/I loss ratio (excl. CALI, household earthquake)	59.1%	60.7%	+1.6pt	
Net expense ratio	31.9%	32.1%	+0.1pt	
(excl. CALI, household earthquake)	33.7%	33.8%	+0.1pt	
Combined ratio	95.1%	96.1%	+1.0pt	
(excl. CALI, household earthquake)	92.9%	95.3%	+2.4pt	
Underwriting profit	85.8	94.6	+8.7	Mainly due to improved profitability of automobile insurance
Investment profit	79.2	71.3	-7.9	Mainly the loss on valuation of securities related to shares of consolidated subsidiaries. (Eliminated on a consolidated)
Ordinary profit	150.8	150.2	-0.6	
Net income	102.6	175.0	+72.4	a decrease in tax expenses in connection with the reorganization of SI, etc. (+ ¥72.4 billion).
(Reference) Adjusted profit				
+ Provisions for catastrophic loss reserve (after tax)	15.9	-6.8	-22.8	
+ Provisions for reserve for price fluctuation (after tax)	4.3	5.8	+1.4	
- Gains/losses on sales of securities and impairment losses on securities (after tax)	28.6	20.7	-7.8	
- Special factors (after tax)*	-5.7	66.5	+72.3	
Adjusted profit	100.1	86.6	-13.4	

* Special factors are gains /losses related to stock future and one-time factors related to reorganization

Net Premiums Written

◆ Net premiums written kept increasing, centered on fire and allied lines and other lines.

Net premiums written by product line

(Billions of yen)	3Q FY2016	3Q FY2017	Change		FY2017 (forecasts)
Fire and Allied Lines	204.5	208.6	+4.1	(+2.0%)	281.5
Marine	32.7	35.9	+3.2	(+9.8%)	44.8
Personal Accident	139.5	139.0	-0.4	(-0.4%)	176.4
Voluntary Automobile	805.7	806.6	+0.8	(+0.1%)	1,084.4
CALI	219.2	223.3	+4.0	(+1.8%)	290.5
Other	217.0	222.6	+5.6	(+2.6%)	296.0
of which, Liability	120.6	123.9	+3.3	(+2.8%)	158.4
Total	1,618.8	1,636.1	+17.3	(+1.1%)	2,174.0
Total (excl. CALI, household earthquake)	1,398.8	1,412.3	+13.5	(+1.0%)	1,882.7

(Main changing factors)

Fire and Allied Lines: Mainly due to an increase in the number of policies by product revisions.
(Combination discounts for house and household assets, etc.)

Marine: The number of policies increased mainly due to an increase in trade volume and the acquisition of major policies.

Voluntary Automobile: Mainly due to the increase in the number of vehicles by product revisions.
(Expanded discounts for multiple vehicles, etc.)

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

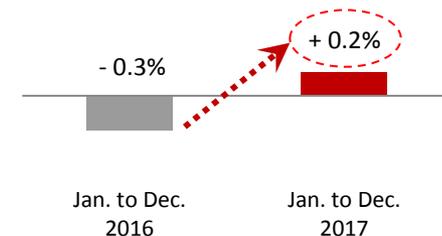
(Reference) Year-on-Year comparison of voluntary automobile insurance (April - December 2017)

	# of vehicles	Unit premium	Total Premium
Non-fleet	-0.0%	-0.5%	-0.5%
Fleet	+2.2%	+0.9%	+3.1%
Total	+0.4%	-0.3%	+0.1%

(Performance evaluation basis)

<Trends of the number of non-fleet vehicles>

On increasing trend after product revision in January 2017.



Loss Ratio (W/P)

- ◆ While net loss ratio rose mainly due to natural disasters in Japan, largely in line with the level anticipated in FY2017 business forecasts(61.6%, excl. CALI, household earthquake).
- ◆ E/I loss ratio of mainstay automobile insurance kept improving.

Loss ratio(W/P)

3Q FY2017

(Billions of yen)

	Net claims paid	Change	Loss ratio	Change			
Fire and Allied lines	159.2	+11.6	78.0%	+4.0pt			
Marine	18.0	-1.6	52.9%	-10.5pt	(Reference) E/I Loss ratio		
Personal Accident	71.0	+0.2	55.2%	+0.1pt			
Voluntary Automobile	433.3	+17.6	61.4%	+2.2pt			3Q FY2017
CALI	163.8	-7.3	79.7%	-5.3pt			E/I loss ratio
Other	108.3	+5.9	52.0%	+1.4pt			change
of which, Liability	58.9	+3.9	51.1%	+1.8pt			
Total	953.8	+26.4	64.0%	+0.9pt	Fire and Allied lines	66.3%	+8.3pt
Total (excl. CALI, household earthquake)	790.0	+41.1	61.6%	+2.3pt	(excl. household earthquake)		
Total (excl. CALI, household earthquake, domestic natural disasters)	727.5	+29.7	57.2%	+1.5pt	Marine	65.8%	+10.9pt
					Personal Accident	58.2%	+0.2pt
					Voluntary Automobile	59.9%	-0.4pt
					Other	58.9%	+1.4pt
					Total (excl. CALI, household earthquake)	60.7%	+1.6pt

Net loss ratio increased due to a large improvement in the progress rate for claims payments. Meanwhile, E/I loss ratio improved, reflecting a decrease in the number of accidents.

Net Expense Ratio

◆ Expense ratio was controlled as planned, centered on company expense ratio.

Net expense ratio

(Billions of yen)	3Q FY2017			
	Amount	Change	Net expense ratio	Change
Net commissions and brokerage fees	295.3	+6.2	18.1%	+0.2pt
Operating, general and administrative expenses *1	229.5	+1.6	14.0%	-0.0pt
Total	524.9	+7.9	32.1%	+0.1pt
Total (excl. CALI, household earthquake)	476.7	+5.5	33.8%	+0.1pt
Total (excl. CALI, household earthquake, upfront investment *2)	472.9	+6.3	33.5%	+0.1pt

*1 Only for underwriting (company expense)

*2 The amount of upfront investments for the entire line item was ¥6.4 billion in 3Q FY2017. (FY2017 (forecast) is around ¥10.0 billion.)

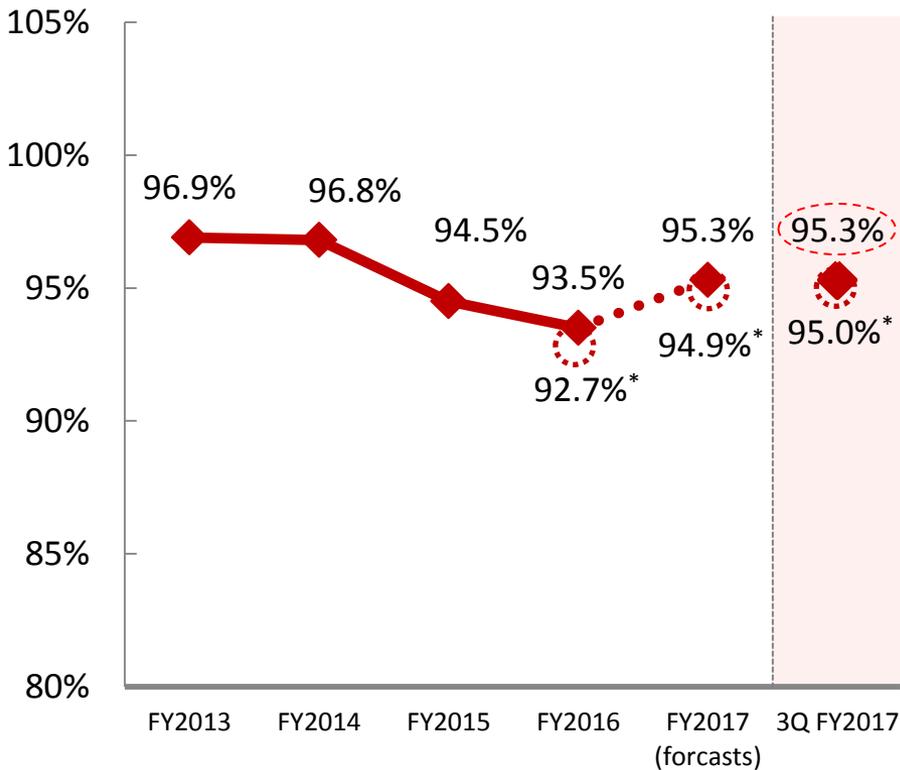
Company expense ratio

(Billions of yen)	3Q FY2017			
	Amount	Change	Company expense ratio	Change
Personnel expenses	110.3	+2.7	6.7%	+0.1pt
Non-personnel expenses	109.2	-0.6	6.7%	-0.1pt
Tax and contributions	9.9	-0.3	0.6%	-0.0pt
Total	229.5	+1.6	14.0%	-0.0pt
Total (excl. upfront investment)	225.7	+2.4	13.8%	+0.0pt

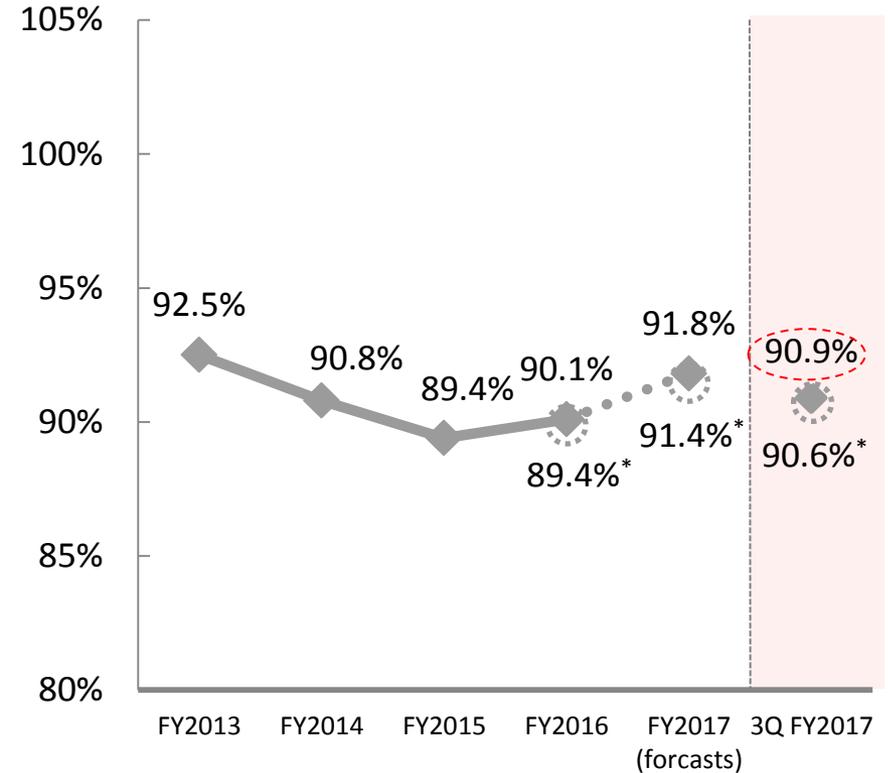
Combined Ratio

◆ The combined ratio in 3Q FY2017 progressed largely in line with the level anticipated in FY2017 business forecasts.

Combined ratio (excl. CALI, household earthquake)



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



* Excluding upfront investments.

Investment Profit

◆ Investment profit tracked plans mainly due to progress of the reduction of strategic-holding stocks.

Investment profit (Sompo Japan Nipponkoa, non-consolidated)

(Billions of yen)		3Q FY2016	3Q FY2017	Change	FY2017 (forecasts)
Net interest and dividend income	1	48.7	48.0	-0.6	59.8
Interest and dividend income*1		82.2	77.8	-4.3	99.7
of which, dividends from overseas subsidiaries		0.0	0.0	+0.0	0.0
Gains on sales of securities*1	2	40.5	54.2	+13.6	75.0
of which, domestic stocks		36.5	51.6	+15.1	72.5
Impairment losses on securities*1	3	-0.7	-25.3	-24.6	-25.8
of which, domestic stocks		-0.5	-12.0	-11.4	-12.5
Gains on derivatives	4	-16.0	-12.2	+3.7	-7.3
Other investment income	5	6.7	6.5	-0.1	7.6
Investment profit	1+2+3+4+5	79.2	71.3	-7.9	109.3

(Reference)
Reduction of strategic-holding stocks

Actual*2	¥75.4 billion
Stock future*3	¥22.0 billion
Total	¥97.4 billion

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

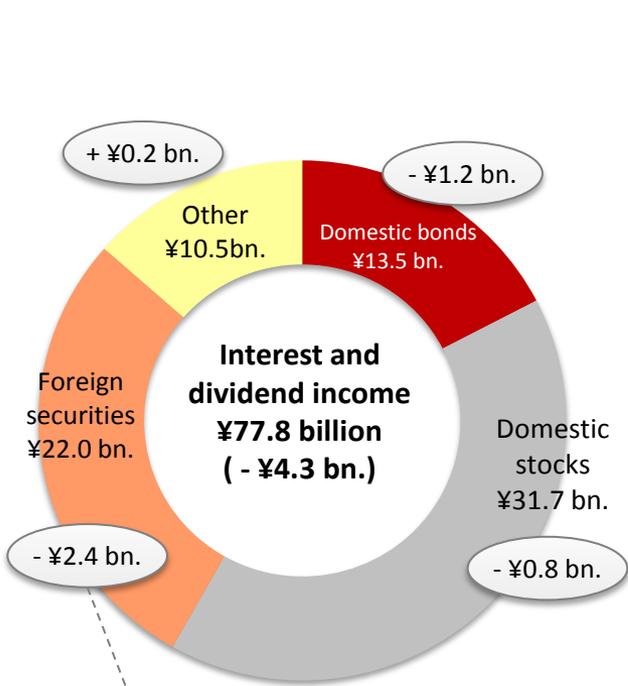
*3 Short position of Nikkei 225 Futures.

*1 See next page for breakdown

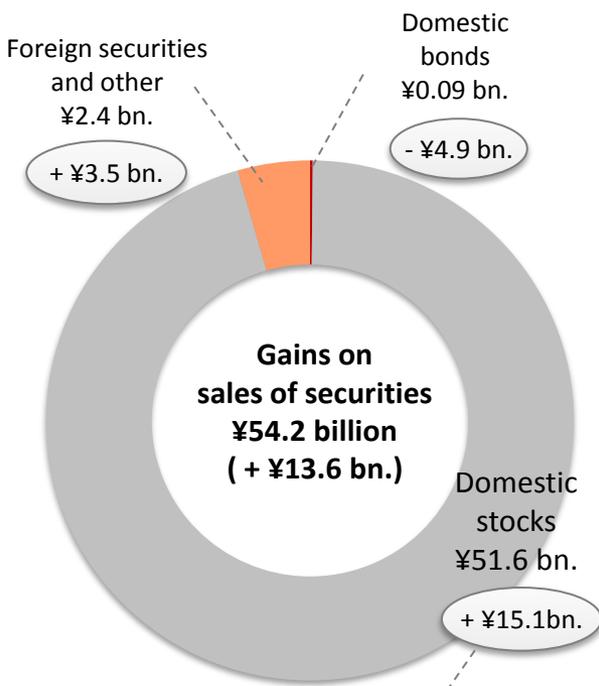
Mainly the loss on valuation of securities related to shares of consolidated subsidiaries.
(Eliminated on a consolidated basis.)

(Reference) Breakdown of Investment Profit

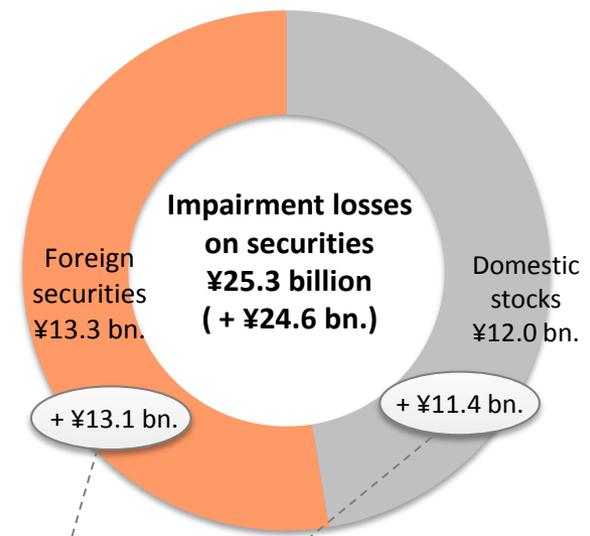
Breakdown of interest and dividend income, gains on sales of securities, and impairment losses on securities (3Q FY2017)



Mainly reflects the rebound from a gain on cancellation of funds recorded in the previous fiscal year.



Progress of selling actual stocks.



The loss on valuation of securities related to shares of consolidated subsidiaries. (Eliminated on a consolidated basis). Both the domestic stock and foreign securities components (impact of the decision to sell Canopus) have already been factored into FY2017 business forecasts.

Changes from 3Q FY2016

(Reference) Business Forecasts for FY2017– Sampo Japan Nipponkoa

(Billions of yen)	FY2016 (Actual)	FY2017 (forecasts)	Change
Net premiums written	2,165.6	2,174.0	+8.3 (+0.4%)
(excl. CALI, household earthquake)	1,869.5	1,882.7	+13.1 (+0.7%)
Net premiums earned (excl. CALI, household earthquake)	1,883.7	1,882.8	-0.8 (-0.0%)
Loss ratio	63.2%	64.3%	+1.1pt
(excl. CALI, household earthquake)	59.8%	61.6%	+1.8pt
E/I loss ratio (excl. CALI, household earthquake)	59.5%	61.1%	+1.6pt
Net expense ratio	32.0%	32.1%	+0.1pt
(excl. CALI, household earthquake)	33.7%	33.7%	+0.0pt
Combined ratio	95.2%	96.4%	+1.2pt
(excl. CALI, household earthquake)	93.5%	95.3%	+1.8pt
Underwriting profit	112.4	109.0	-3.4 (-3.1%)
Investment profit	132.3	109.3	-22.9 (-17.4%)* ¹
Ordinary profit	230.4	202.0	-28.4 (-12.4%)
Net income	164.4	185.0	+20.5 (+12.5%)* ²
(Reference) Adjusted profit			
+Provisions for catastrophic loss reserve (after tax)	11.4	-6.8	-18.2
+Provisions for reserve for price fluctuation (after tax)	7.5	7.3	-0.1
-Gains/losses on sales of securities and impairment losses on securities (after tax)	49.8	35.3	-14.5
-Special factors (after tax)* ³	-5.0	45.6	+50.7
Adjusted profit	138.5	104.5	-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).

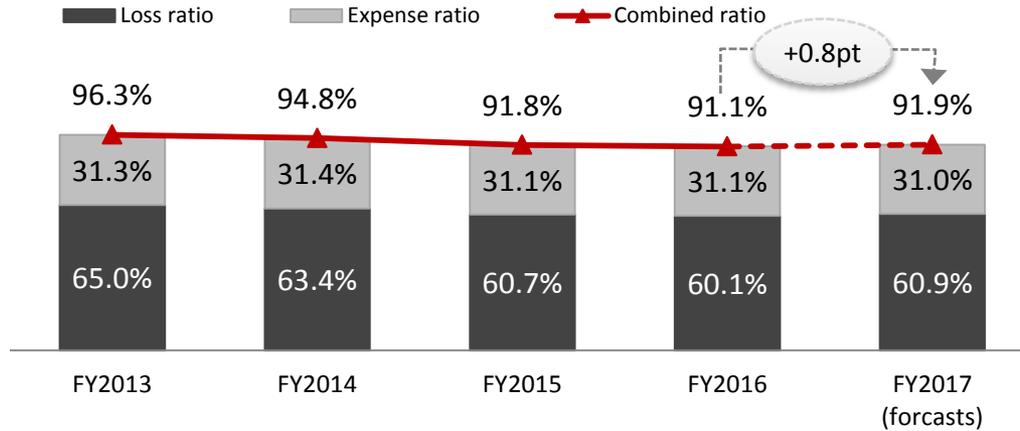
*3 Special factors are gains /losses related to stock future and one-time factors related to reorganization

(Reference) Assumption of Business Forecasts for FY2017

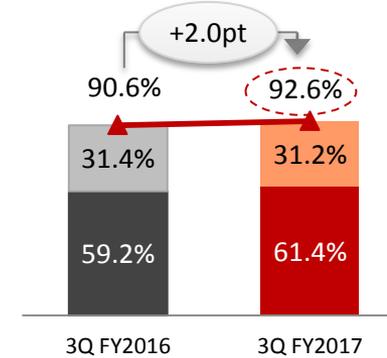
Losses from domestic natural disasters (occurring in the fiscal year)	¥53.0 billion
Catastrophic loss reserve	Net reversal : ¥9.5 billion
Provision rate of catastrophic loss reserve	Provision rate of fire group : fire 14.0% other 5.0% Provision rate of automobile group : 3.2%
Market indicators	(Stock) 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 : ¥99.7 billion Net : ¥59.8 billion
Realized gains on securities	Realized gains on security sales : ¥75.0 billion Impairment losses on securities : ¥25.8 billion
Reserve for price fluctuation	Net provision : ¥10.2 billion

(Reference) Related Indicators of Automobile Insurance

Combined ratio



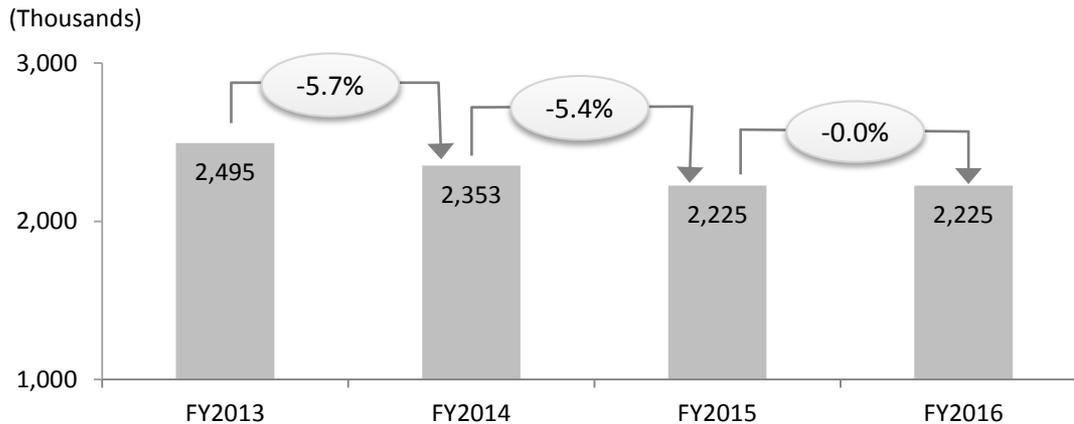
Trend of 3Q Results



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

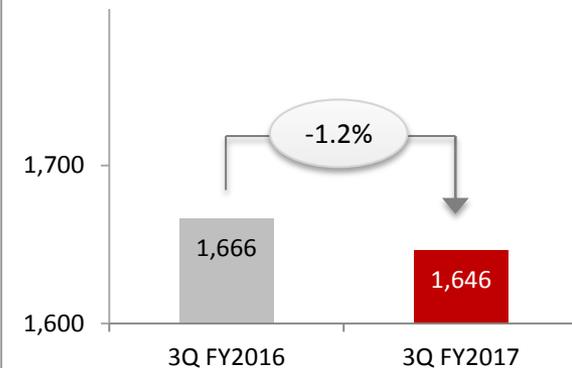
* Loss ratio is on a written paid basis (including loss adjustment expense).

The number of reported claims



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

Trend of 3Q Results



(Reference) Domestic Natural Disasters

Net claims paid for natural disasters that occurred in the fiscal year (excluding CALI, household earthquake)*¹

(Billions of yen)	3Q FY2016	3Q FY2017	Change
Fire and Allied lines	29.6	36.2	+6.5
Marine	0.0	0.0	-0.0
Personal Accident	0.0	0.0	+0.0
Voluntary Automobile	3.0	4.7	+1.7
Other	1.5	1.4	-0.0
Total	34.2	42.4*²	+8.2

*1 Since outstanding loss reserve is worked out by compendium method in 3Q results, incurred losses related to natural disasters were not aggregated.

*2 Assumption of FY2017 business forecasts Losses from domestic natural disasters (occurring in the fiscal year): ¥53.0 billion

(Reference) Major net claims paid of natural disasters in 3Q FY2017

- Heavy rain in North Kyushu (July 2017): ¥2.8 billion
- Typhoon No.18 (September 2017): ¥7.8 billion
- Typhoon No.21 (October 2017): ¥19.3 billion

(Reference) Fund and Reserve

Underwriting reserves and reserve for outstanding losses and claims (at the end of 3Q 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	734.9	-12.1	156.3	-18.9	108.5	-16.4
Marine	17.5	-1.4	50.0	+1.9	29.8	+3.9
Personal accident	128.3	+4.8	72.9	+2.1	67.6	+1.3
Voluntary automobile	308.0	-2.6	64.6	-4.2	399.4	-10.6
CALI* ²	427.1	+8.0	-	-	81.9	-2.8
Other	321.5	+6.5	210.6	+9.5	211.0	+10.2
Total	1,937.6	+3.2	554.6	-9.5	898.3	-14.3
Total (excluding CALI and household earthquake)	1,501.3	-5.3	554.6	-9.5	816.4	-11.5
	Amount	Change				
Reserve for saving-type products* ³	1,393.1	-56.3				

*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

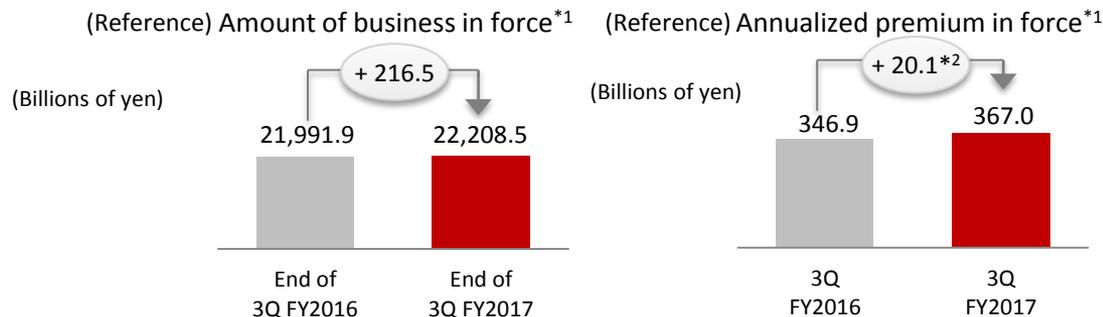
6. ERM & asset management

Overview of 3Q FY2017 Results – Himawari Life

◆ Policies in force kept growing. The bottom-line steadily progressed against FY2017 forecasts.

Major indicators

(Billions of yen)	3Q FY2016	3Q FY2017	Change	FY2017(Forecasts)
Annualized new premium	32.9	26.5	-6.3 (-19.4%)	40.0
Premium and other income	304.6	319.6	+15.0 (+4.9%)	439.3
Expense	73.8	68.7	-5.1 (-6.9%)	103.4
Investment profit	33.9	35.0	+1.0 (+3.2%)	44.0
of which, general account	32.0	32.5	+0.4 (+1.4%)	44.0
Basic profit	15.2	16.1	+0.9 (+6.0%)	13.6
Ordinary profit	15.7	15.4	-0.3 (-2.1%)	13.9
Net income	8.1	7.8	-0.2 (-3.6%)	6.0
Adjusted profit	22.2	22.6	+0.4 (+1.9%)	28.0



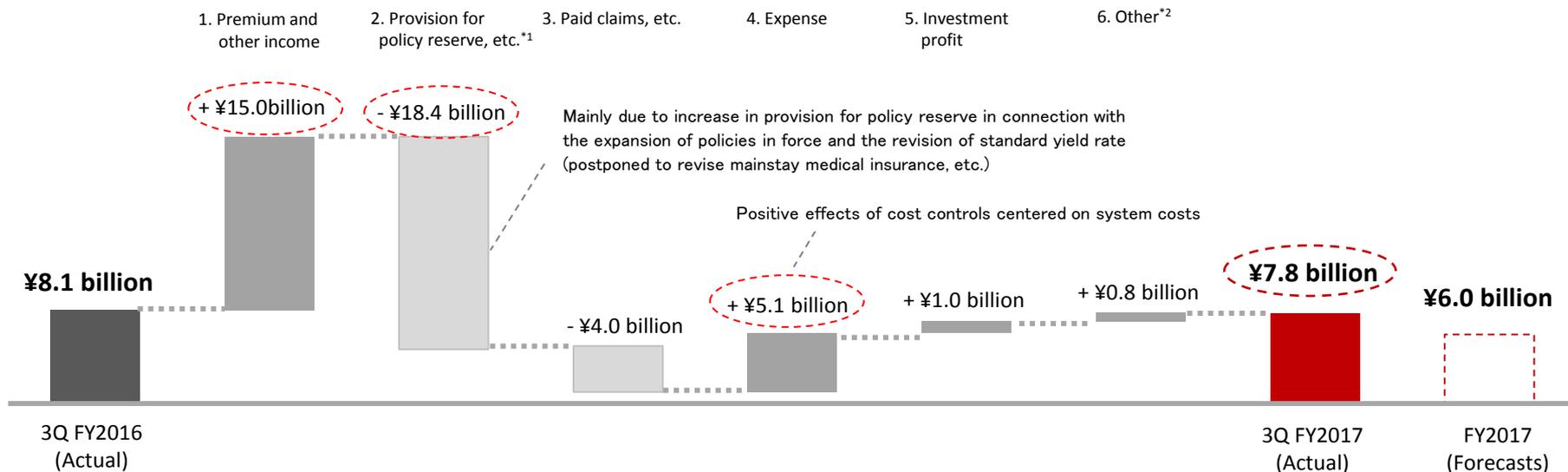
*1 The sum of individual insurance and individual annuities.

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

Net Income – J-GAAP

- ◆ Progressed above the level anticipated in FY2017 business forecasts, partly due to an increase in policies in force, despite an increase in provision for policy reserve.

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
3Q FY2016 Actual	¥304.6 billion	- ¥201.6 billion	- ¥45.2 billion	- ¥73.8 billion	¥33.9 billion	- ¥9.5 billion	¥8.1 billion
3Q FY2017 Actual	¥319.6 billion	- ¥220.0 billion	- ¥49.2 billion	- ¥68.7 billion	¥35.0 billion	- ¥8.6 billion	¥7.8 billion
FY2017 Forecasts	¥439.3 billion	- ¥303.2 billion	- ¥64.5 billion	- ¥103.4 billion	¥44.0 billion	- ¥6.0 billion	¥6.0 billion

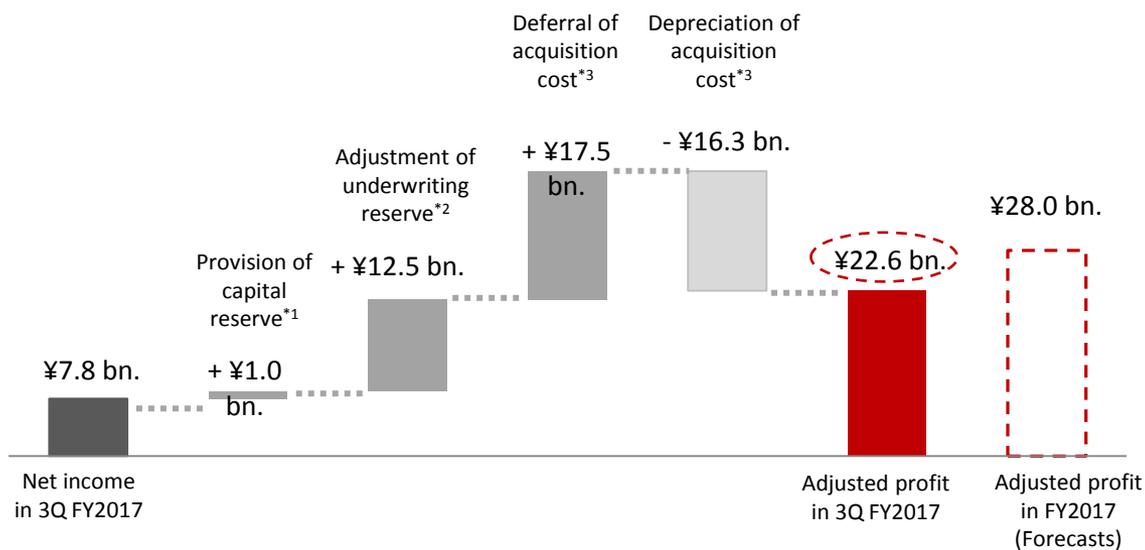
*1 Include the impact of cancellation refund

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

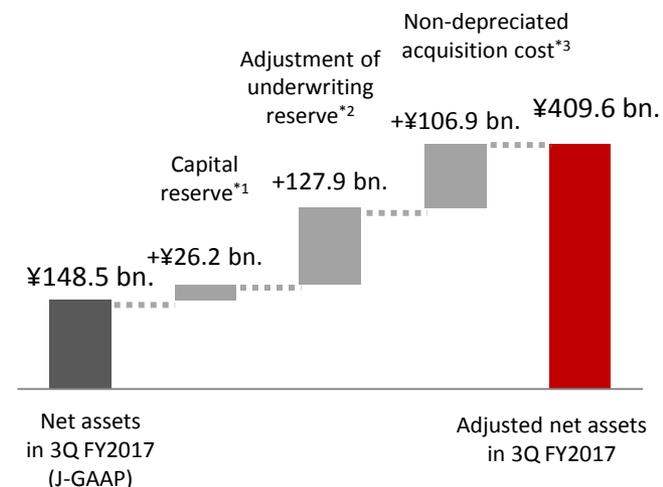
Adjusted Profit and Adjusted Net Assets – Himawari Life

◆ Adjusted profit (3Q FY2017: ¥22.6 billion) progressed 81% against FY2017 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.

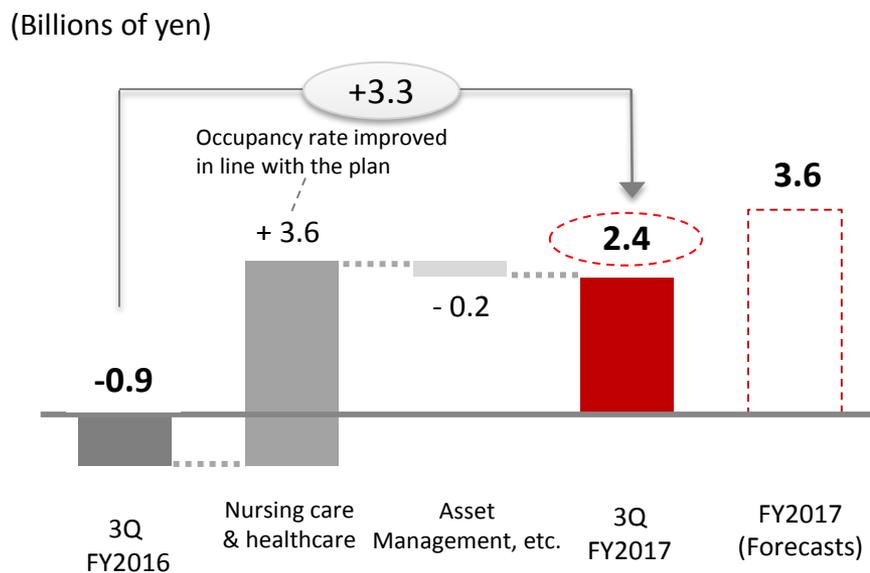
5. Overseas insurance

6. ERM & asset management

Overview of 3Q FY2017 Results – Nursing Care & Healthcare, etc.

◆ Occupancy rate improved steadily, net income in nursing care & healthcare, etc. increased ¥3.3 billion to ¥2.4 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).

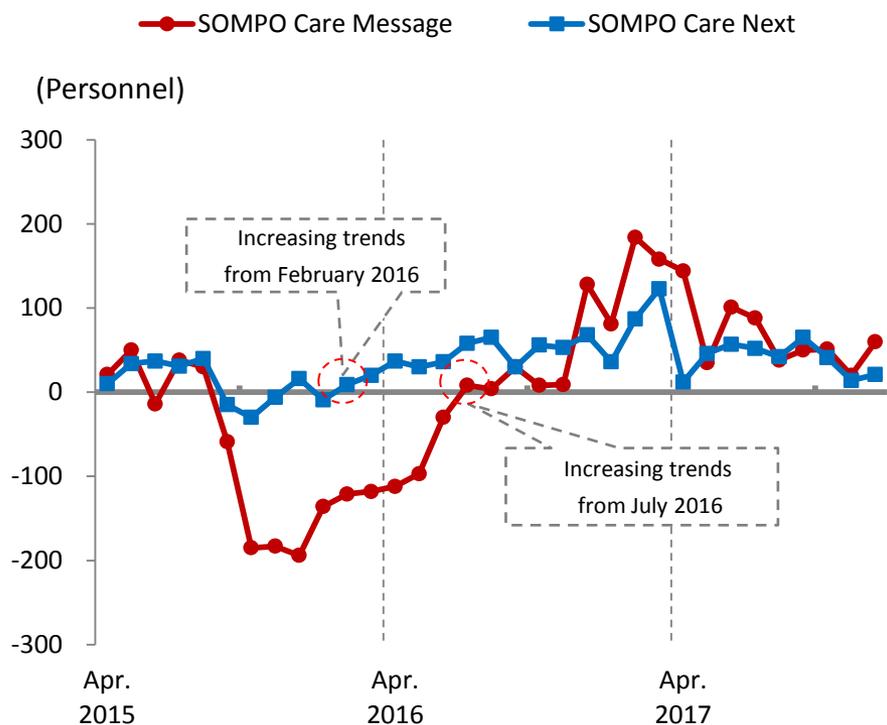
Main indicator of nursing care business

(Billions of yen)	3Q FY2017	Change	FY2017 (Forecasts)
Sales	89.5	+6.6	119.8
(SOMPO Care Message)	58.6	+3.5	79.3
(SOMPO Care Next)	30.9	+3.0	40.5
Net income	1.4	+3.7	2.0
(SOMPO Care Message)	0.7	+2.4	1.8
(SOMPO Care Next)	0.6	+1.3	0.2
Occupancy rate (SOMPO-no-le)	89.9%	+5.2pt	91.4%
(SOMPO-no-le S)	88.2%	+6.5pt	89.0%
(La vie Re)	83.8%	+6.5pt	84.0%

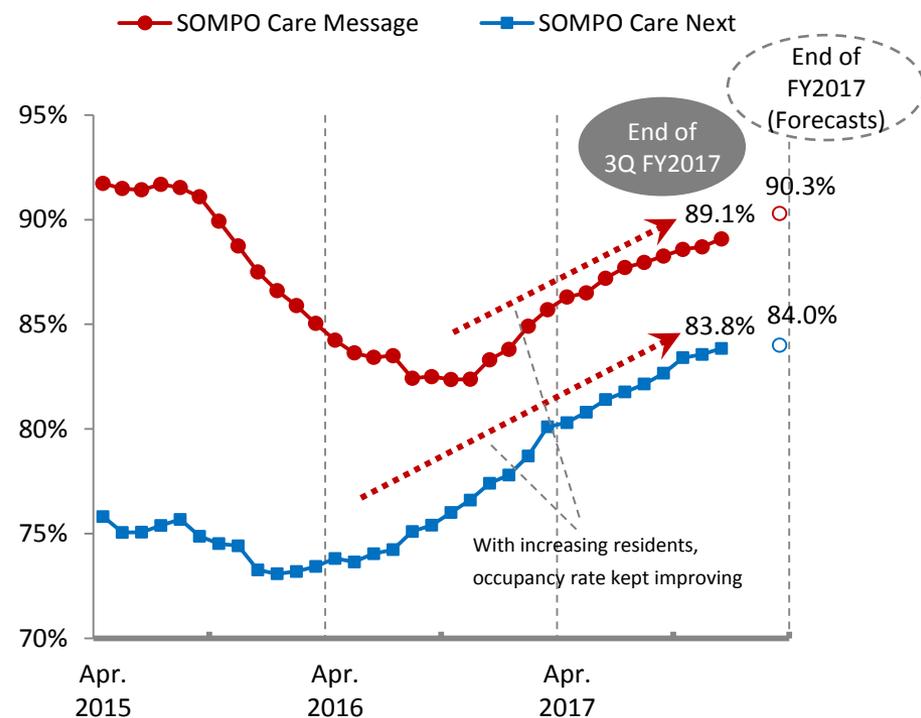
* SOMPO-no-le, SOMPO-no-le S, and La vie Re are brands of SOMPO Care Message's nursing homes, SOMPO Care Message's serviced residential complexes for elderly, and SOMPO Care Next's nursing facilities respectively.

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

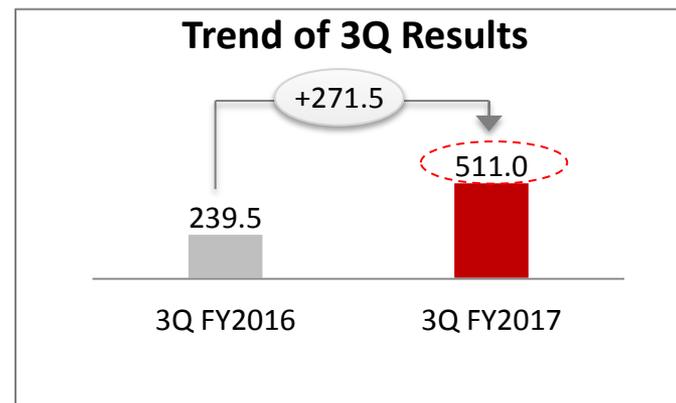
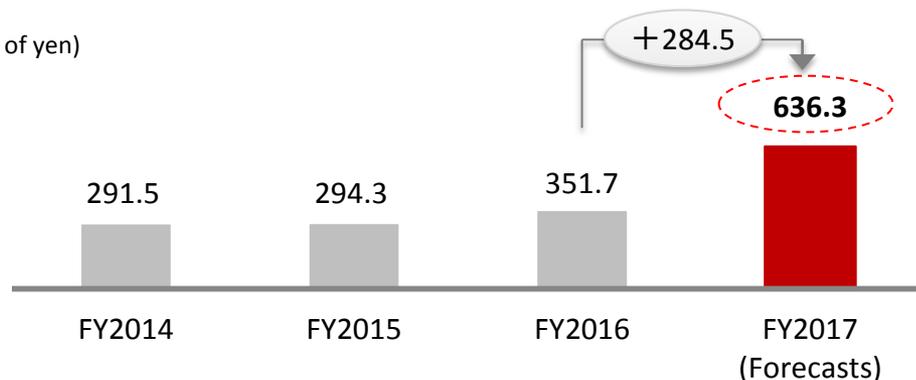
6. ERM & asset management

Overview of 3Q FY2017 Results – Overseas Insurance

◆ Both top-line and bottom-line expanded with the effect of the consolidation of P/L of SI.

Net premiums written

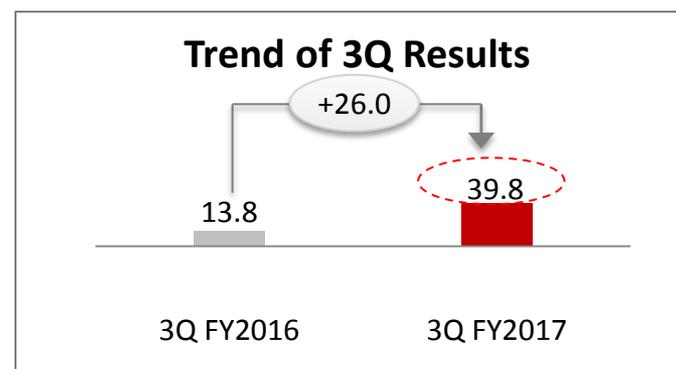
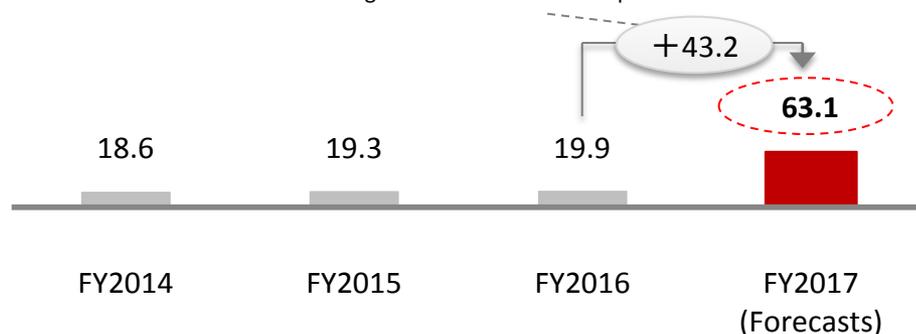
(Billions of yen)



Adjusted profit

(Billions of yen)

While the impact of hurricanes in North America, a decrease in tax expenses in connection with the reorganization of SI delivered positive effects.



* 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.

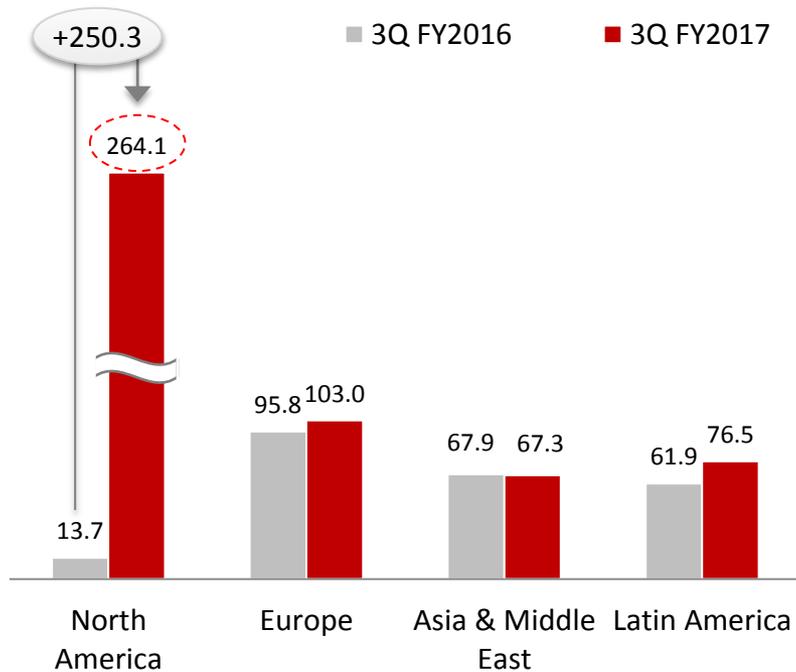
From FY2016, figures include Sompo Indonesia, Sompo Thailand, PGA Sompo (Philippines), United Insurance (Vietnam), and Sompo Mexico (The same shall apply hereafter).

Business Results by Region

- ◆ North America largely expanded due to the effect of the consolidation of the profit of SI and a decrease in tax expenses in connection with the reorganization, etc.

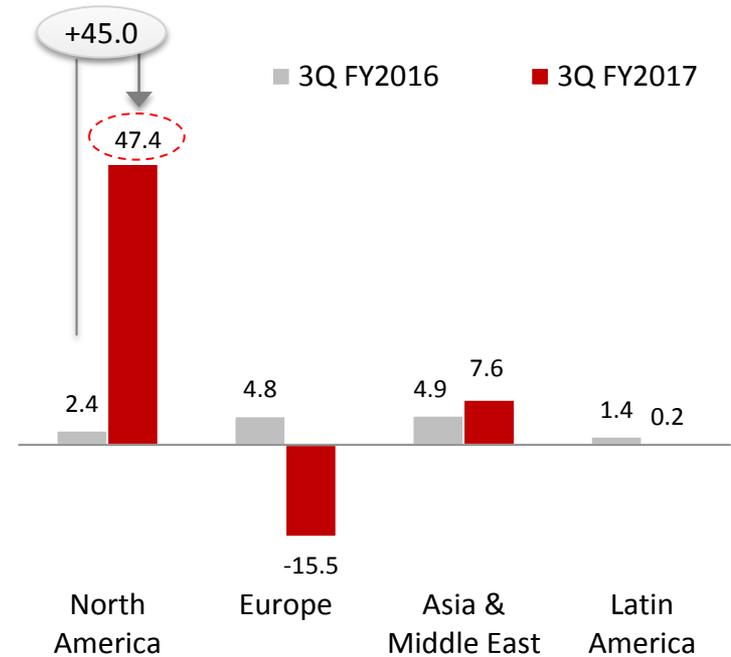
Net premiums written (by region)

(Billions of yen)



Adjusted profit (by region)

(Billions of yen)



(Reference) Business Results by Company

(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. 36 Sompo Indonesia was consolidated from FY2017.

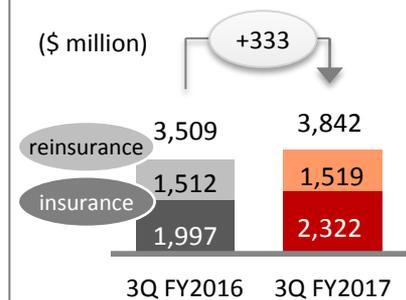
(Reference) Overview of Business Results of SI (Endurance)

(\$ 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

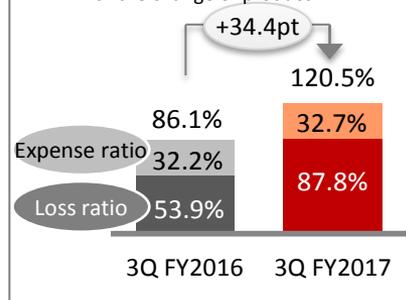
(\$ million)



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: +26.0%
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%

1. Trend of business results

2. Domestic P&C insurance

3. Domestic life insurance

4. Nursing care & healthcare, etc.

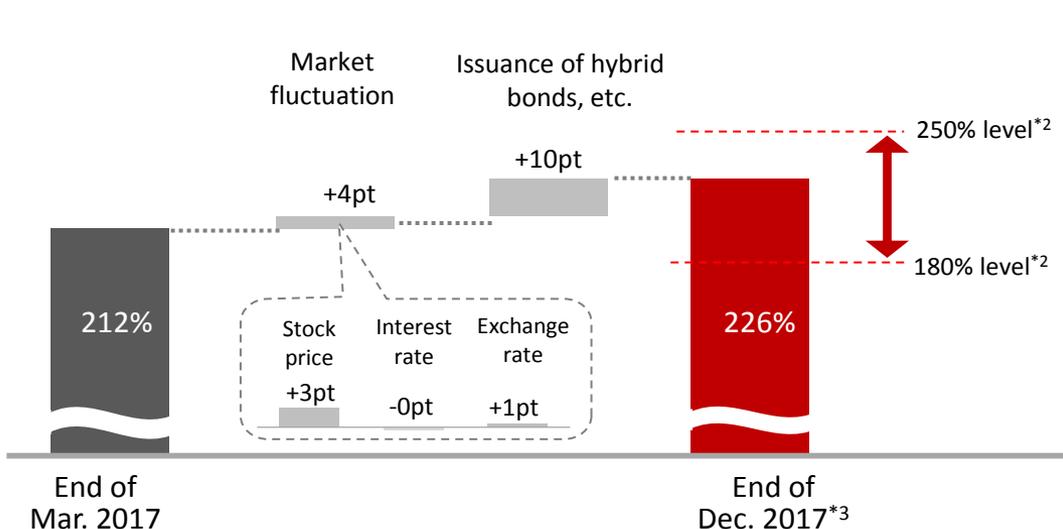
5. Overseas insurance

6. ERM & asset management

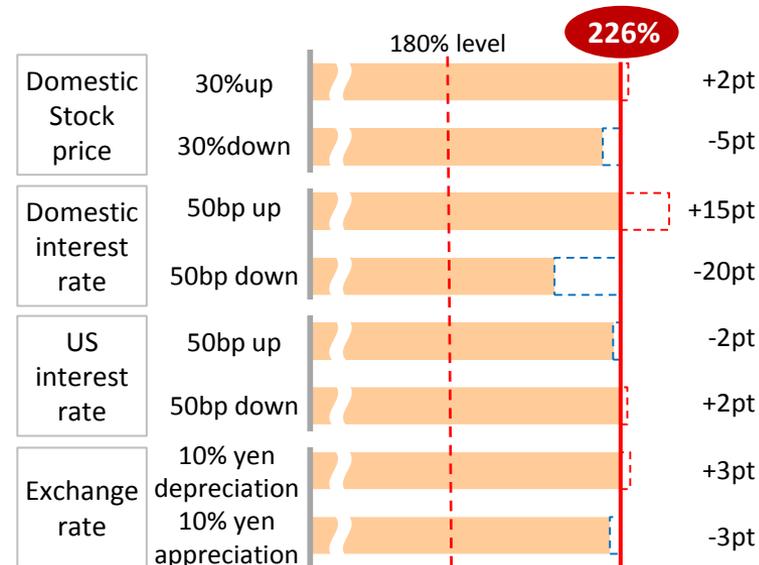
Financial Soundness – ESR (99.5%VaR)

◆ 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.

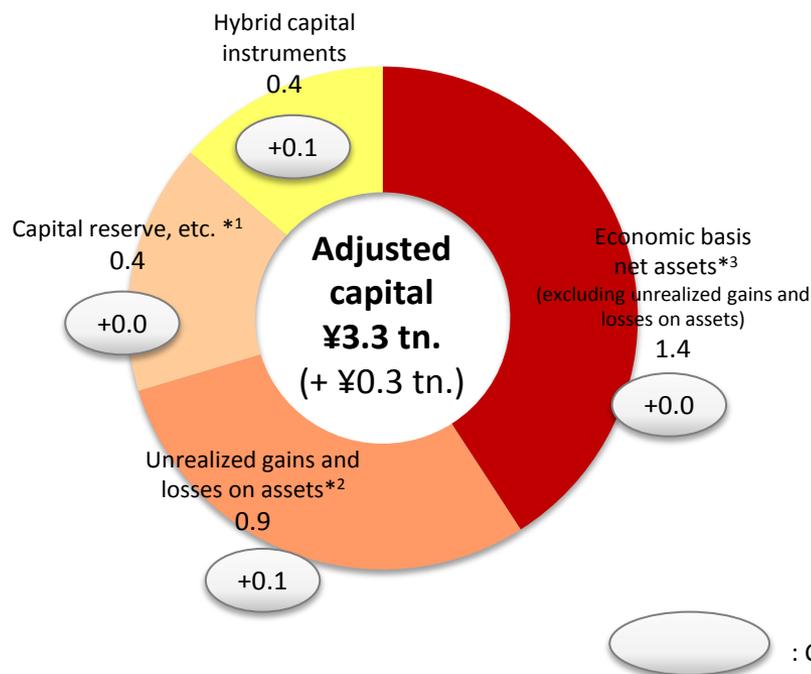
*3 (Reference) ESR (99.95%VaR) at the end of December 2017: 158%
(Target range under this standard was around 120% to 170%)

(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)

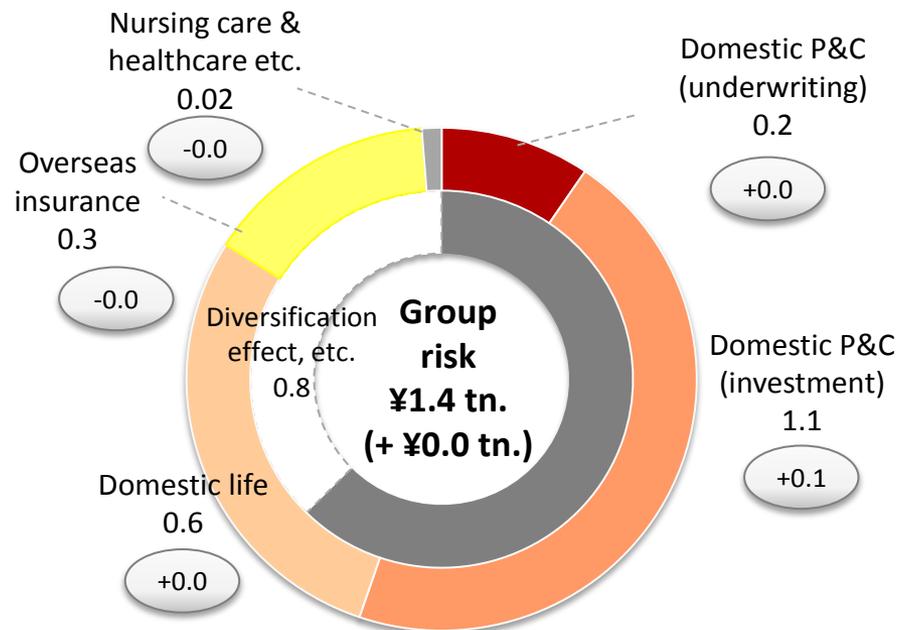
Adjusted capital (Trillions of yen)

(End of Dec 2017)



Risk amount*⁴ (Trillions of yen)

(End of Dec 2017)



: 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:

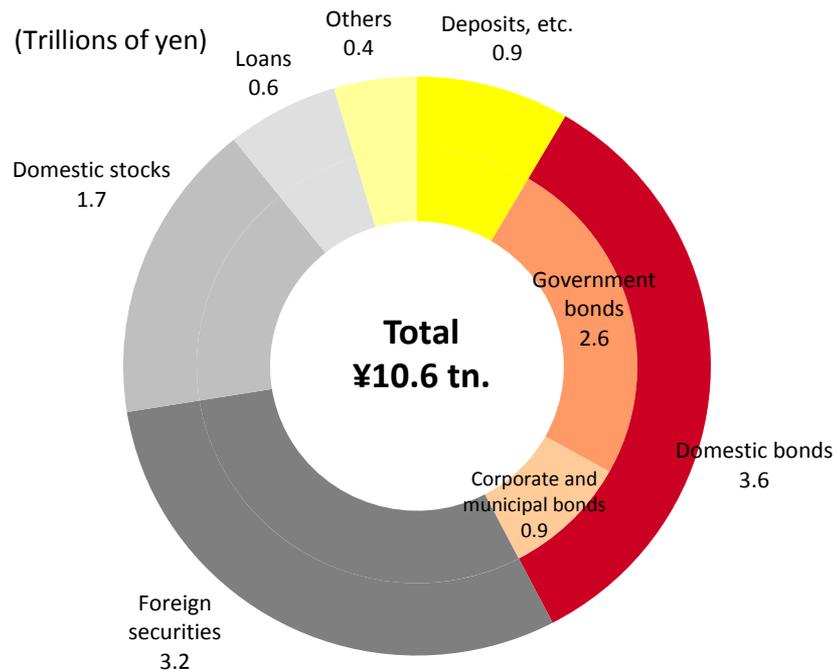
Sum of risk amount of each business less risk diversification effect among businesses and tax impact.

(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

Asset Portfolio – Group-wide

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

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



Investment assets by company

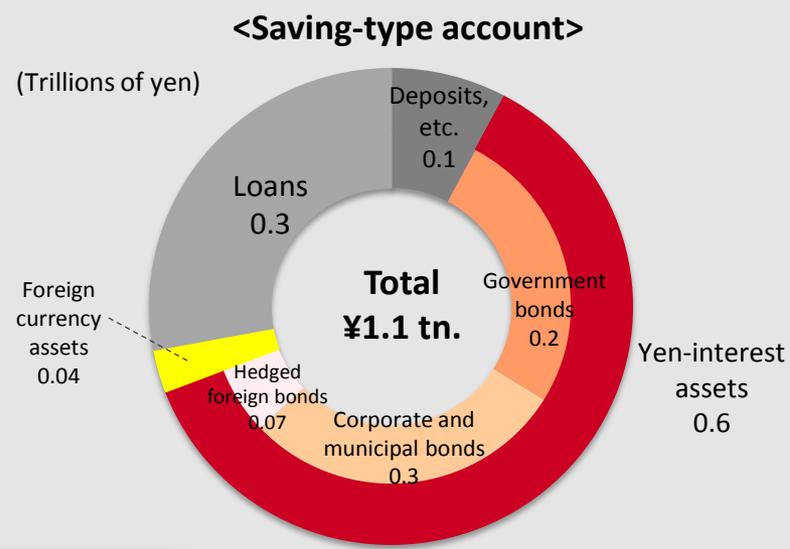
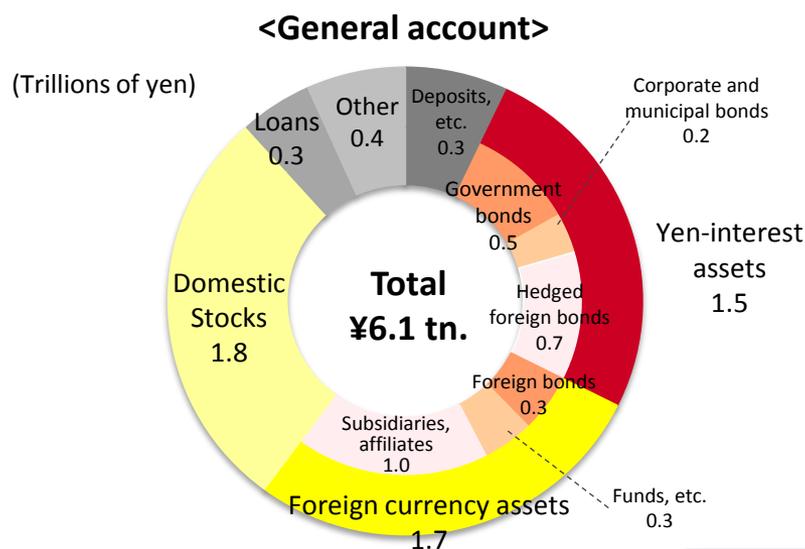
(Billions of yen)	Amount of investment assets	Composition
Sompo Japan Nipponkoa	6,147.5	57.6%
Himawari Life	2,697.6	25.3%
Overseas group subsidiaries	1,703.0	16.0%
(Of which, SI (Endurance))	(1,005.7)	(9.4%)
Saison Automobile & Fire	41.3	0.4%
Sonpo 24	22.2	0.2%
Other domestic subsidiaries	62.8	0.6%
Total	10,674.6	100.0%

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

Asset Portfolio – Sompo Japan Nipponkoa

- ◆ The general account is managed with diversified investments while the saving-type account utilizes portfolio management based on ALM.
- ◆ 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.

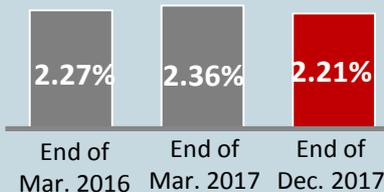
Amount of investment assets (end of December 2017, Sompo Japan Nipponkoa, non-consolidated)



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

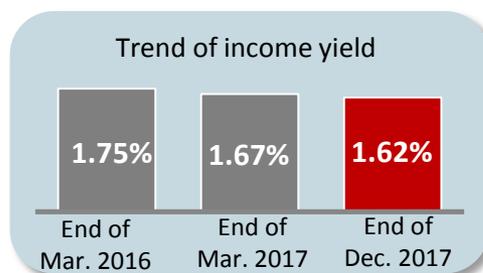
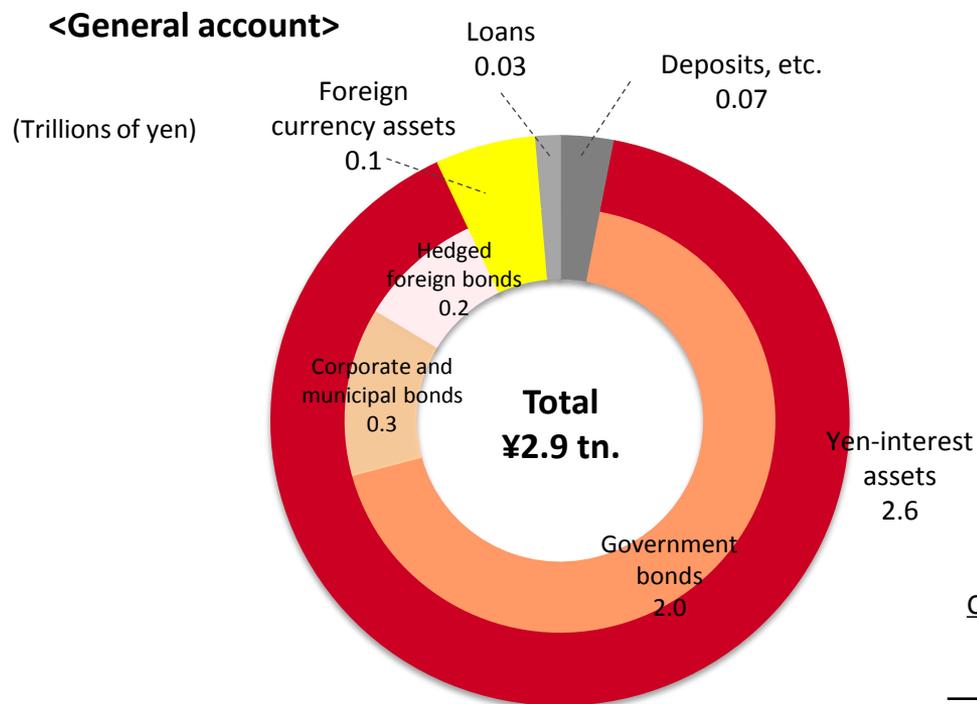
*1 Total of yen-interest assets and foreign currency assets

*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

Note Regarding Forward-looking Statements

The forecasts included in this document are based on the currently available information and certain assumptions that we believe reasonable. Accordingly, the actual results may differ materially from those projected herein depending on various factors.

Contacts



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