



**SOMPO
HOLDINGS**

Innovation for Wellbeing

Version of August 2019

Topics & Basics

August 2019
Sompo Holdings, Inc.



1. About SOMPO Holdings

P1

2. Mid-term management plan

P6

(1) Group management

P6

(2) Business strategies for each business segment

P18

(3) ERM, capital policy & asset management

P34

Appendix

P42

Overview of SOMPO Holdings

- ◆ Positioning the Sampo Japan Nipponkoa as the core, SOMPO Holdings develops domestic and overseas insurance businesses, etc.
- ◆ Ordinary income amounted to over ¥3.6 trillion and total assets amounted to around ¥12 trillion.

Group at a glance



Domestic P&C

- Sampo Japan Nipponkoa
*Change the company name to "Sampo Japan Insurance Inc." as of April 1, 2020 (scheduled date)
- Saison Automobile & Fire
- Insurance Service
- DC Securities
- Risk Management

Overseas insurance

- Sampo International (SI)
- Sampo Seguros (Brazil)
- Sampo Sigorta (Turkey)
- Berjaya Sampo (Malaysia)
- Sampo Singapore, etc.

Domestic life

- Himawari Life
*Change the company name to "Sampo Himawari Life Insurance Inc." as of October 1, 2019(scheduled date)

Nursing care & healthcare business, etc.

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

Selected financial data (Consolidated)

(¥ bn.)	FY2017	FY2018	FY2019 (Forecasts)
Consolidated Ordinary Income	3,770.0	3,643.0	-
Consolidated Ordinary Profit (Loss)	141.8	198.9	250.0
Consolidated Net Income (Loss)	139.8	146.6	168.0
Total Assets	11,948.3	12,018.2	-
Total Net Assets	1,916.2	1,779.9	-
Market Capitalization	1,632.1	1,528.4	-

Credit Ratings (As of August 2019)

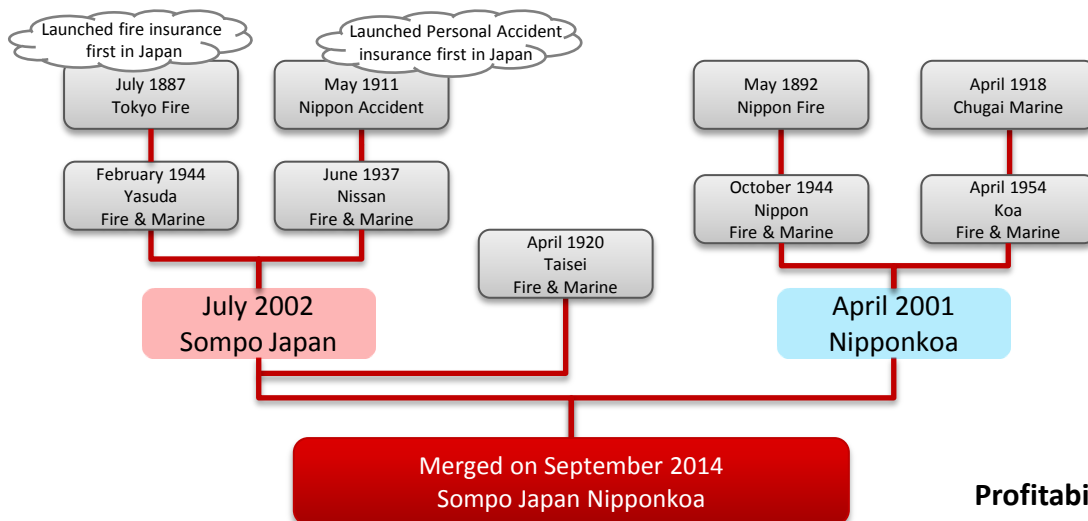
	Sampo Japan Nipponkoa	SI*	Himawari Life
S&P	A+ (Stable)	A+ (Stable)	A+ (Stable)
Moody's	A1 (Stable)	-	-
A.M. Best	A+ (Stable)	A+ (Stable)	-
R&I	AA (Stable)	-	AA (Stable)
JCR	AA+ (Stable)	-	-

* Sampo International Holdings Ltd. main subsidiaries

Overview of Sompo Japan Nipponkoa

◆ We have a history of over 130 years, and net premiums written amount to around ¥2.1 trillion.

History of domestic P&C insurance



Selected financial data

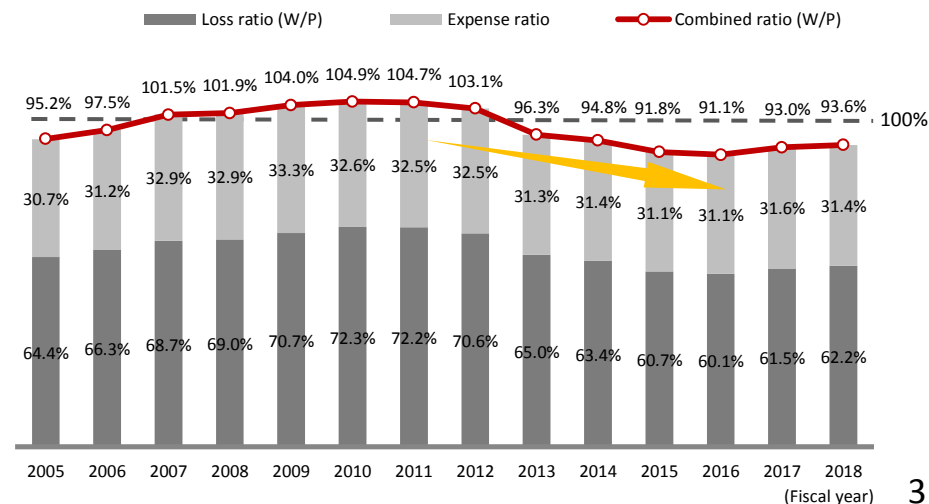
(¥ bn.)	FY2017	FY2018	FY2019 (Forecasts)
Net Premiums	2,168.0	2,148.6	2,172.0
Ordinary Profit (Loss)	175.2	215.5	226.0
Net Income (Loss)	170.0	175.7	163.0
Total Assets	7,688.1	7,515.8	-
Total Net Assets	1,574.5	1,496.3	-
Combined Ratio (W/P)*1	95.9%	101.6%	96.5%

*1 excl. CALI, household earthquake.

Sum of W/P loss ratio and net expense ratio.

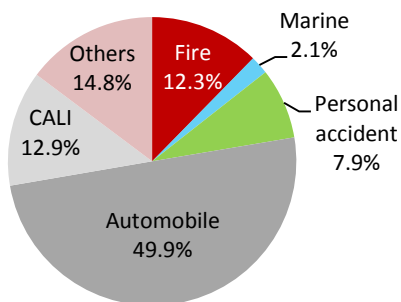
W/P loss ratio means written-paid loss ratio;
numerator is net claims paid, and denominator is net premiums written(The same shall apply hereafter.)

Profitability in Automobile insurance

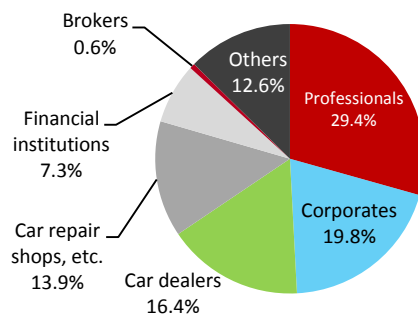


Premiums in FY2018

By products (Net premiums)



By distribution channel*2 (Gross premiums)



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

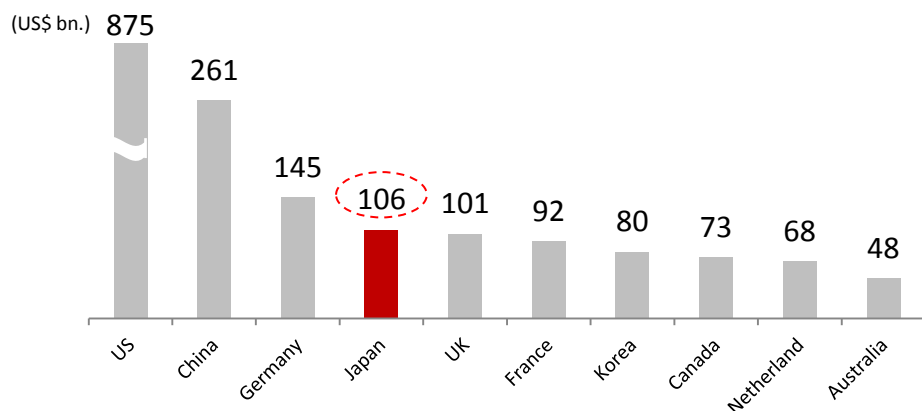
"Professionals", "Corporates", "Car dealers", "Car repair shops, etc.",

"Financial institutions" and "Others" are all agents.

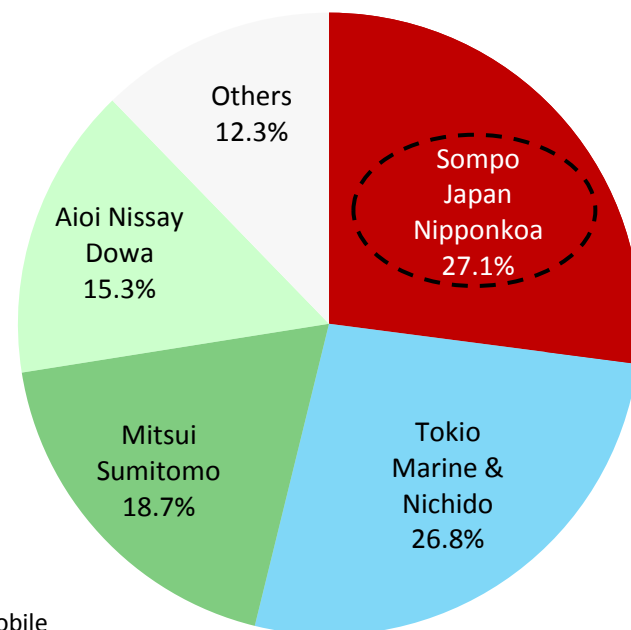
Overview of the Japanese P&C Insurance Market and Our Position

- ◆ The market Premiums have been growing mainly in automobile insurance.
- ◆ The total market share of the top 4 companies is approximately 90% and the profit is stable.

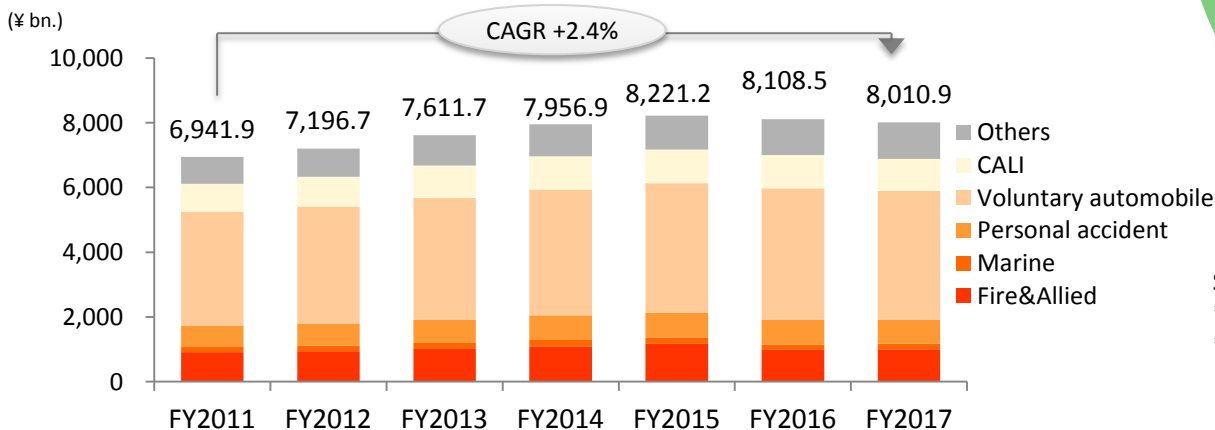
Size of P&C insurance market by country*¹ (FY2018)



Market share in the Japanese P&C insurance market*² (FY2017)



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



Source: Swiss Re "Sigma Report", Hoken Kenkyujo "Insurance".

*¹ Gross premiums, including reinsurance premiums

*² Based on net premiums of P&C insurers in Japan excluding reinsurance companies

Overview of SI and Himawari Life

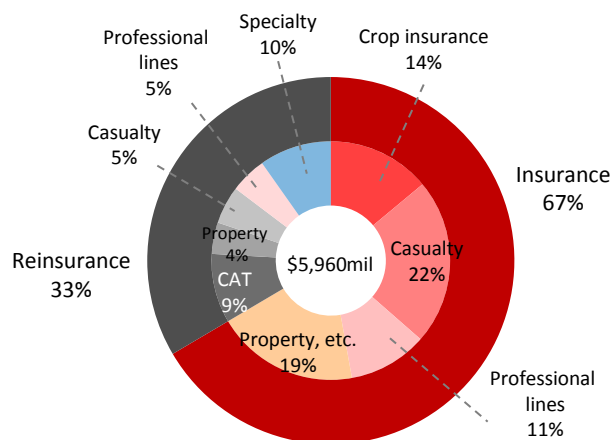
Selected financial data of SI*1

(\$mil)	FY2017	FY2018	FY2019 (Forecasts)
Gross premiums written	5,281	5,960	6,477
Net premiums written	2,888	3,319	3,879
Adjusted profit	511	177	412
Total assets	17,528	19,460	-
Total net assets	5,573	5,627	-
Combined ratio*2	113.6%	99.4%	93.5%

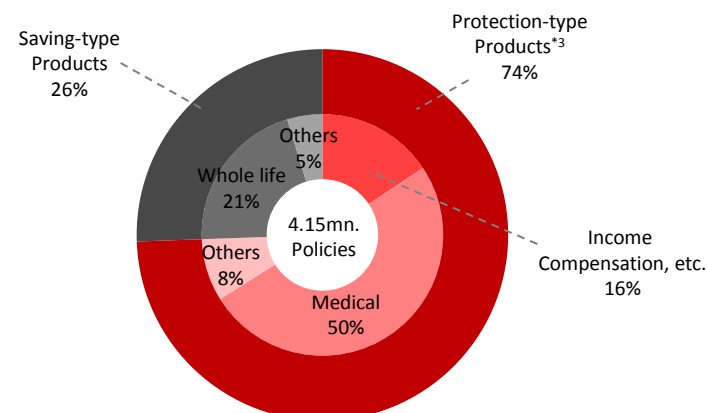
Selected financial data of Himawari Life

(¥ bn.)	FY2017	FY2018	FY2019 (Forecasts)
Annualized new premium	35.8	37.0	35.0
Premium and other income	438.4	444.4	453.3
Ordinary profit	16.7	26.5	27.8
Net income	8.1	15.3	16.0
Total assets	2,796.2	3,006.0	-
Total net assets	133.9	157.8	-

Gross premiums written by product line (FY2018)



Product mix (policies in force, as of end of Jun. 2019)



*1 Incl. former Sampo America, Sampo Mexico and SJNK Europe.

*2 One-time merger cost was excluded as a special factor in combined ratio in FY2017.

*3 Mainly medical, cancer, income compensation, and term life insurance (excluding long term life insurance, etc.)

1. About SOMPO Holdings

P1

2. Mid-term management plan

P6

(1) Group management

P6

(2) Business strategies for each business segment

P18

(3) ERM, capital policy & asset management

P34

Appendix

P42

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Overview of 1st Half of Mid-term Management Plan

- ◆ Current mid-term management plan period is from FY2016 to FY2020.
- ◆ Steadily executed plans with the aim to achieve a transformation (qualitative evolution) of the group and each business in 1st half of mid-term management plan.

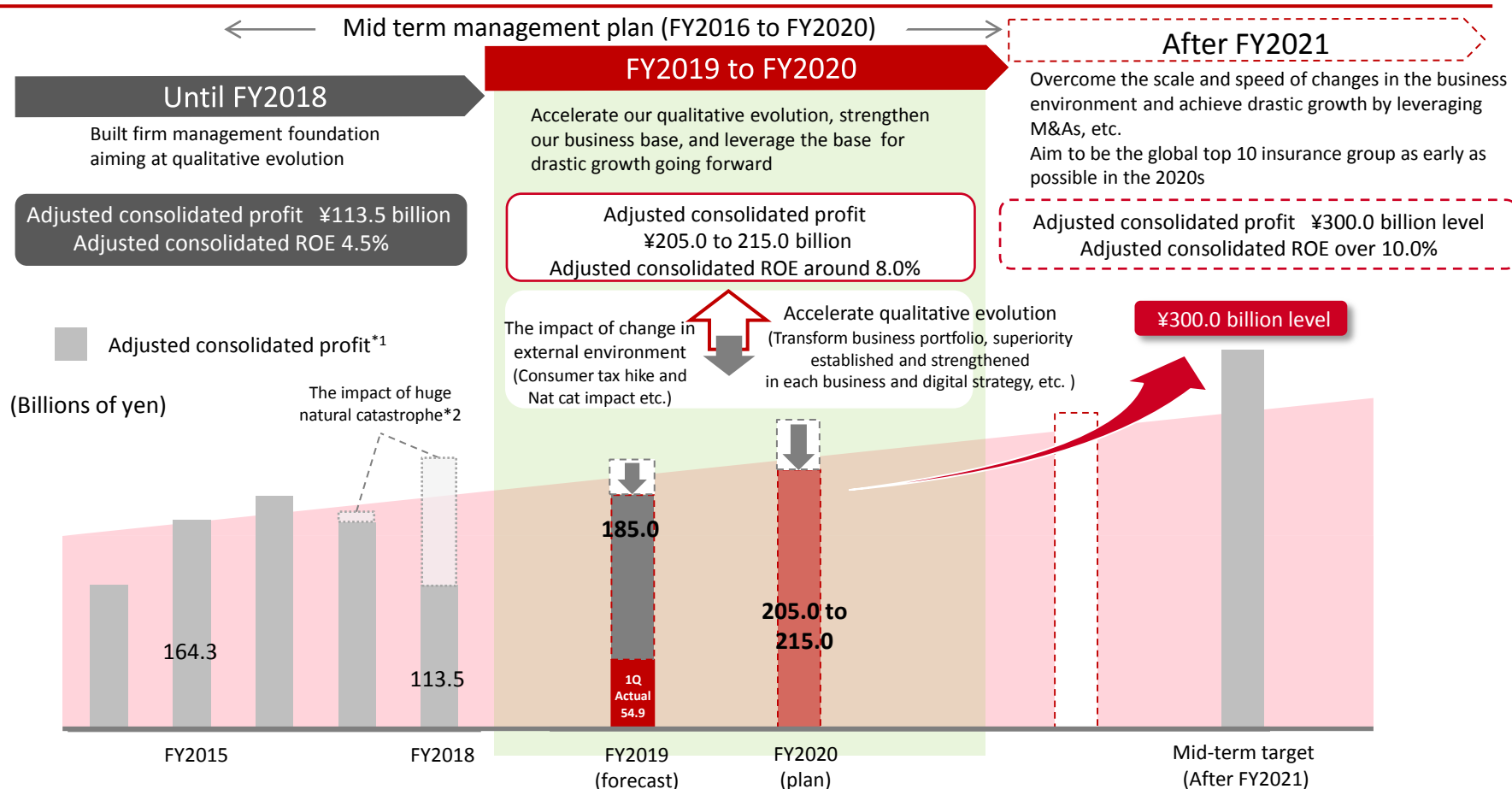
Typical achievements of 1st half of mid-term management plan (FY2016 to FY2018)

Group common initiatives	Governance	<ul style="list-style-type: none"> ✓ Established strong and agile management framework with introduction of business owner / CxO systems ✓ Accelerated speed of management decision-making based on diversified knowledge with introduction of Global ExCo
	ERM/ Capital allocation	<ul style="list-style-type: none"> ✓ Enhanced profitability and capital efficiency with ERM and issued hybrid bonds leveraging low interest rate environment ✓ Expanded shareholder returns while balancing properly between financial soundness, growth strategies and ROE level
	Digital Strategy	<ul style="list-style-type: none"> ✓ Established trilateral structure in Tokyo, Silicon Valley and Tel Aviv and promoted the use of digital technology ✓ Completed roughly 100 PoC cases and put 20 in practical use, including call center AI
Domestic P&C		<ul style="list-style-type: none"> ✓ Reviewed our pricing and reinsurance strategies and also improved capital efficiency through reducing strategic-holding stocks and other measures ✓ Strengthened customer contact mainly through the Portable Smiling Road app and LINE (messaging app) insurance
Overseas insurance		<ul style="list-style-type: none"> ✓ Completed our reorganization in developed countries with the acquisition of Endurance (now SI), sale of Canopius ✓ Launched the retail platform vision and our global brands such as AgriSompō
Domestic life		<ul style="list-style-type: none"> ✓ Launched the Linkx (“link cross”) brand and started developing products and services centering on health management and improvement ✓ Launched initiatives aimed at improving disruptive productivity mainly through the concentration of administrative operations at head quarter
Nursing care and healthcare, etc.		<ul style="list-style-type: none"> ✓ Entered into the nursing care business in earnest and explored new business opportunities in surrounding fields ✓ Merged our two nursing care companies and quickly moved into profitability through integration and higher productivity

Numerical management targets

- ◆ Aim to achieve FY2020 targets by offsetting the impacts of the external environment changes with various initiatives contributing to higher profitability.
- ◆ Strengthen our business base through accelerating our qualitative evolution, then realize drastic growth under next Mid-term management plan.

Adjusted consolidated profit*1 and adjusted consolidated ROE



*1 The figures before FY2015 Estimation based on current definition of adjusted profit. See page 17 for definitions of adjusted consolidated profit and adjusted consolidated ROE

*2 Revised number, assuming an incurred loss of ¥48.0 billion on domestic natural disasters

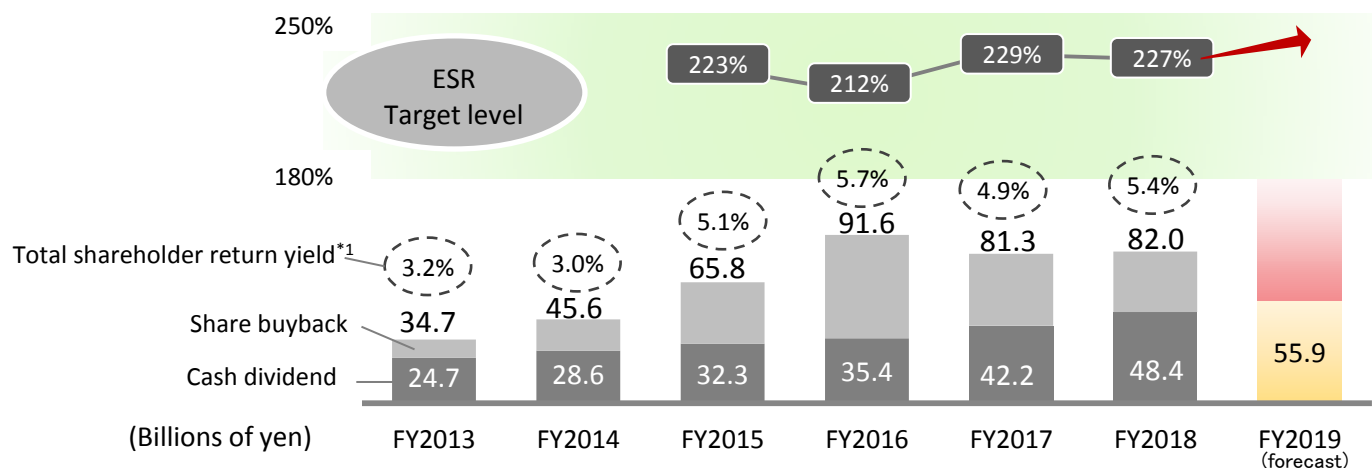
Shareholder Return

- ◆ Change a total payout ratio target range to 50%-100% comprehensively taking into account factors such as external environment and capital adequacy.
- ◆ Adopt a basic policy of continuing to increase dividends.
- ◆ Aim to deliver attractive shareholder return mainly through expanding adjusted consolidated profit as resource of shareholder return.

Shareholder return policy

- Aim to deliver attractive shareholder returns in consideration of financial soundness, earnings, and other factors.
- Target a total payout ratio of 50%–100% and determine total shareholder returns flexibly, comprehensively take into account factors such as chance of large-scale M&As and capital adequacy.
- Adopt a basic policy of continuing to increase dividends.

History of solid financial soundness(ESR) and shareholder returns



Determine the balance of dividends and share buybacks based on stock price and dividend yield, etc. every year.

	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019 (forecast)
Total payout ratio*2	220%	50%	50%	50%	50%	72%	—
DPS(yen)	60	70	80	90	110	130	150
(Reference) Share price (End of fiscal year)	¥2,652	¥3,735	¥3,188	¥4,079	¥4,282	¥4,098	—

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

*2 Total payout ratio = (Cash dividend + Share buyback) / Adjusted consolidated profit

Initiatives of 2nd Half of Mid-term Management Plan (1) – Main Strategy –

- ◆ Aim to materialize the effect of our initiatives toward the vision of “theme park for the security, health, and wellbeing of customers”.
- ◆ Plan to complete our transformation successfully into a resilient company, and boost profit and ROE levels.

FY2019 to FY2020

After FY2021

Superiority established and strengthened in each business

Enhance our competitive advantage further and bolster our business base

Refer to page 20 afterwards

Domestic P&C

- Optimize our product-pricing strategies and transform earnings structure with drastic initiatives for cost reduction, etc.
- Generate new customer contact and create new sources of earnings through alliances and digitalization

Overseas

- Accelerate growth by harnessing a global platform
- Expand our business base through bolt-on M&As, etc.
- Maintain disciplined underwriting focusing on risk-return

Domestic Life

- Enhance Insurhealth, which integrates insurance function with customers' health management and improvement
- Improve drastically productivity by harnessing AI, etc.

Nursing care and healthcare, etc.

- Improve productivity with the use of the Future Care Lab, etc.
- Transform earning portfolio by creating profits in peripheral businesses in contrast with current public nursing care insurance revenue
- Build a strong SOMPO brand in the area of dementia care

Digital Strategy

Aim at digital transformation

- ✓ Promote digitalization in our existing businesses
- ✓ Implement open innovation through investments in start-ups
- ✓ Enhance business strategy by utilizing “Data”

Transform business portfolio

Enhance stability through diversifying our business domain and earnings sources

- ✓ Create a lot of synergies among businesses
- ✓ Strategic tie-ups and disciplined M&As
- ✓ Develop business in peripheral business fields, such as the healthcare market. Through that, enhance business diversification effect

Transform our corporate culture

Continue to transform our corporate culture and globalize our corporate governance

- ✓ “Mission Driven, Result Oriented”
- ✓ Globalize our management structure
- ✓ Move to “company with committees”

“Theme park for the security, health, and wellbeing of customers”

Provide total support that goes beyond the framework of the insurance business

Resilience to environmental changes (as a company with a global presence)

Initiatives of 2nd Half of Mid-term Management Plan (2) – Digital Strategy –

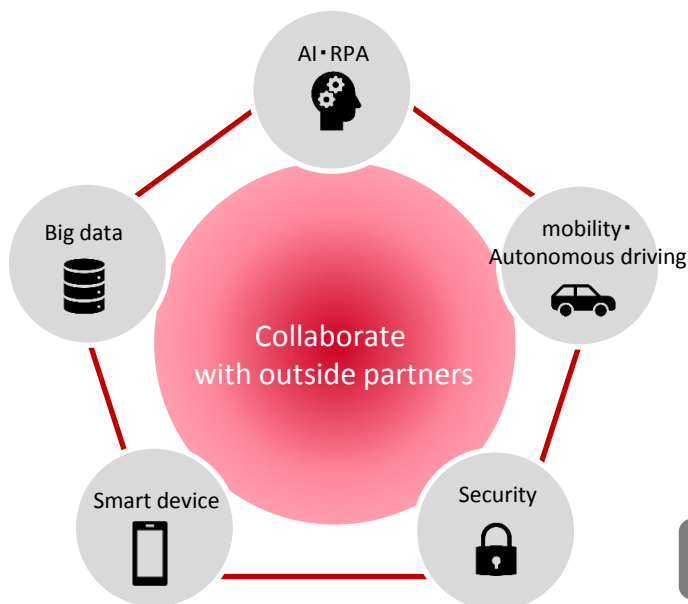
- ◆ Accelerate group transformation through evolving customer contact and existing business and creating new business, etc.

Contribute to existing business growth

- ✓ Develop accident prevention services and enhance underwriting with AI and big data
- ✓ Develop digital technologies to prepare for autonomous driving in future
- ✓ Utilize digital technology in the nursing care business

Create new business model

- ✓ Strengthen the cyber security business
- ✓ Enter sharing economy business field
- ✓ Generate new business with the use of cutting-edge technology, such as genome sequencing



Evolve customer contact

- ✓ Develop non-insurance added value leveraging advanced technology
- ✓ Explore customer contact by collaborating with platform providers
- ✓ Organically link customer contact with the use of digital technology

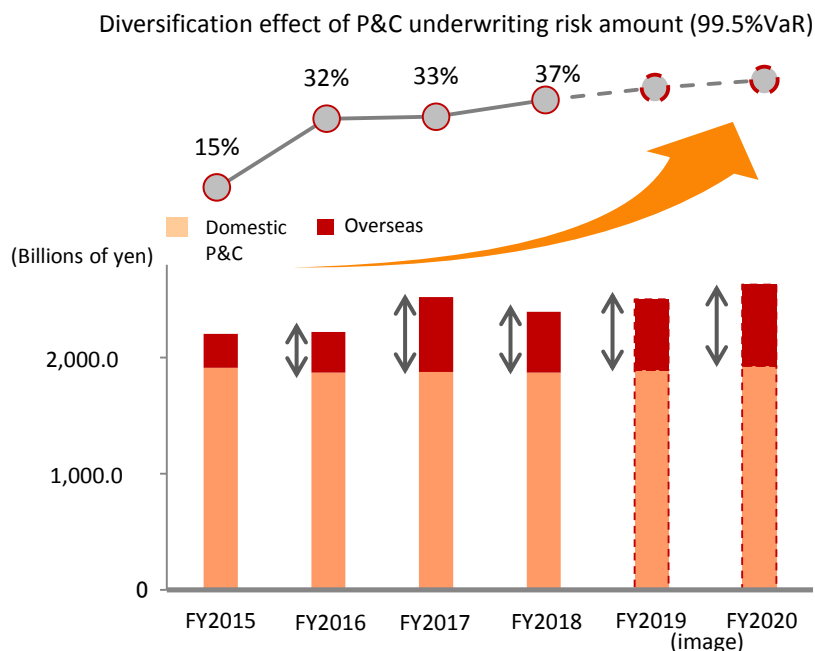
Digitalize existing business

- ✓ Commercialize on-demand insurance
- ✓ Commercialize digital healthcare
- ✓ Predict illness and disease with the use of big data and AI

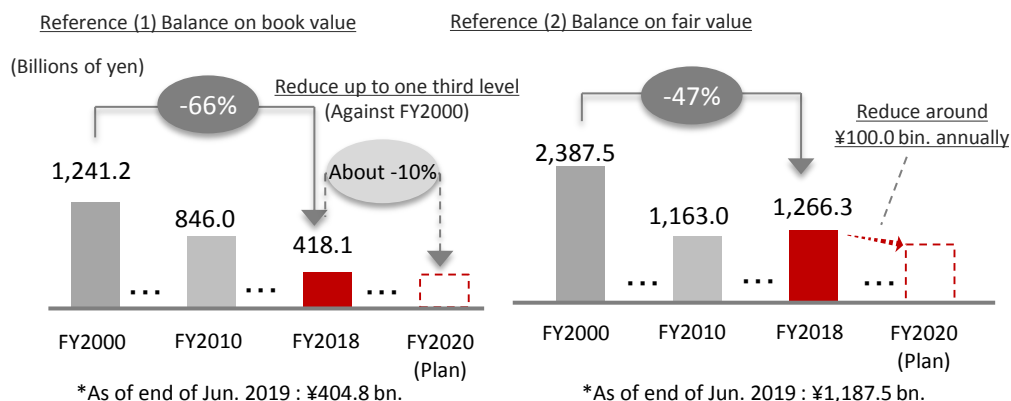
Initiatives of 2nd Half of Mid-term Management Plan (3) – ERM Strategy –

- ◆ Control the balance of returns and risks through reducing strategic holding stocks and streamlining reinsurance schemes, etc.
- ◆ Expand diversification effect steadily in P&C insurance underwriting in line with growth in overseas.

Transition of net premiums and diversification effect on global base



Transition of balance of strategic holding stocks



Transition of domestic typhoon risk

	Reduction ratio of risk amount*	Direction
99.5%VaR (recurring period: 200 years)	-20%	➔
80.0%VaR (recurring period: 5 years)	-44%	➔

Streamline reinsurance schemes

* Reduction ratio of FY2018 against FY2015

Evolve ERM further

Utilize ERM further

Enhance risk control and model further

Penetrate risk culture further

Initiatives of 2nd Half of Mid-term Management Plan (4) – Governance –

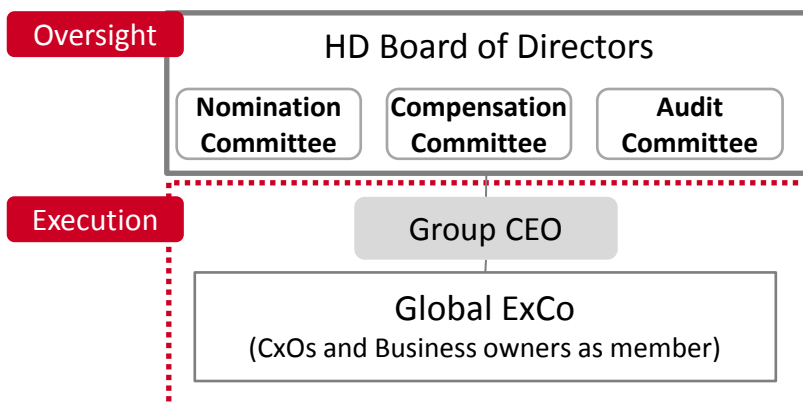
- ◆ Accelerate sustainable growth of the Group through the globalization of group management structure.
- ◆ Evolve the overseas governance structure to develop overseas insurance business.

Governance structure of SOMPO Holdings

More robust group governance structure

- Majority outside diversified directors
(7 out of 11 directors will be outside directors.)
- Shift to company with committees
- Diversify group management and utilize human resource globally
(Appoint SI chairman to CEO of Overseas Insurance and Reinsurance Business of SOMPO Holdings, and him and SI CEO to members of Global ExCo)

Company with committees

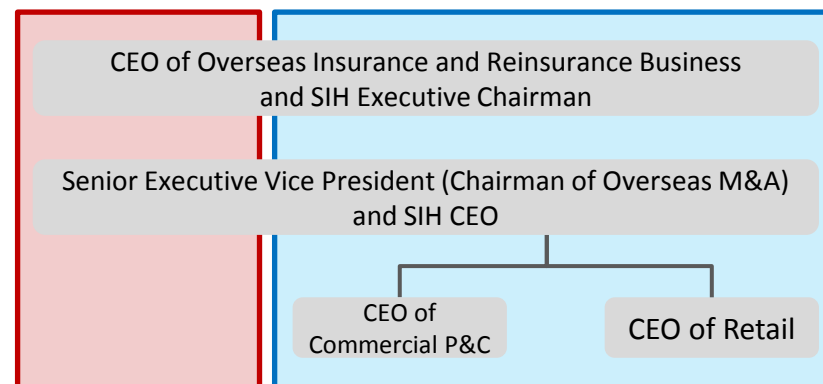


Enhance the overseas governance structure

- Enhance the efficiency of governance further
(Out of 5 directors of SIH, SOMPO Holdings sends 3 directors.)
- CEO of Overseas Insurance and Reinsurance Business supported by SI CEO, CEO of SI Retail and Commercial.
- Accelerate growth with accumulating diversified expertise.

SOMPO HD

Sompo International



Business Portfolio Transformation

◆ Progress risk diversification of entire group, aim to achieve well-balanced business portfolio.

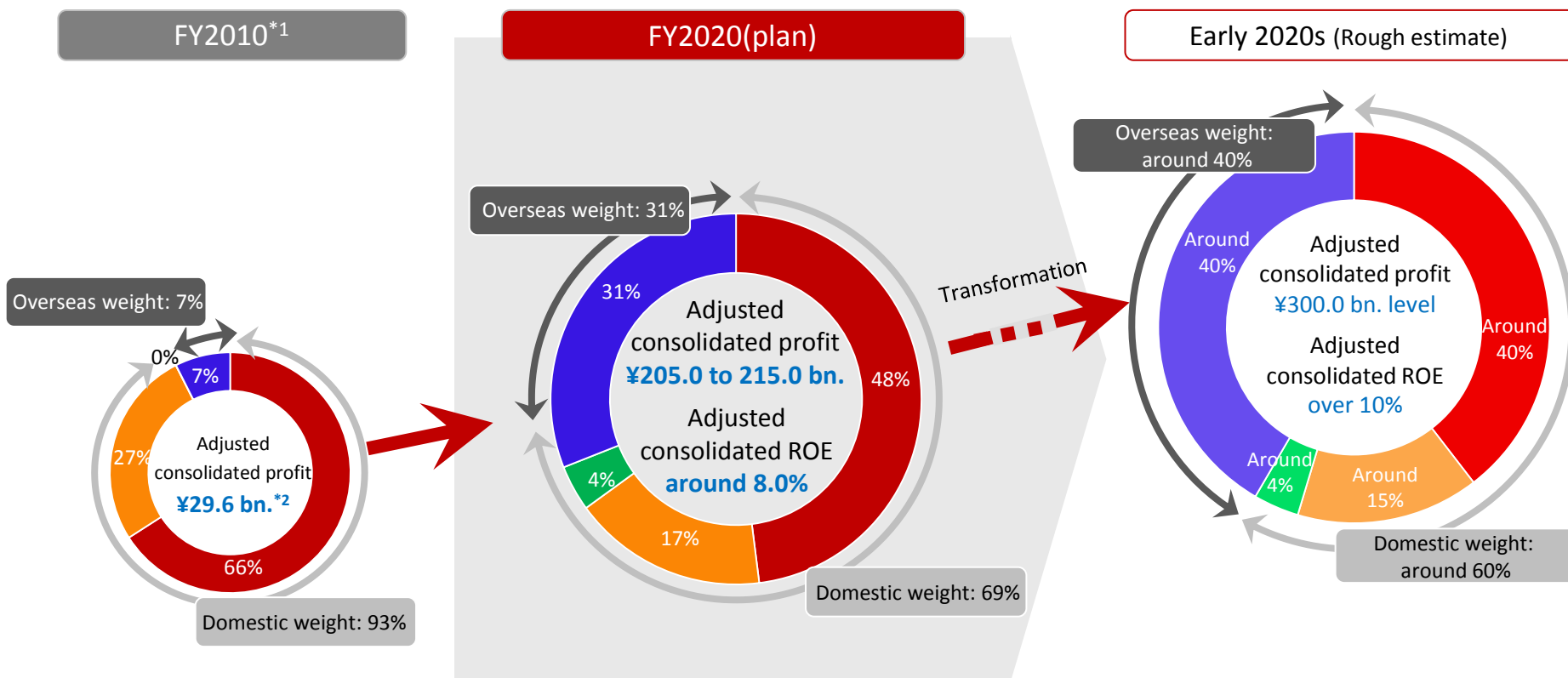
Vision of optimizing business portfolio

■ Domestic P&C
 ■ Overseas Insurance
 ■ Domestic Life
 ■ Nursing care & healthcare, etc.

FY2010^{*1}

FY2020(plan)

Early 2020s (Rough estimate)



*1 FY of SOMPO holdings establishment

*2 Estimation based on current definition of adjusted profit

Our Vision “Theme park for the security, health and wellbeing of customers”

- ◆ Our group aims to contribute to people’s lives and society by providing top-quality services that enhance to security, health, and wellbeing.
- ◆ Solve social issues and offer support appropriately through being more involved in the lives of people in society and leveraging various cutting-edge technologies such as digital technology.

Solve social issues

- Provide a broad range of insurance products, including crop insurance
- Develop insurance and services contributing to dementia prevention and health support
- Provide high quality nursing care service



*

Human resource and management supporting our vision

- Promote diversity continuously
- Human resource development/ productivity enhancement (continuously selected in Certified Health & Productivity Management Outstanding Organizations Recognition Program by METI)
- Obtained international standard that specifies requirements for an effective environment system (ISO14001)



*

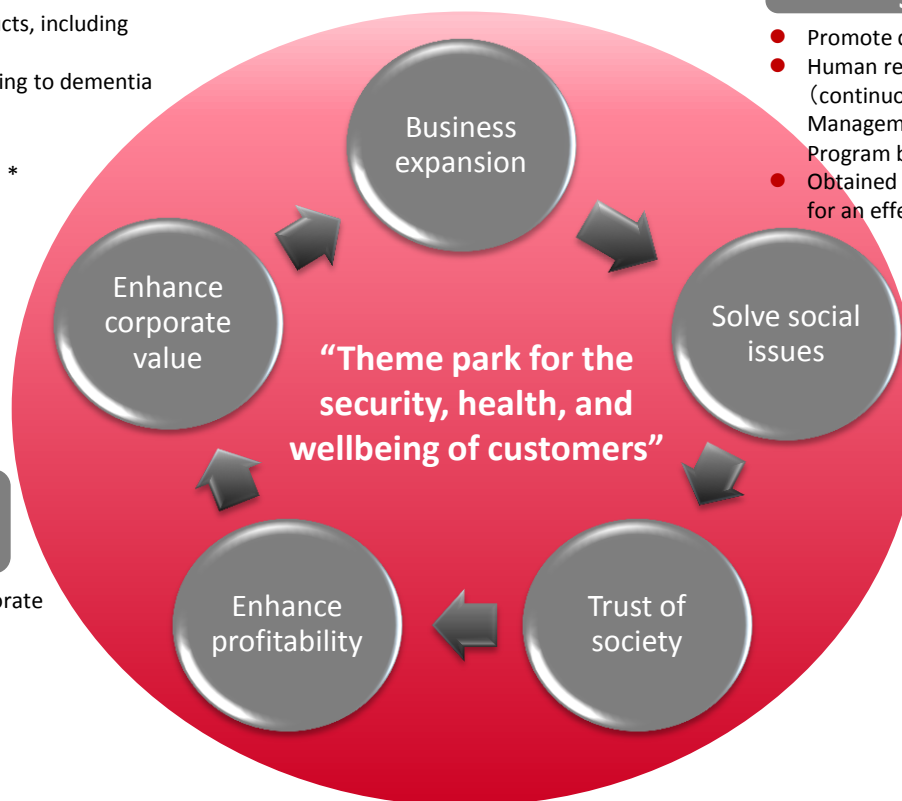
Governance system supporting our vision

- Compensation for officers linked to corporate business performance
- Diversified board members
- Company with committees



*

* Identify and mark the main United Nations' Sustainable Development Goals (SDGs) that correspond to SOMPO's initiatives



Inclusion in socially responsible investment (SRI) indexes and other indexes

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM



MSCI 2018 Constituent
MSCI Japan ESG
Select Leaders Index

MSCI 2018 Constituent
MSCI Japan Empowering
Women Index (WIN)



FTSE Blossom
Japan

Numerical Management Targets, etc.

Numerical management targets

	FY2018	FY2019		FY2020
(Billions of yen)	(Actual)	(1Q Actual)	(Forecasts)	(Plan)
Domestic P&C insurance	42.3	33.3	86.5	Over 95.0
Overseas insurance	33.0	12.2	59.0	Over 65.0
Domestic life insurance	32.8	8.2	34.0	Over 37.0
Nursing care & healthcare, etc.	5.2	1.0	5.5	Over 8.0
Total (Adjusted consolidated profit)	113.5	54.9	185.0	205.0 to 215.0
Adjusted consolidated ROE*²	4.5%	-	7.5%	Around 8.0%
ROE (J-GAAP)	8.0%	-	9.5%	Around 9.5%

Definition of adjusted profit*¹

Domestic P&C insurance

Net income
+ Provisions for catastrophic loss reserve, etc. (after tax)
+ Provisions for reserve for price fluctuation (after tax)
– Gains/losses on sales of securities and impairment losses on securities (after tax)

Overseas insurance

Net income
(including major non-consolidated subsidiaries)
Adjusted profit of SI is operating income*³

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

*1 Adjusted profit for each business excludes one-time factors and special factors such as subsidiary dividends, etc.

*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, etc. 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 Operating income of SI = Net income - Net foreign exchange gains/losses - Net realized and unrealized gains/losses - Net impairment losses recognized in earnings, etc.

1. About SOMPO Holdings	P1
-------------------------	----

2. Mid-term management plan	P6
-----------------------------	----

(1) Group management	P6
----------------------	----

(2) Business strategies for each business segment	P18
---	-----

(3) ERM, capital policy & asset management	P34
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Appendix	P42
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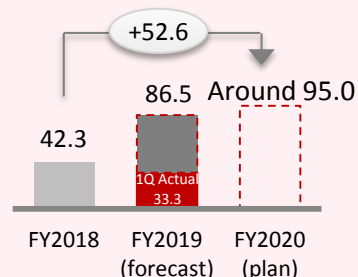
Businesses of 2nd Half of Mid-term Management Plan

◆ Adjusted profit of 1Q FY2019 progressed almost in line with the plan.

Adjusted profit by segment and typical key factors

Adjusted profit (Billions of yen)

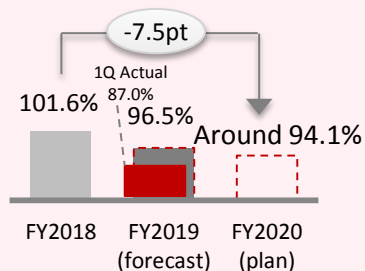
Plan to expand profit drastically while impact of consumer tax hike and others.



* excl. CALI, household earthquake

Combined ratio (W/P)*

Accelerating proper pricing and streamlining of personnel allocation, aim at the target level (92%)



Domestic P&C

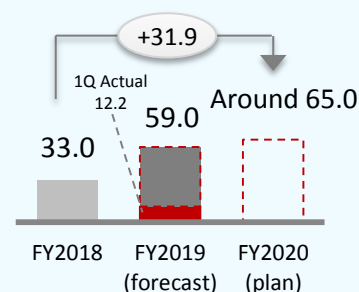
Overseas

Domestic Life

Nursing care & healthcare, etc.

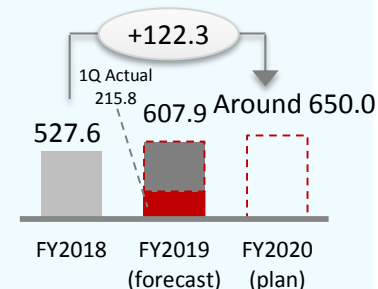
Adjusted profit (Billions of yen)

Plan to expand profit drastically while controlling cat risk properly



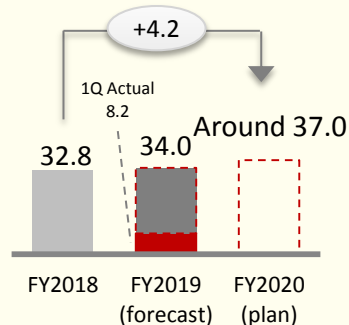
Premium written (Billions of yen)

Plan to expand premium written centered in specialty line on global base



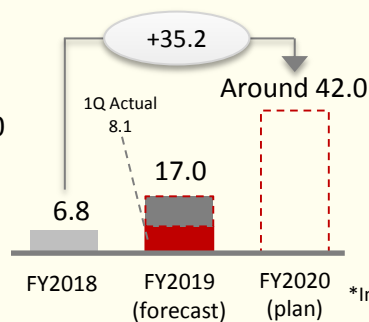
Adjusted profit (Billions of yen)

Through expansion of policies in force, plan to increase profit steadily



Policies in force*

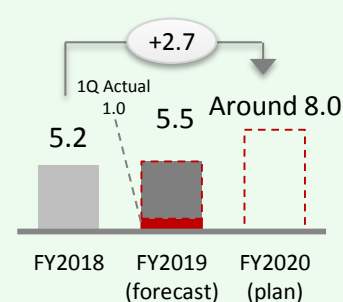
Through promoting insurhealth, plan to expand policies in force



*Insurhealth product

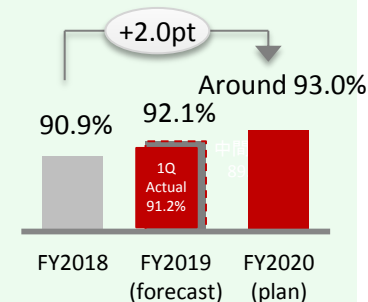
Adjusted profit (Billions of yen)

Continue growth trend in light of occupancy rate improvement



Occupancy rate

Aim to improve steadily



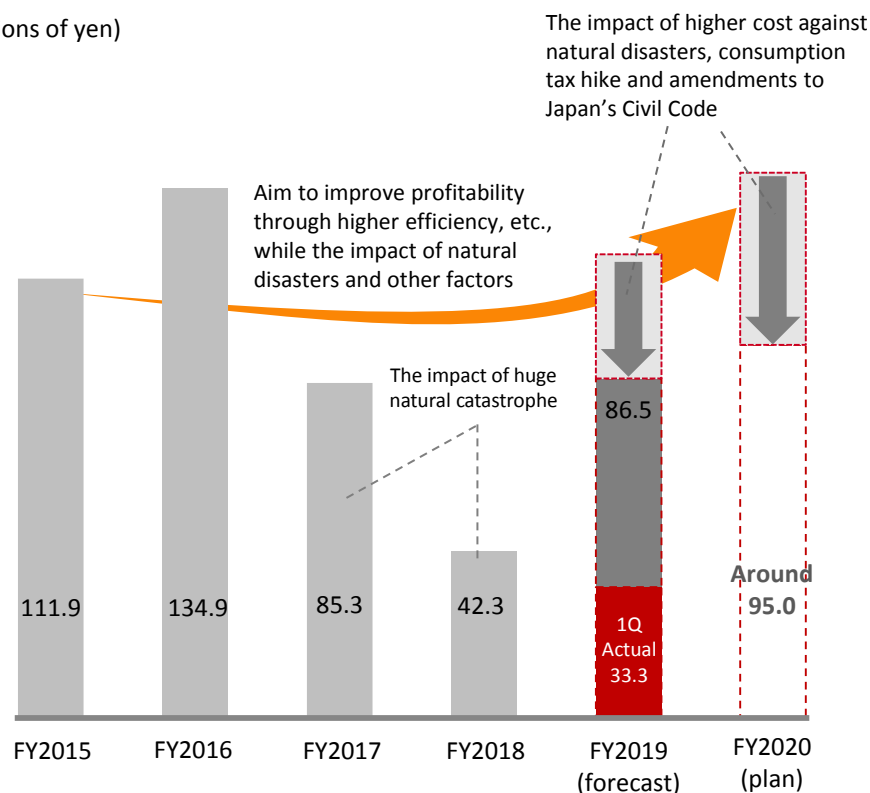
Domestic P&C	Overseas
Domestic life	Nursing care & healthcare, etc.

Progress of Domestic P&C Insurance

- ◆ While results were adversely impacted by an increase in ordinary underwriting reserve and increase in reinsurance costs, etc., adjusted profit of 1Q FY2019 progressed in line with the full-year business forecasts.
- ◆ Aim at further profit growth and stability to prepare for future external environmental changes through achieving qualitative evolution and higher operating efficiency by optimizing premium rates thoroughly, etc.

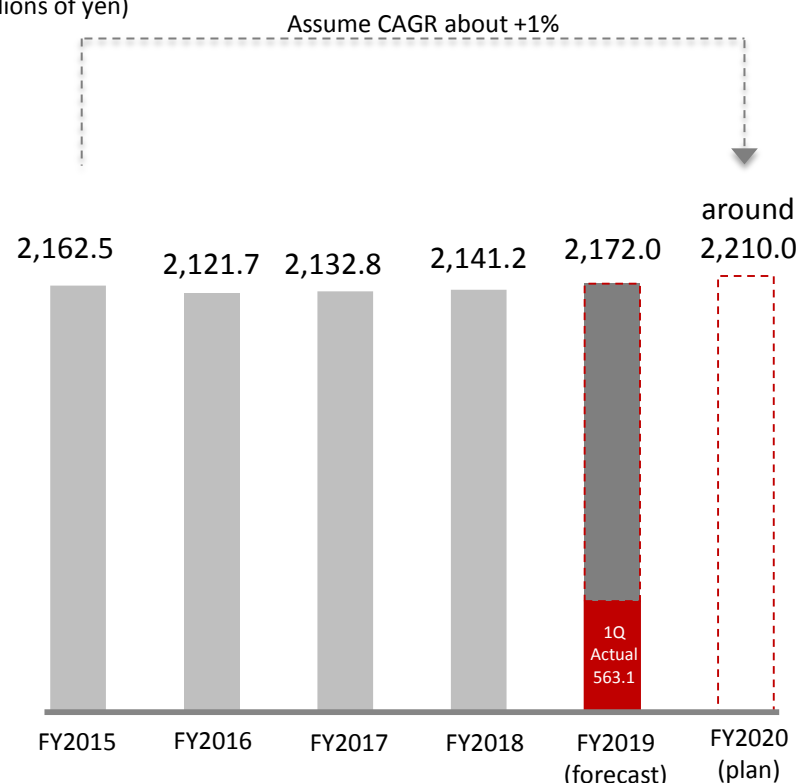
Plan for adjusted profit

(Billions of yen)



Net premiums written (Sompo Japan Nipponkoa)*

(Billions of yen)



* Presented by adjusting reinsurance policies scheduled for successive transfer to overseas subsidiaries: Deducting the portion of the total transfer amount (approx. ¥60.0 billion) that has yet to be transferred in each fiscal year.

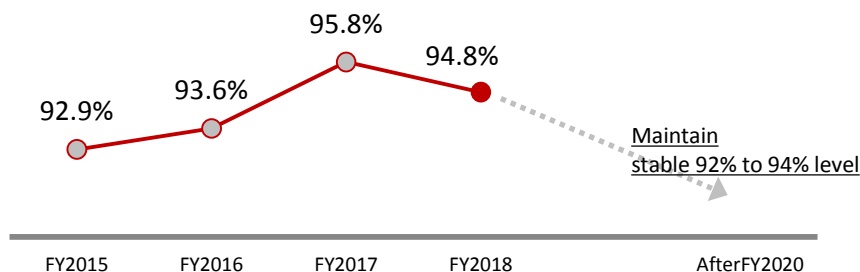
Key Points for Domestic P&C Insurance

- ◆ Aim to improve profitability of insurance products, pursue efficiency and achieve qualitative evolution in light of change in customer needs.

(1) Combined ratio (W/P)*¹

Aim at 92% to 94% level of combined ratio by higher efficiency mainly through digital technology and optimization of distribution channels, and control of CAT risks, etc.

<Combined ratio after adjustment*² of domestic natural disasters>



*1 Sompo Japan Nipponkoa (excl. CALI, household earthquake)

*2 Revised number, assuming a net claims paid of ¥47.0 billion on domestic natural disasters (equivalent to the historical average and estimated amount in initial forecasts for FY2019)

(2) Growth strategy

Aim for continuous expansion of the number of customers by boosting new customer contact, new products and services

<New customer contact, new products and services>

LINE Financial 

Established "Mysurance"

- Launched new concept product for LINE insurance: LINE users can send earthquake insurance as a gift to other users
- This insurance utilizes LINE(SNS)
- Aim to be the only company by swiftly responding to changes in user behavior

Established JV with "DeNA"

- Newly entered the CtoC car sharing and private car leasing business
- By providing the platform ourselves, aim to establish new customer contact



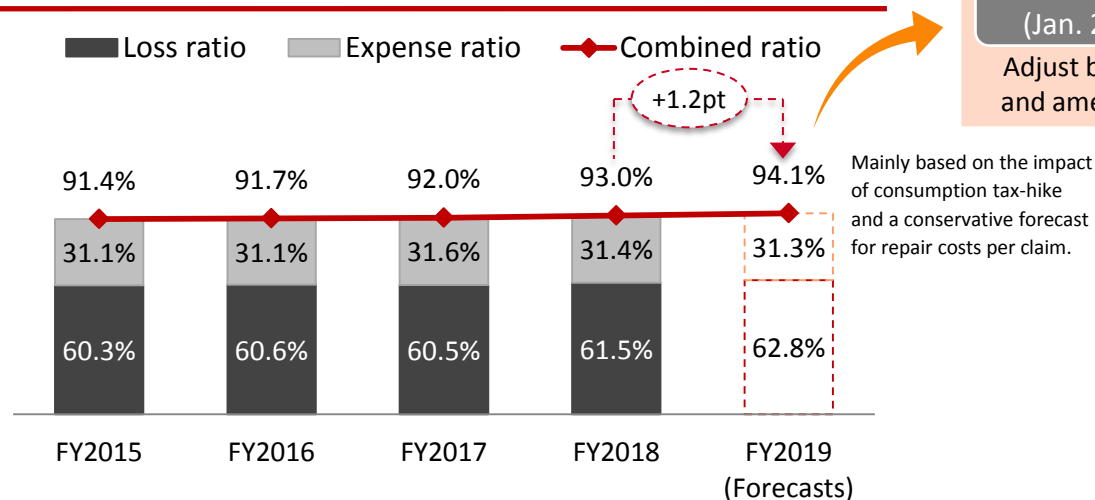
Direct business (Saison Automobile & Fire)

- Mainly through differentiating product, achieved No.1 growth rate in the industry
- Positive impact (+150 thousands of policies) of merger with Sonpo 24 in July 2019

(Reference) Automobile Insurance

◆ Plan rate-hike as well as cost reduction, based on consumption tax hike and amendments to Japan's Civil Code.

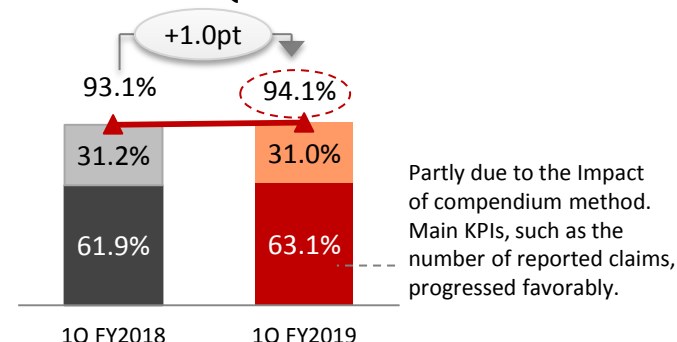
(Reference) E/I Combined ratio



* Loss ratio is on a earned incurred basis (including loss adjustment expense).

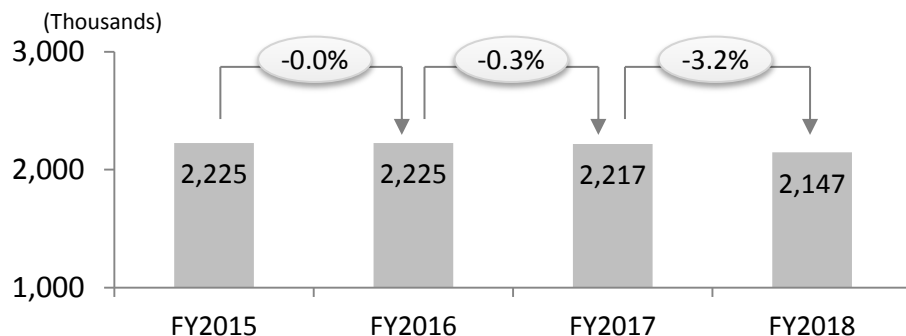
Rate-hike (Jan. 2020) × Cost reduction
Adjust based on consumption tax hike and amendments to Japan's Civil Code

Trend of 1Q Results



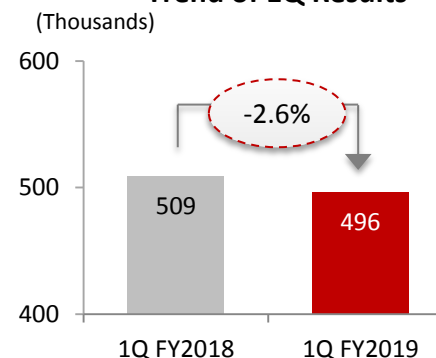
* Outstanding loss reserve is worked out by compendium method in 1Q results

(Reference) The number of reported claims



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

Trend of 1Q Results

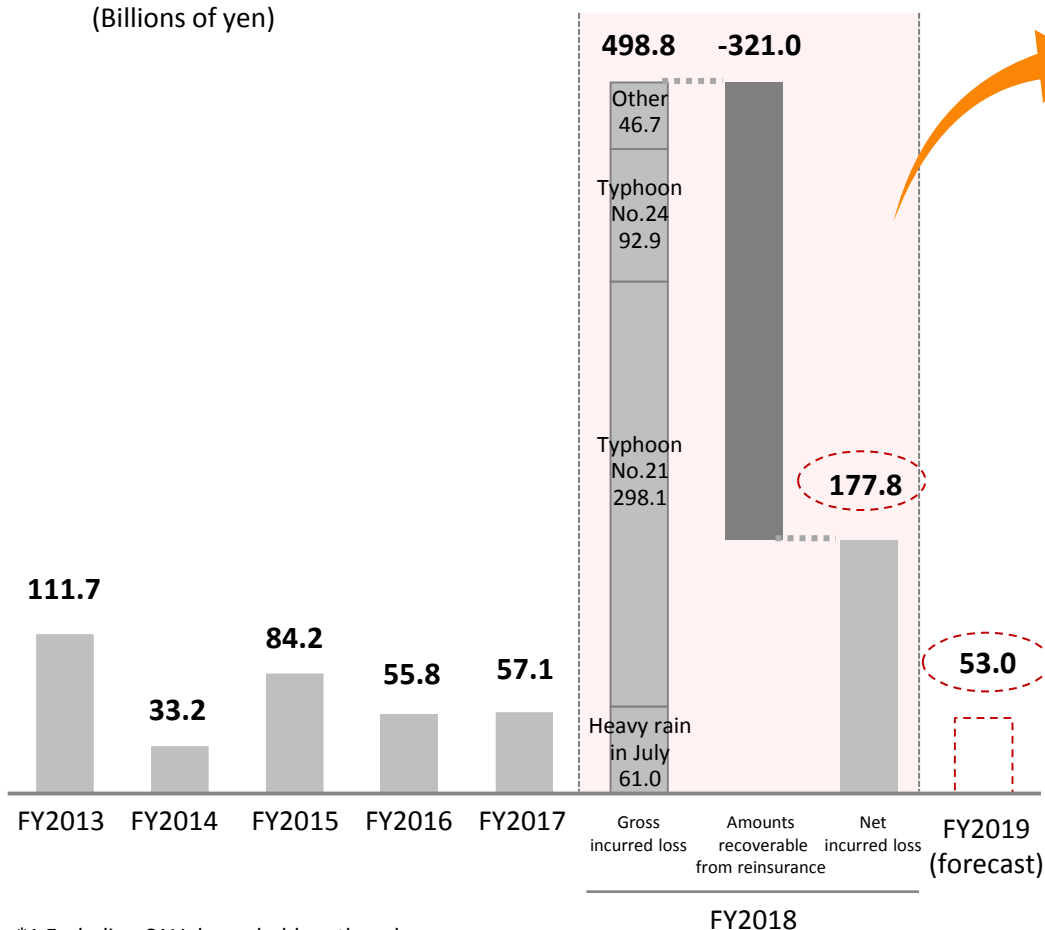


Domestic Natural Disasters

◆ Control the balance of returns and risks with rate-hike and optimizing reinsurance schemes.

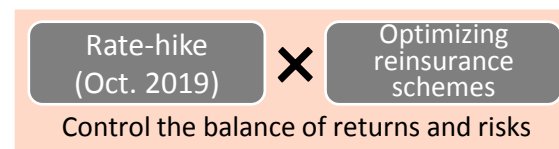
Trends of net loss occurred for domestic natural disasters (events that occurred in the fiscal year)*1

(Billions of yen)

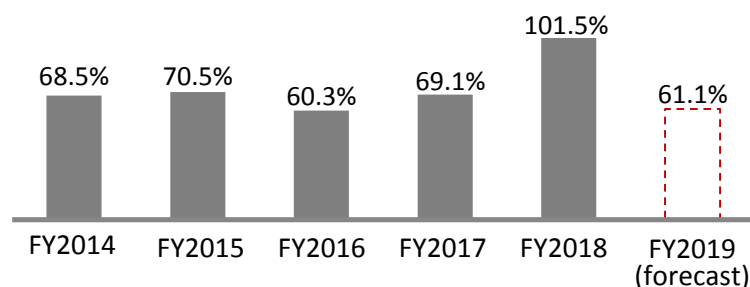


*1 Excluding CALI, household earthquake.

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

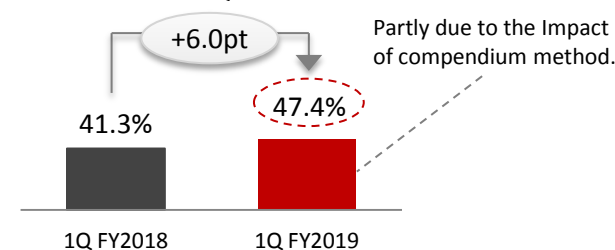


(Reference) E/I loss ratio of fire and allied lines (excl. household earthquake)*2



*2 Incl. loss adjustment expense

Trend of 1Q Results*3



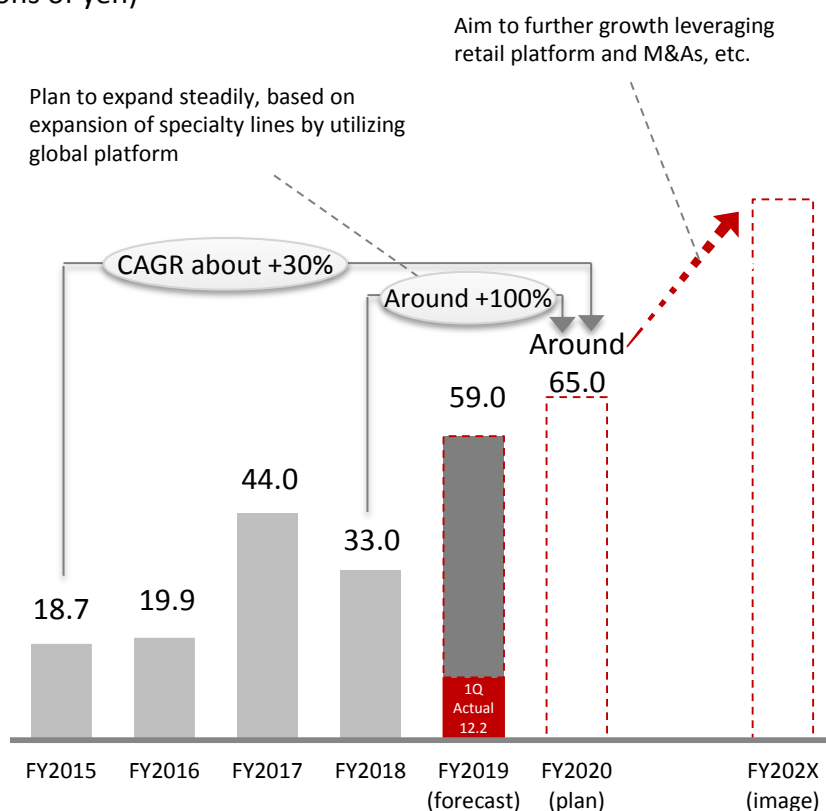
*3 Outstanding loss reserve is worked out by compendium method in 1Q results

Progress of Overseas Insurance

- ◆ Adjusted profit of 1Q FY2019 increased to ¥12.2 billion, driven mainly by expansion within SI specialty lines.
- ◆ While building SI as truly integrated SOMPO global platform, aim at expanding overseas insurance business further.

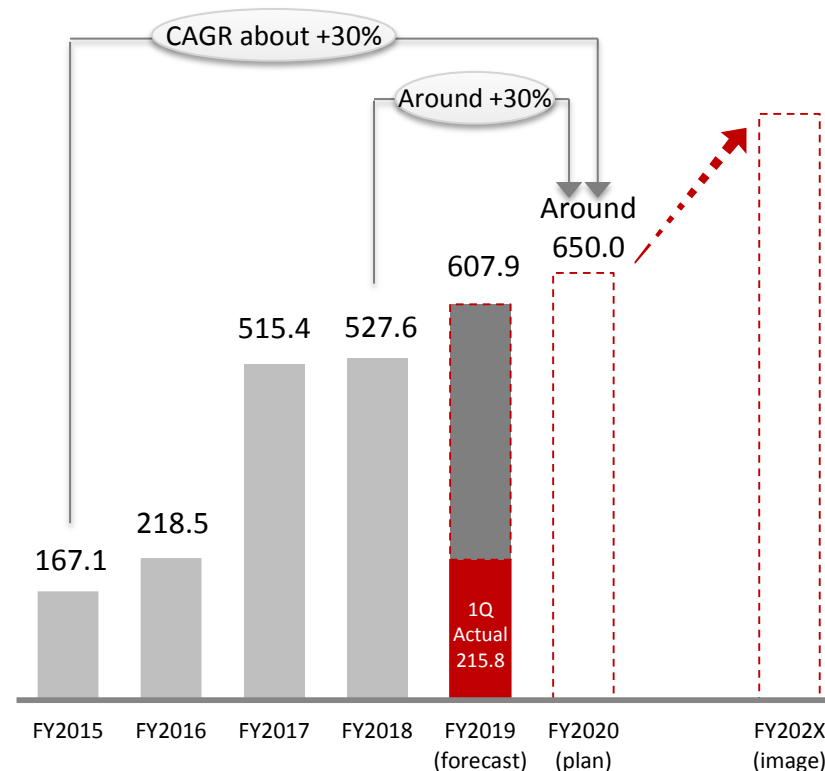
Plan for adjusted profit

(Billions of yen)



Premiums*

(Billions of yen)



* Deduct the portion of Sompo Canopus due to sales completion.
Premiums reflect holding shares. This treatment does not coincide with financial statements.

Domestic P&C	Overseas
Domestic life	Nursing care & healthcare, etc.

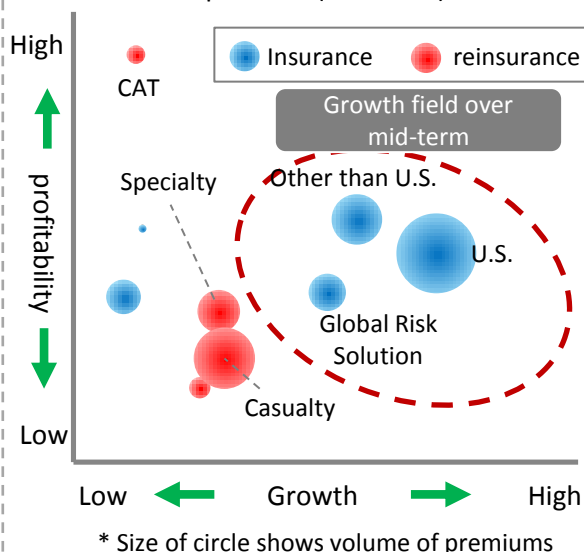
Key Points for Overseas Development

- ◆ Accelerate organic growth mainly through SI evolution into a global platform.
- ◆ Aim at around +10%: CAGR of net premiums over mid-term.

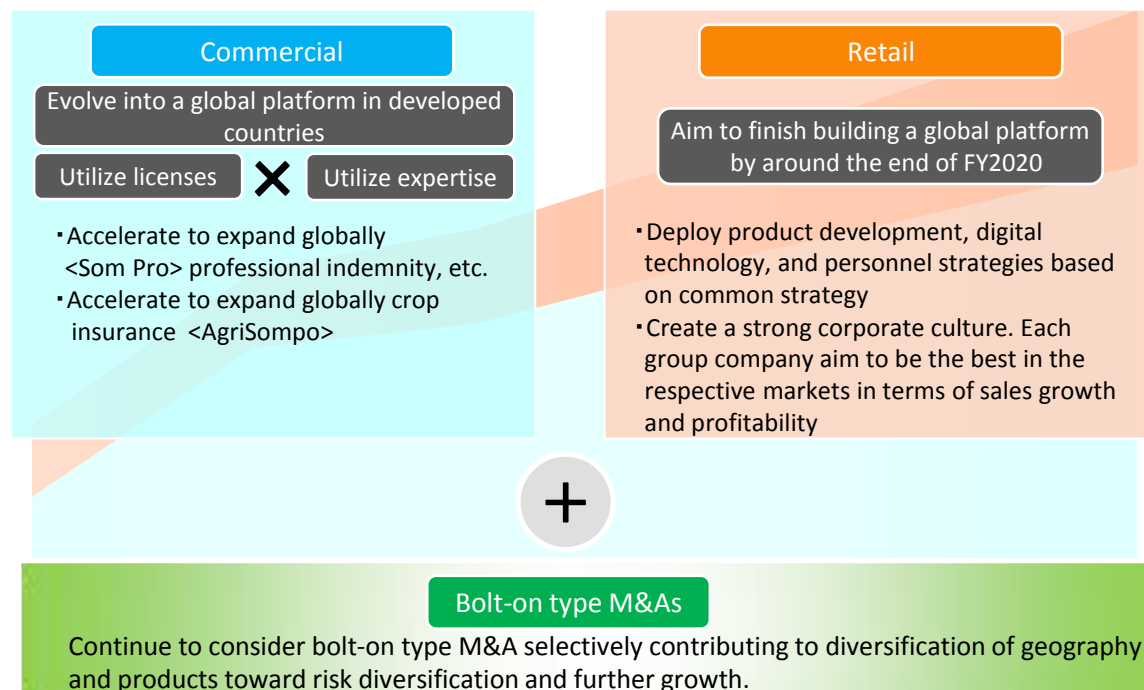
(1) SI's stable and organic growth

- Expand the high-margin underwriting business mainly
- In reinsurance business, control properly CAT risks due to volatility in profit as well as increase profit mainly through specialty products

【SI portfolio (Forecasts)】



(2) Accelerate growth through enhancing global strategy and bolt-on M&As



Mid-term target

Expand net written premiums exceeding industry average growth (CAGR: around +10%) and enhance profitability drastically.

Business Results by Company (1Q FY2019)

(Billions of yen)		Net premiums written			Adjusted profit			Key points	(Reference) Exchange rate	
		1Q FY2019		FY2019 Forecasts	1Q FY2019		FY2019 Forecasts		Mar. 2019* ²	
		Actual	Change		Actual	Change			(YoY FX impacts)	
North America & Europe	SI	178.0	+41.4	430.6	9.1	+1.5	45.7	*Refer to page 49	110.99 JPY/USD	(+4.5%)
Asia & Middle East	Sompo Sigorta (Turkey)	8.6	-0.7	34.3	2.1	-0.0	7.1	Progressed steadily driven by higher investment profit.	19.91 JPY/TRY	(-26.1%)
	Sompo Singapore	2.1	+0.1	7.9	0.0	+0.0	0.6	-	81.88 JPY/SGD	(+1.1%)
	Berjaya Sompo (Malaysia)	3.9	+0.2	15.2	0.3	+0.0	1.4	Progressed steadily driven by higher investment profit as well as favorable loss ratio and expense ratio.	27.20 JPY/MYR	(-1.1%)
	Sompo Indonesia	1.0	-0.6	9.8	0.0	+0.0	0.5	-	0.0078 JPY/IDR	(-)
	Sompo China NK China	1.2	+0.1	5.5	0.3	-0.2	0.4	-	16.47 JPY/RMB	(-2.7%)
	Sompo Hong Kong	1.0	+0.0	3.5	0.0	-0.1	0.4	-	14.14 JPY/HKD	(+4.4%)
	Universal Sompo (India)	1.3	+0.2	8.4	0.0	-0.1	0.3	-	1.57 JPY/INR	(-3.1%)
Latin America	Sompo Seguros (Brazil)	17.6	-4.2	89.2	-0.1	-0.8	2.0	Favorable investment profit offset by loss ratio that deteriorated mainly due to large losses.	28.44 JPY/BRL	(-11.5%)
Other (non-consolidated)* ¹		0.8	-0.1	3.0	0.1	+0.0	0.2	-	-	
Total* ³		215.8	+36.4	607.9	12.2	+0.3	59.0	-	-	

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

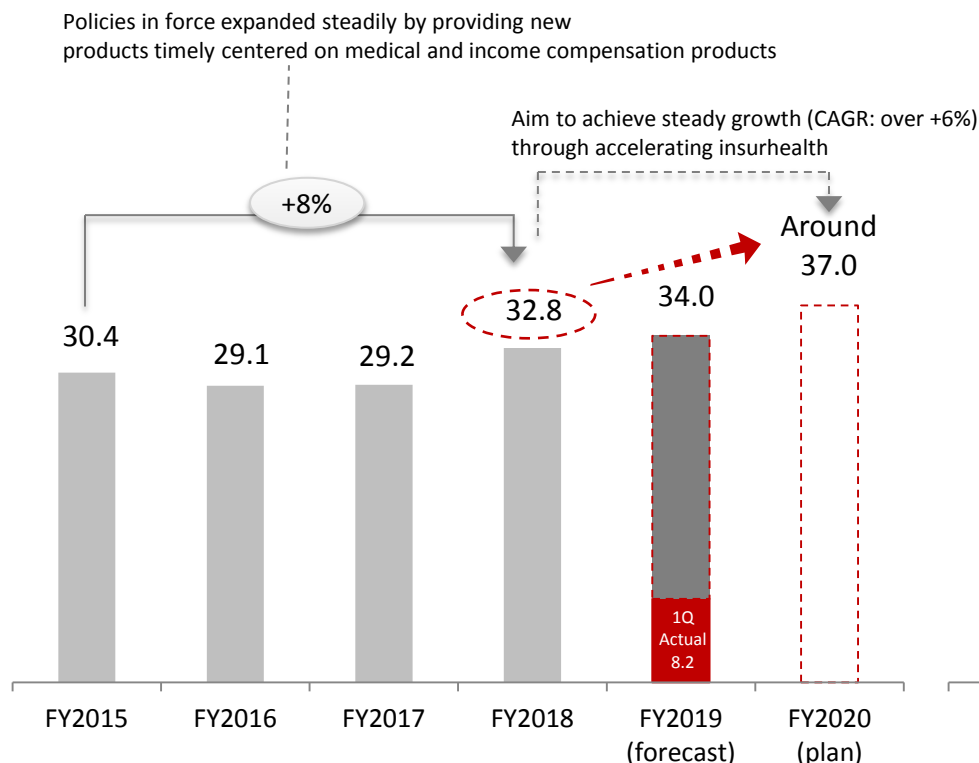
*2 Universal Sompo's exchange rate is based at the end of June 2019. Exchange rate for Forecasts for FY2019 is based at the end of March 2019.

Progress of Domestic Life Insurance

- ◆ Adjusted profit of 1Q FY2019 was ¥8.2 billion which progressed favorably against full-year forecasts (¥34.0 billion).
- ◆ Aim at further growth by accelerating Insurhealth (products and services) with health support function.

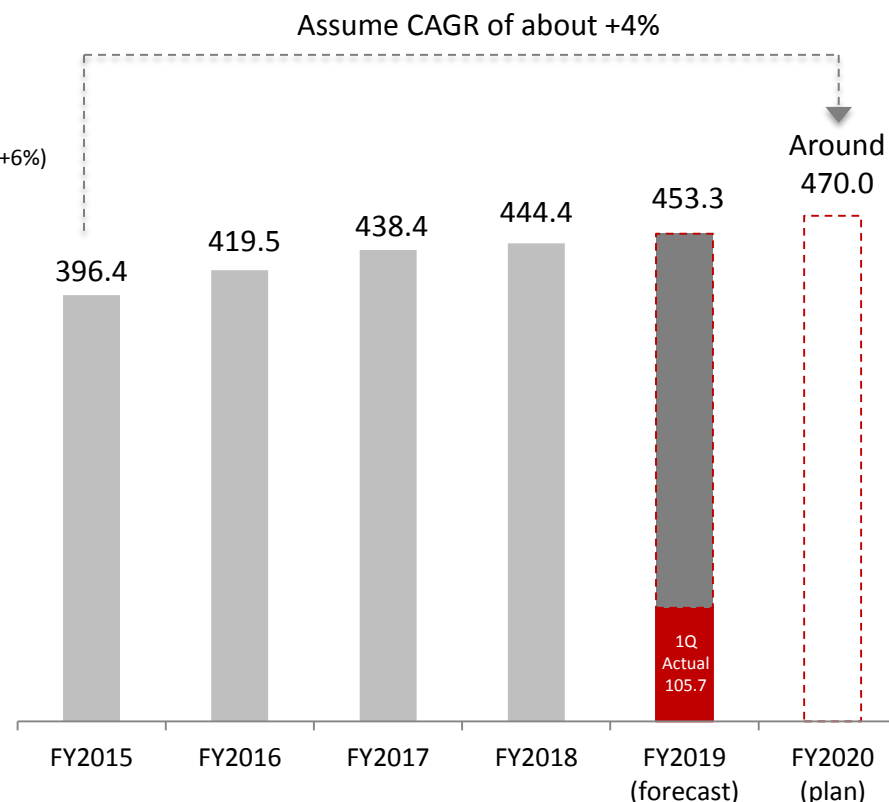
Plan for adjusted profit

(Billions of yen)



Premium and other income

(Billions of yen)



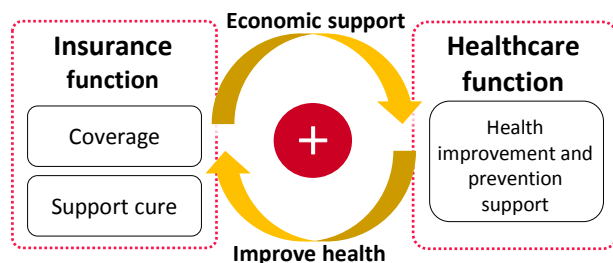
Key Points for Domestic Life Insurance

◆ Aim at growth by launch of new products and services as well as higher efficiency.

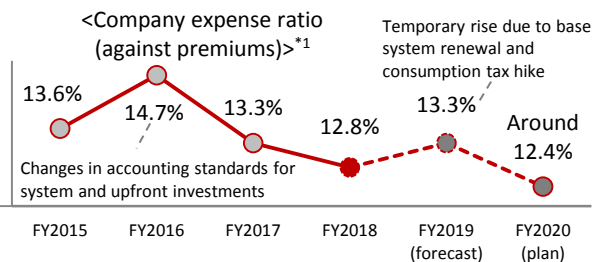
(1) Evolve into a health support enterprise

Aim to expand number of customers in conjunction with providing new added values integrating insurance and health support function for customers

Insurhealth



Drastic enhancement of productivity
(With digital technologies such as RPA and AI)

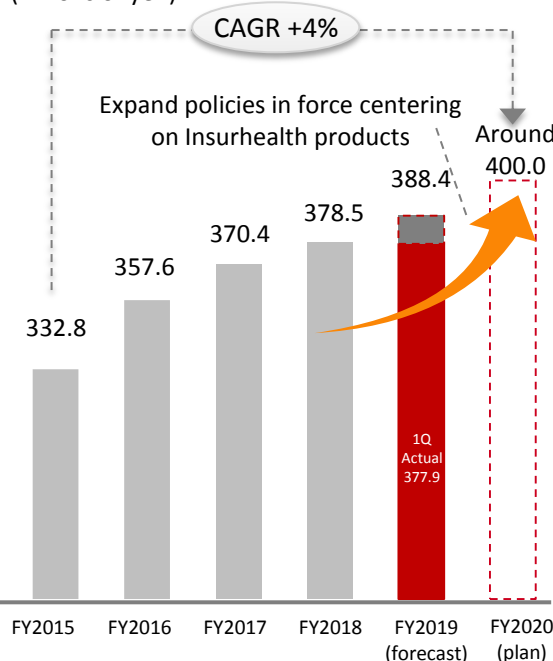


*1 General administrative cost / premiums
1Q FY2019 (actual) decreased by 1.1pt to 11.6%.

(2) Annualized premium in force

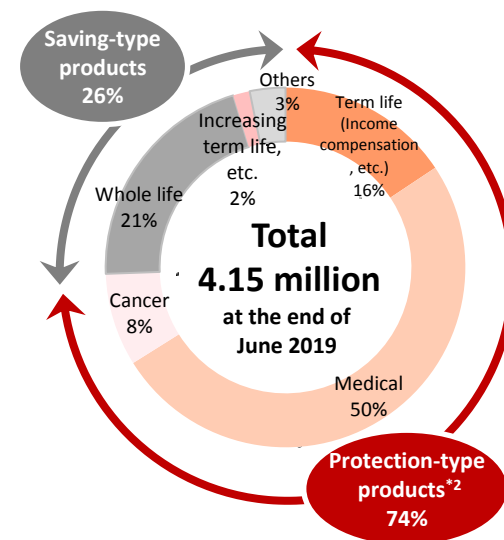
Mainly through launch new product in light of customer needs, aim to expand policies in force centered on protect-type product

<Annualized premium in force since FY2015>
(Billions of yen)



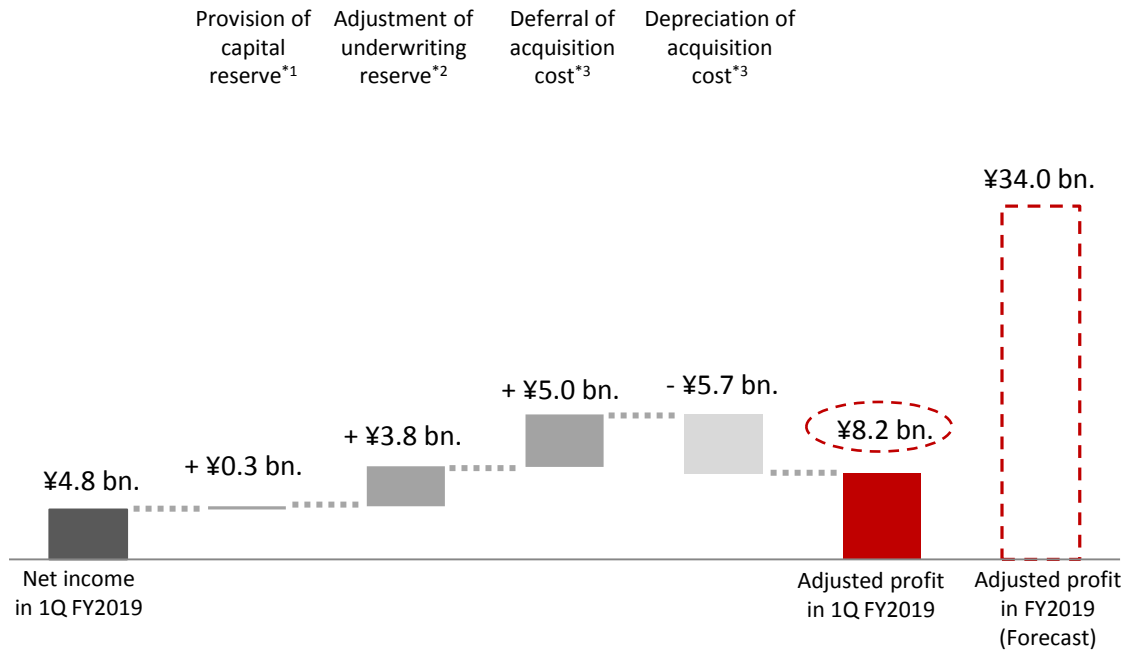
(3) Product mix (policies in force)

Maintain the product mix focusing on profitability

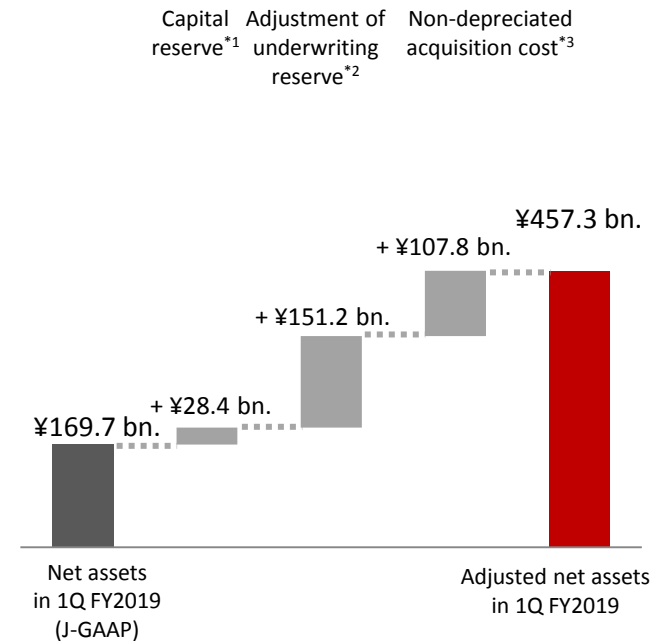


*2 Mainly medical, cancer, income compensation, and term life insurance (excluding long term life insurance, etc.)

Conversion from net income to adjusted profit



(Reference) Adjusted net assets



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

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

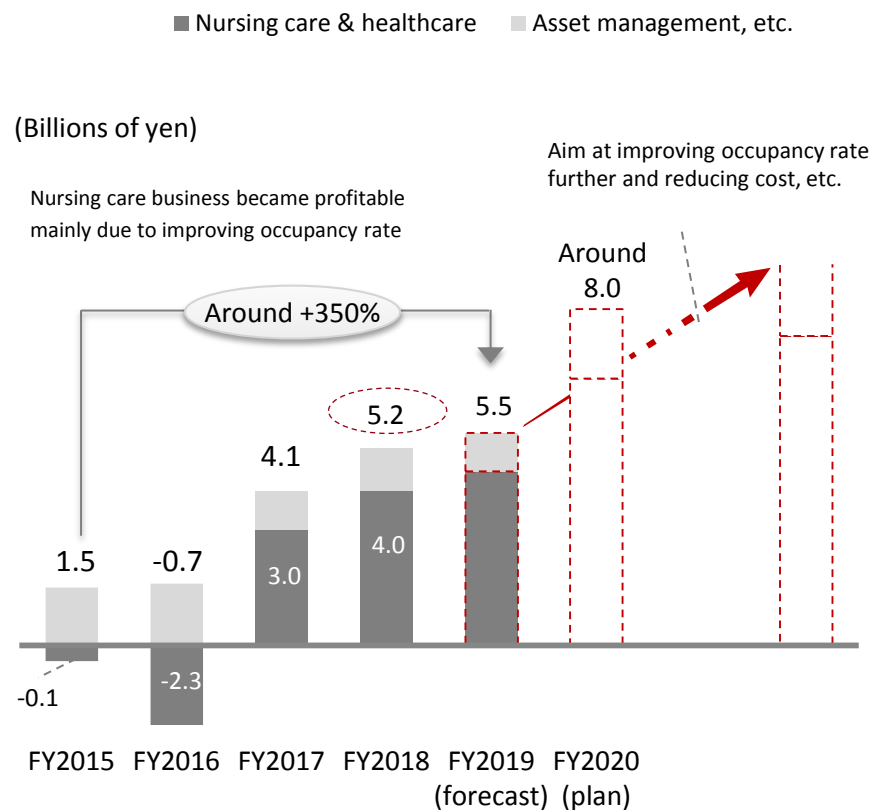
*3 Acquisition cost, such as commissions for new contracts, depreciated over 10 years (after tax).

Domestic P&C	Overseas
Domestic life	Nursing care & healthcare, etc.

Progress of Nursing Care & Healthcare, etc.

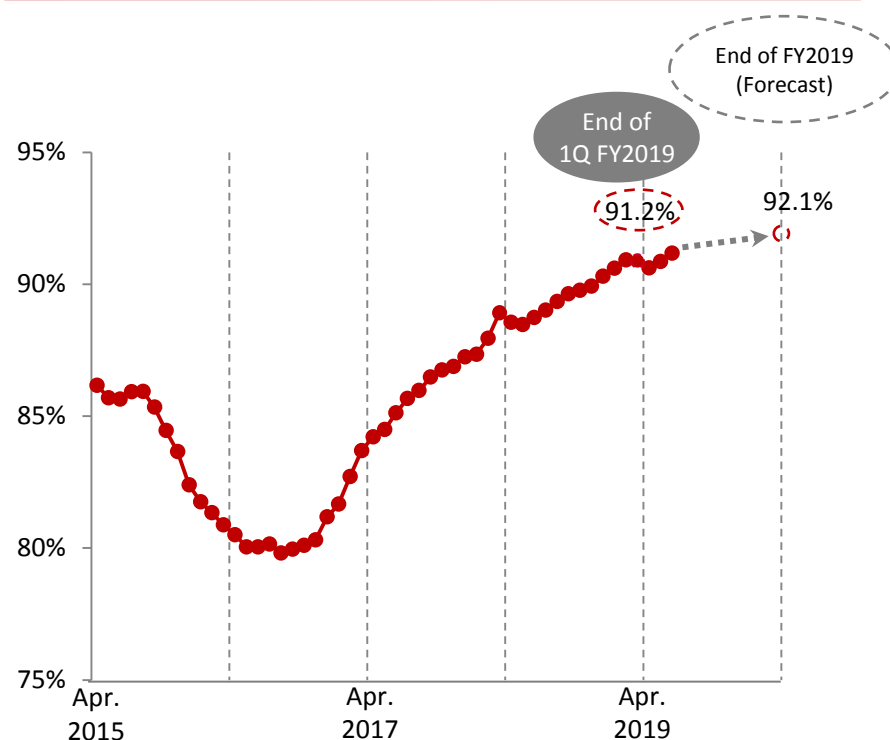
- ◆ Adjusted profit of 1Q FY2019 in nursing care increased by ¥0.1 billion as planned.
- ◆ Aim to increase the presence of nursing care business in our business portfolio over the mid-term, mainly through further enhancement of occupancy rates and cost reductions.

Plan for adjusted profit



* 1Q FY2019 (actual) : ¥1.0 billion

Occupancy rate*



* Integrate the occupancy rate of former SOMPO Care and SOMPO Care Next

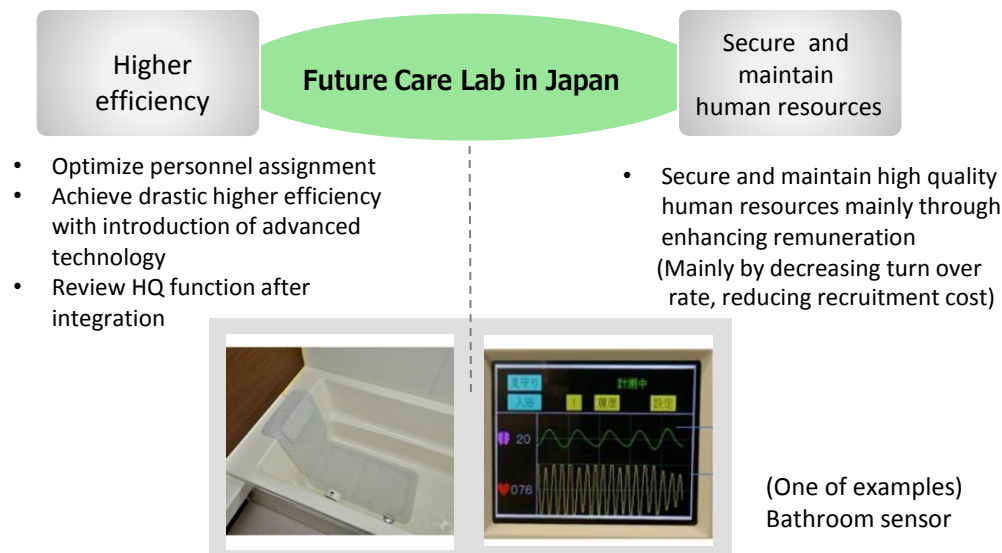
Key Points for Nursing Care Business

- ◆ Plan to achieve sustainable growth of profit through higher profitability on a stand-alone basis with cutting-edge technologies.
- ◆ Aim to diversify our sources of profits mainly through promoting dementia-related services or considering a step into a senior market.

(1) Enhance stand-alone profitability further

While continue to improve occupancy rate, solve the demand-supply gap of nursing care human resources through higher efficiency further with digital and enhancing remuneration, then aim to improve stand-alone profitability further.

<Initiatives to improve stand-alone basis profitability>

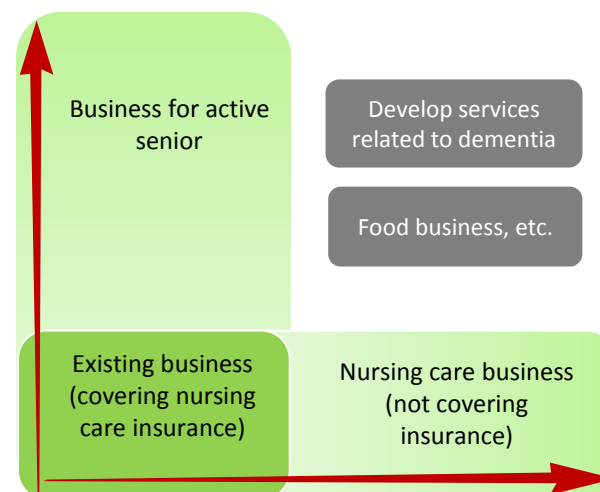


(2) Expand into a senior market

By utilizing know-how, VOC and VOG*as much as possible, aim to create diversified profit sources in the future in new businesses field related to nursing care or not covering insurance business.

<Future direction (vision)>

Leveraging existing nursing care business, expand into surrounding area which can be monetized



* Real voice of more than 100 thousand users, residents and staffs

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1. About SOMPO Holdings	P1
-------------------------	----

2. Mid-term management plan	P6
-----------------------------	----

(1) Group management	P6
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(2) Business strategies for each business segment	P18
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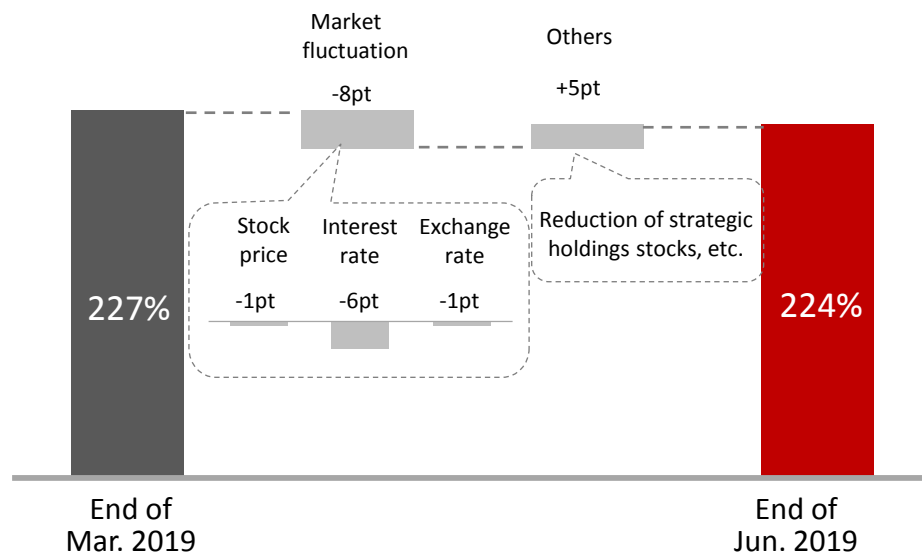
(3) ERM, capital policy & asset management	P34
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Appendix	P42
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Financial Soundness – ESR (99.5%VaR)

◆ ESR (99.5VaR) as of end of 1Q FY2019 was 224%, stayed at target range level.

Trend of ESR (99.5%VaR)*1



*1 In accordance with Solvency II

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

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

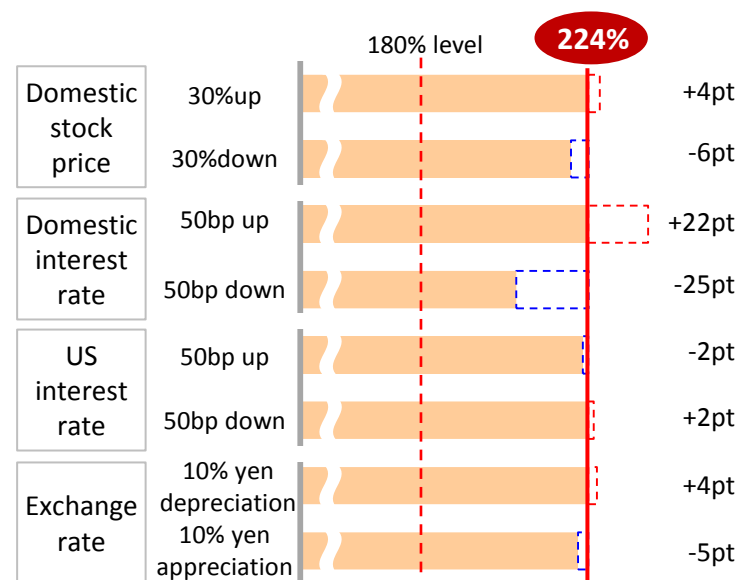
180% level: The level leading to stable financial soundness,

Typical actions in case of constant deviation from target range

【Over 250% level】 Consider additional risk-taking (investments in growth fields) and enhance shareholder returns by share buy-back and others

【Under 180% level】 Execute a variety of measures to reduce risks, consider enhancing capital buffer by hybrid bond issuance, etc. and retain more earnings and others

Sensitivity of ESR (99.5%VaR)



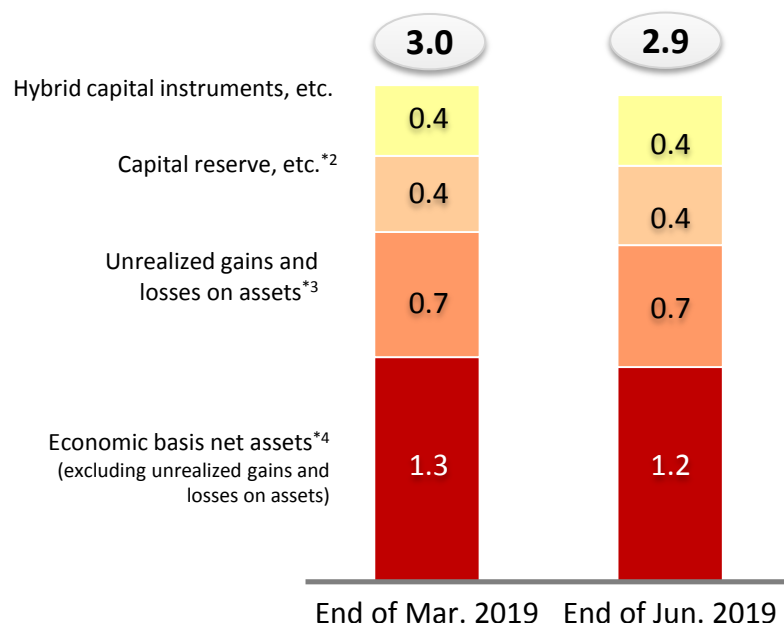
(Reference) Market indicators	End of Jun. 2019	(change*2)
Domestic stock price (Nikkei 225)	¥21,275	(+0.3%)
Domestic interest rate (30y JGB)	0.36%	(-15bp)
US interest rate	2.01%	(-40bp)
Exchange rate (JPY/USD)	¥107.79	(-2.9%)

*2 Against the end of March 2019

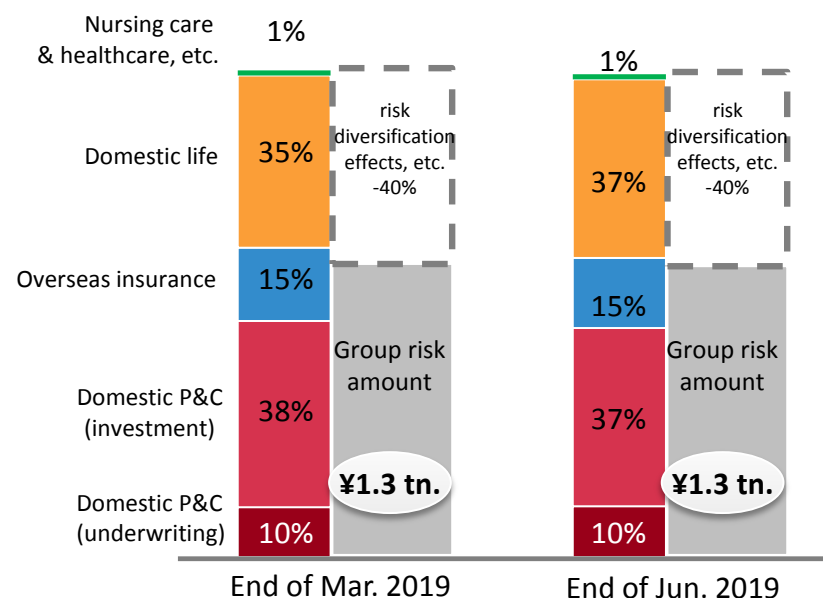
(Reference) Breakdown of Adjusted Capital and Risk

Adjusted capital*1

(Trillions of yen)



Risk amount*5



*1 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

*2 Reserve for price fluctuation and catastrophic loss reserve, etc. (after tax)

*3 Unrealized gains and losses on securities, etc., including non mark-to-market assets.

*4 Total of net assets on non-consolidated balance sheets, and value in force of P&C and life insurance business. (excl. goodwill and attributable to non-controlling shareholders, etc.)

*5 Risk : 1 year holding period, 99.5% VaR

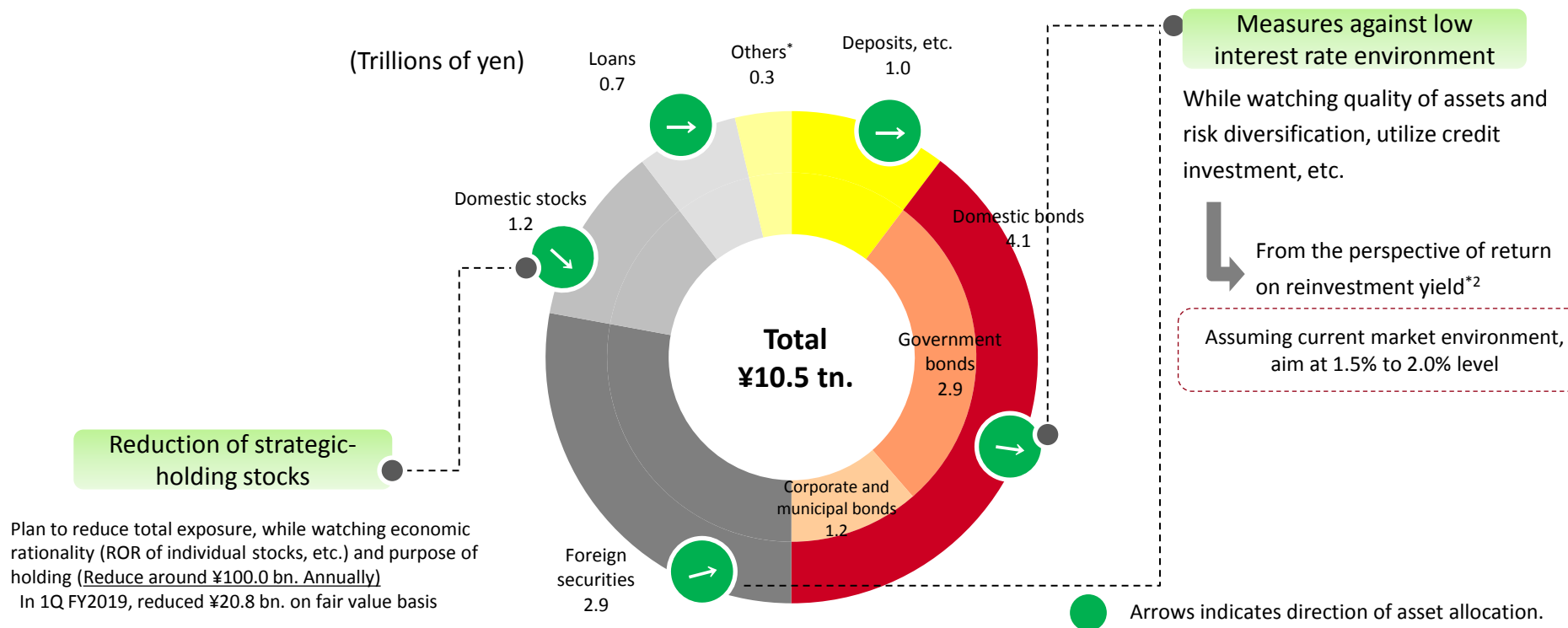
• Risk amount of each business : Before reflecting risk diversification effect among businesses and before-tax basis.

• Group total risk : Sum of risk amount of each business less risk diversification effect among businesses and tax impact.

Group Asset Management

- ◆ No change in plans to undertake stable asset management, taking liquidity, safety and so on into consideration.
- ◆ Continue to aim at reducing strategic-holding stocks as planned and enhancing yield based on asset management diversification, etc.

Balance of group investment assets^{*1} and asset management policy



*1 End of June 2019, group-wide basis

*2 Sompo Japan Nipponkoa general account and yen-interest assets, etc. as object

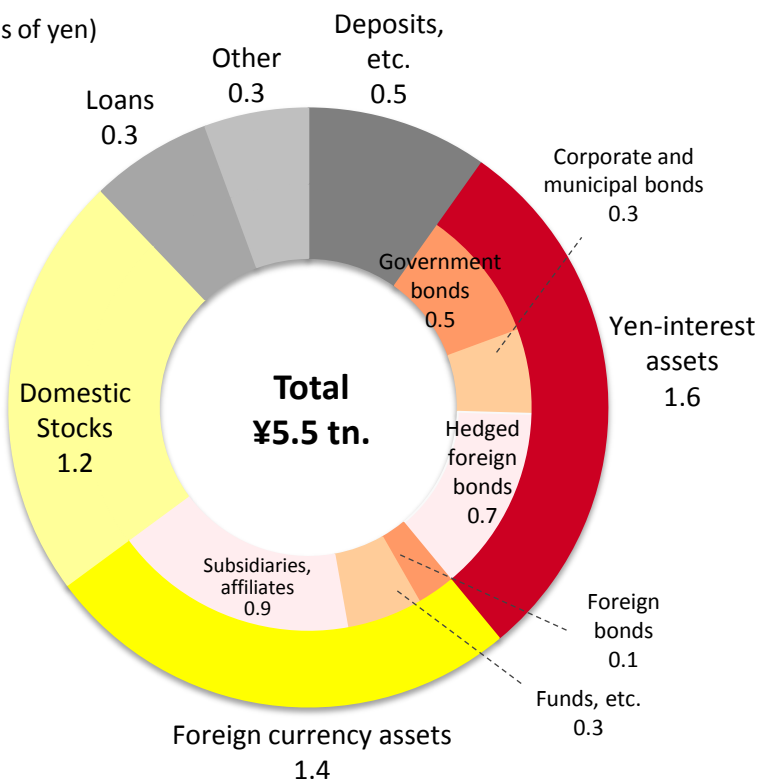
Asset Portfolio – Sompo Japan Nipponkoa

- ◆ Continue to manage reduction of strategic-holding stocks and maintain diversified investments.

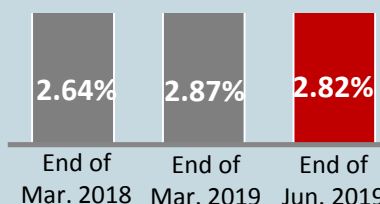
Amount of investment assets (as of end of June 2019, Sompo Japan Nipponkoa, non-consolidated)

<General account>

(Trillions of yen)



Trend of income yield*¹ (General account)



Composition by ratings*²

Internal rating	Composition
BBB or above	100%
BB or below	0%

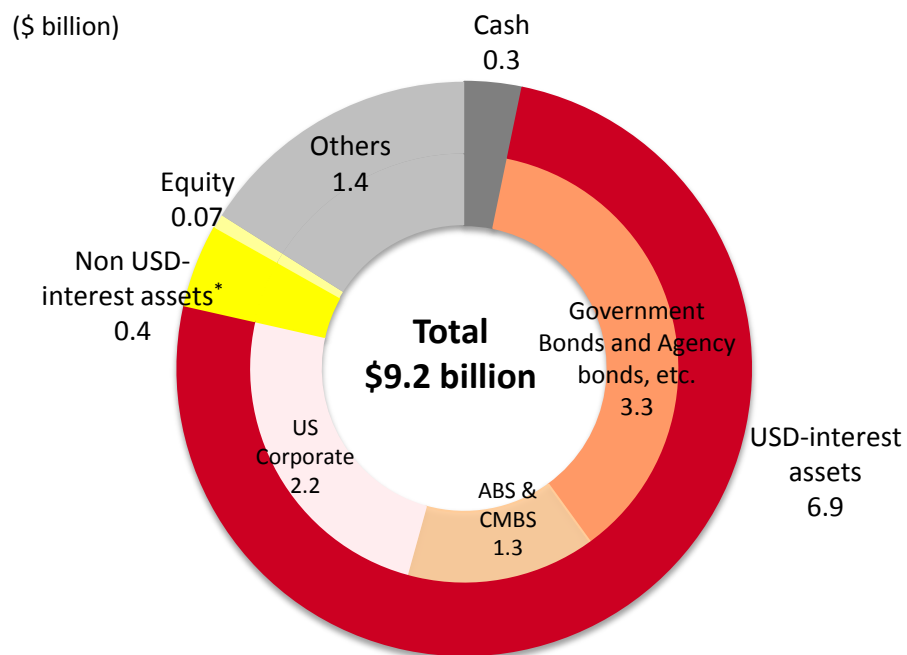
*1 Excluding overseas subsidiaries' shares, etc.

*2 Total of yen-interest assets and foreign currency bonds

Asset Portfolio - SI

- ◆ Maintain liquid, high quality assets to meet company liabilities, while investing predominantly in USD-interest assets.

Amount of investment assets (as of end of March 2019, SI, consolidated)



Composition by ratings

Rating	Composition
BBB or above	93%
BB or below	7%

Duration (years)

	End of Dec. 2018	End of Mar. 2019
Asset	3.2	3.0
Liability	2.9	2.9

(Reference) Income yield* at the end of March 2019: 2.91%

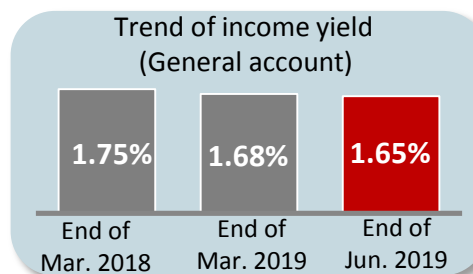
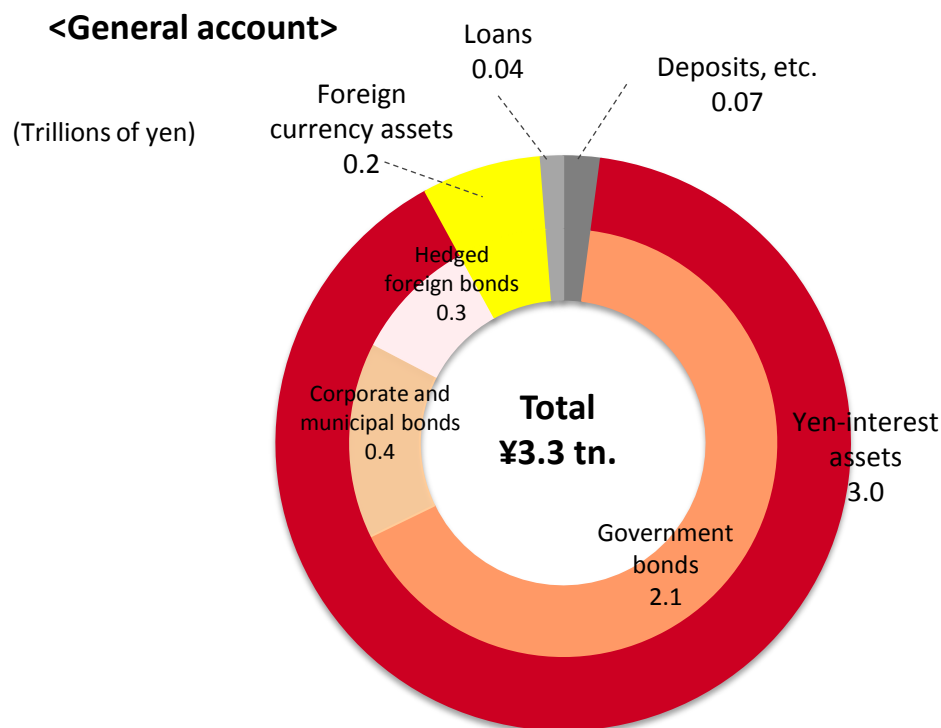
*Incl. Changes in unrealized gains and losses on certain funds, etc.

* Incl. cash

Asset Portfolio – Himawari Life

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

Amount of investment assets (as of end of June 2019, Himawari Life, non-consolidated)



Composition by ratings*

Internal rating	Composition
BBB or above	100%
BB or below	-

Duration (years)

	End of Mar. 2019	End of Jun. 2019
Asset	14	14
Liability	25	26

(Reference) Amount of separate account (End of Jun. 2019): ¥22.6 billion
(mainly investment in domestic stocks and bonds in the separate account)

* Total of yen-interest assets and foreign currency bonds

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1. About SOMPO Holdings	P1
-------------------------	----

2. Mid-term management plan	P6
-----------------------------	----

(1) Group management	P6
----------------------	----

(2) Business strategies for each business segment	P18
---	-----

(3) ERM, capital policy & asset management	P34
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Appendix	P42
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Group Management Philosophy

Group Management Philosophy

We will at all times carefully consider the interests of our customers when making decisions that shape our business. We will strive to contribute to the security, health, and wellbeing of our customers and society as a whole by providing insurance and related services of the highest quality possible.

Group Action Guidelines

To provide the highest possible quality of service to our customers we will:

1. treat each and every customer with sincerity, and act in the knowledge that our every action as an individual shapes our entire reputation as a company;
2. act with initiative, set ourselves the highest goals, and always learn from our actions;
3. strive to be both prompt and clear in our dealings and activities; and,
4. act with the utmost integrity.

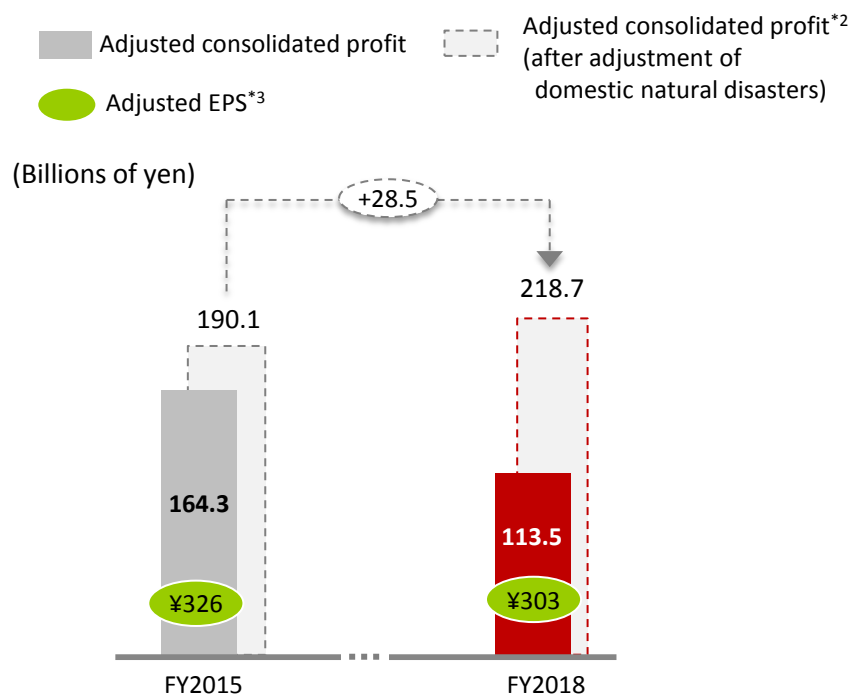
Group Vision

Our goal is to always be the best customer service provider both at home and abroad.

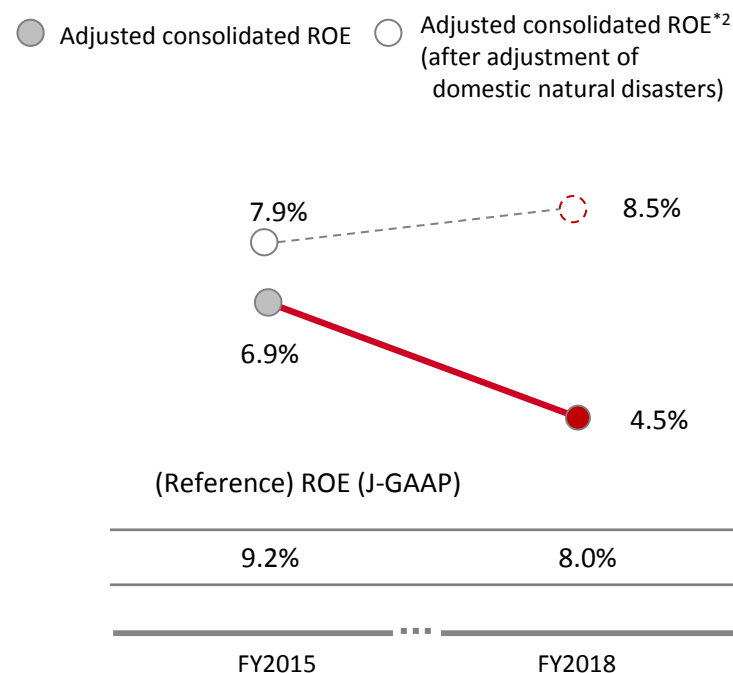
Overview of 1st Half of Mid-term Management Plan (1) – Group –

- ◆ Adjusted profit and ROE in FY2018 fell short of plan due to the natural disasters exceeding our assumptions on measures to control cat risks.
- ◆ On the other hand, achieved record-high adjusted profit and ROE normalizing the impact of natural disasters.

Adjusted consolidated profit*1



Adjusted consolidated ROE*1



*1 See page 17 for definitions of adjusted consolidated profit and adjusted consolidated ROE.

(Reference) Adjusted consolidated net assets (average balance of beginning and end of FY)

FY2015: 2,378.3, FY2016: 2,403.3, FY2017: 2,553.9, FY2018: 2,530.2 (billions of yen)

*2 Revised adjusted consolidated profit and adjusted consolidated ROE, assuming an incurred loss on domestic natural disasters of ¥48.0 billion (equivalent to the historical average and estimated amount in initial forecasts for FY2018)

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

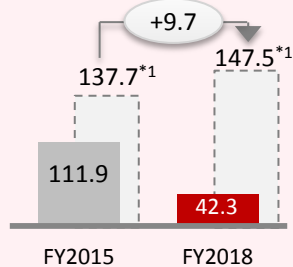
Overview of 1st Half of Mid-term Management Plan (2) – Businesses –

◆ While each business has own factor, their fundamentals remain firm.

Adjusted profit by segment and typical key factors

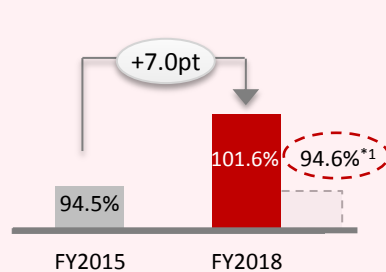
Adjusted profit (Billions of yen)

Achieved record-high profit after adjustment of domestic natural disasters



Combined ratio (W/P)*²

Accelerating proper pricing and higher efficiency further, aim at the target level (92% to 94%)



*1 Revised number, assuming an incurred loss of ¥48.0 billion and net claims paid of ¥43.0 billion on domestic natural disasters (equivalent to the historical average and estimated amount in initial forecasts for FY2018)

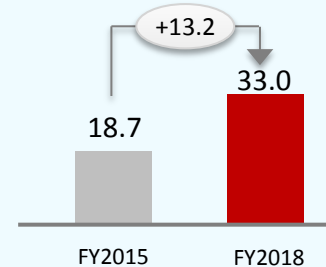
*2 excl. CALI, household earthquake

Domestic
P&C

Overseas

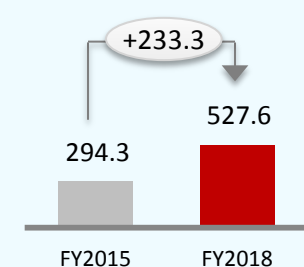
Adjusted profit (Billions of yen)

Expanded profit drastically mainly through the acquisition of SI



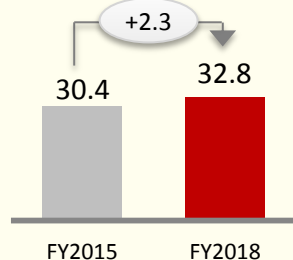
Premium written (Billions of yen)

Expanded premium written centered in SI specialty lines on global base



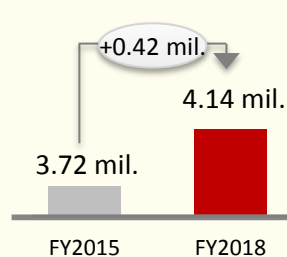
Adjusted profit (Billions of yen)

Increased profit steadily mainly based on expansion of policies In force with centered on promotion of insurhealth



Policies in force

Partly due to launching new product, policies in force expanded

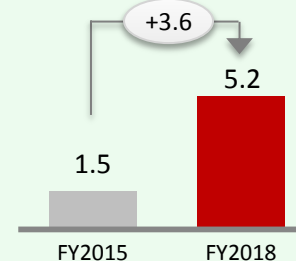


Domestic
Life

Nursing care &
healthcare, etc.

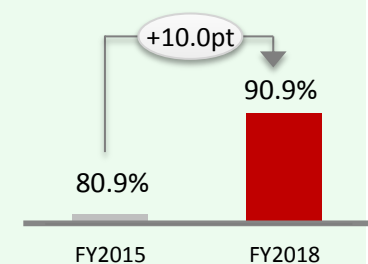
Adjusted profit (Billions of yen)

Profit, in nursing care business we entered into, increased in light of occupancy rate improvement



Occupancy rate*³

Drastically improved



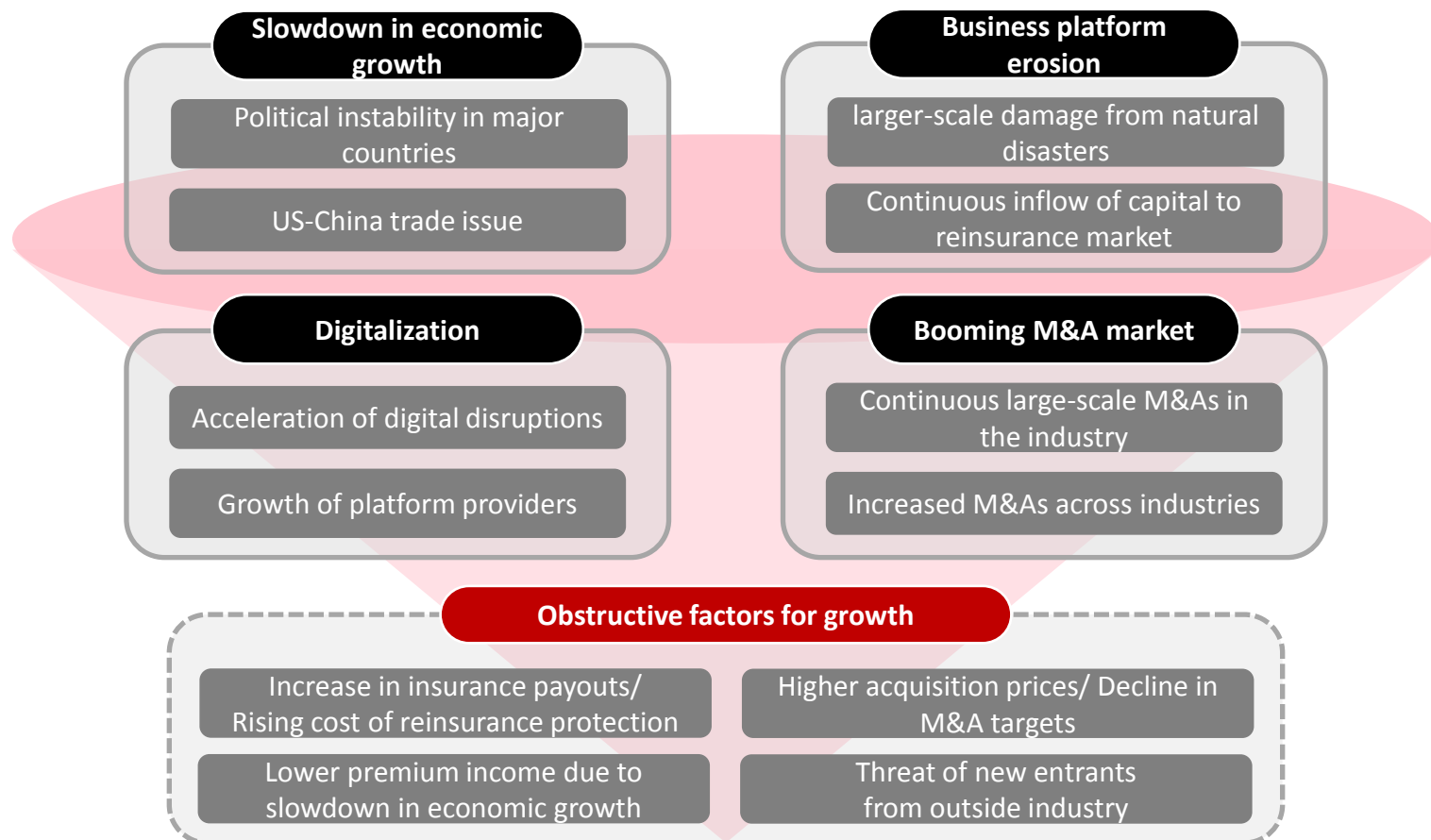
*3 Sum of former SOMPO Care and SOMPO Care Next

Overview of 1st Half of Mid-term Management Plan (3)

– Change in External Environment Against 2nd Half of the plan –

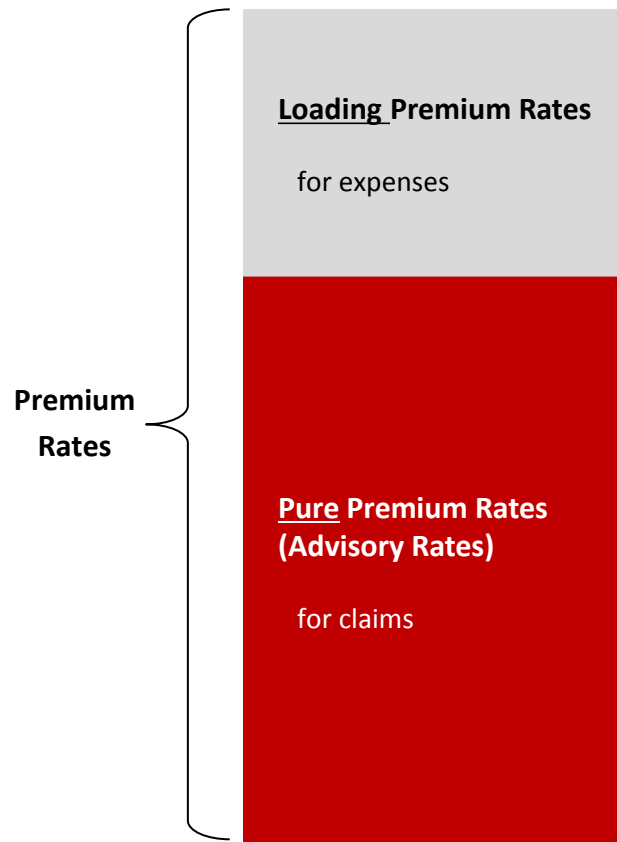
- ◆ External environment changed considerably over the first half (3 years) of Mid-term Management Plan.
- ◆ Accelerate the group's qualitative evolution further in order to overcome the changes.

Typical changes in external environment which occurred over the first half (3 years) of Mid-term Management Plan



(Domestic P&C) Advisory Rating System in Japan

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



Advisory Pure Premium Rates

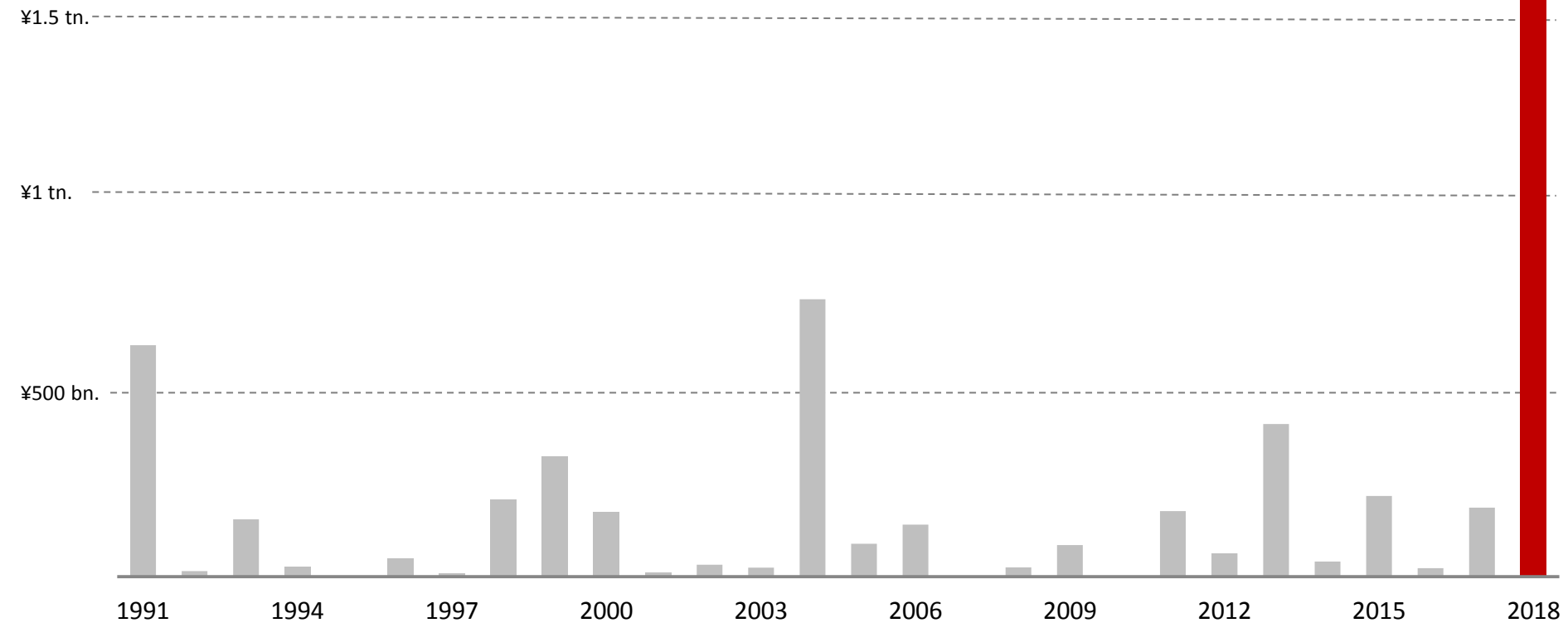
- Calculated for: fire insurance, personal accident insurance, automobile insurance, etc.
- Calculated by the GIROJ.*²
- The GIROJ collects large quantities of data from member insurance companies.
- The GIROJ uses statistical approach to calculate the advisory pure premium rates and present it to member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

*1 Member companies of the General Insurance Association of Japan

*2 General Insurance Rating Organization of Japan

(Domestic P&C) Trends of Domestic Natural Disasters

Gross claims paid for major domestic natural disasters (industry total)

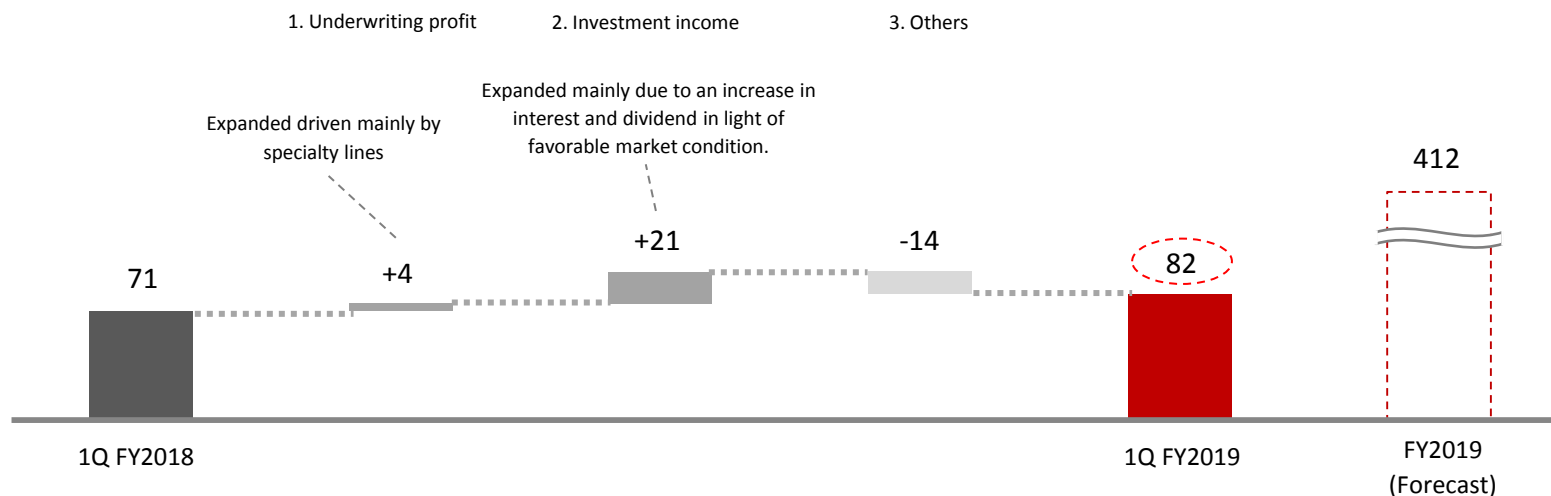


* Source : The General Insurance Association of Japan

(Overseas Insurance) Overview of Business Results of SI

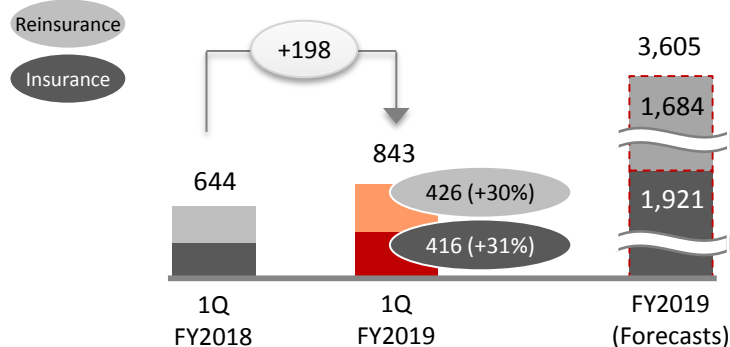
Change factors of adjusted profit (1Q FY2019)

(\$ million)

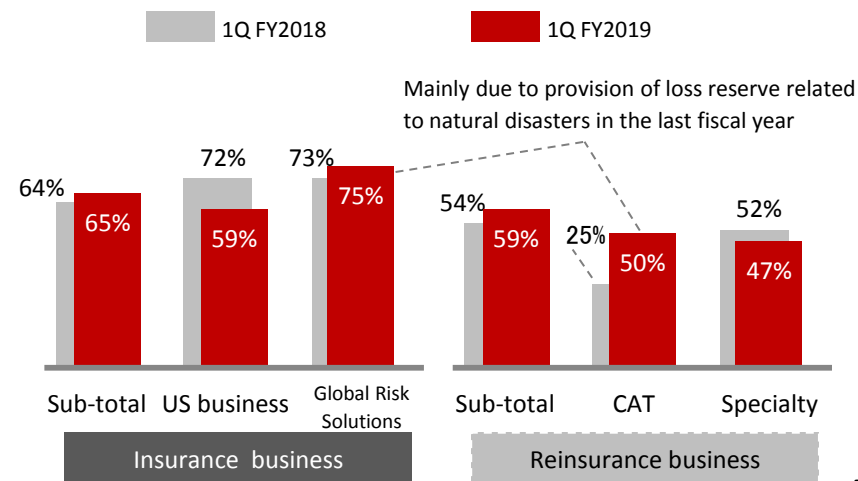


Net premiums earned

(\$ million)



Loss ratio (Main lines of business)



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Overview of 1Q FY2019 Results and Business Forecasts for FY2019 – Consolidated Basis

(Billions of yen)	1Q FY2019	Change	FY2019 (Forecasts)	Change (against FY2018)
Consolidated ordinary income	1,016.7	+22.7 (+2.3%)	-	-
Net premiums written (P&C)	794.4	+47.0 (+6.3%)	2,820.0	+101.8 (+3.7%)
Life insurance premiums	82.9	-0.2 (-0.3%)	363.0	+13.3 (+3.8%)
Consolidated ordinary profit	42.8	-29.8	250.0	+51.0
Sompo Japan Nipponkoa	28.7	-23.9	226.0	+10.4
Overseas subsidiaries	29.8	+26.7	68.5	+74.3
Himawari Life	6.9	+0.1	24.2	+0.9
Nursing care and healthcare ^{*1}	1.8	+0.7	6.6	+0.6
Consolidated adjustment ^{*2} /others	-24.4	-33.5	-75.3	-35.4
Consolidated net income ^{*3}	30.5	-24.9	168.0	+21.3
Sompo Japan Nipponkoa	21.2	-17.8	163.0	-12.7
Overseas subsidiaries	25.8	+23.4	58.3	+64.4
Himawari Life	4.8	+0.0	16.0	+0.6
Nursing care and healthcare	1.0	+0.3	3.8	-0.3
Consolidated adjustment ^{*2} /others	-22.4	-30.8	-73.2	-30.6
(Reference) Adjusted profit (by business)	54.9	-16.6	185.0	+71.4
Domestic P&C insurance	33.3	-16.5	86.5	+44.1
Overseas insurance	12.2	+0.3	59.0	+25.9
Domestic life insurance	8.2	-0.4	34.0	+1.1
Nursing care & healthcare, etc.	1.0	-0.0	5.5	+0.2

^{*1} Nursing care and healthcare is sum of SOMPO Care and SOMPO health support.

^{*2} "Purchase method" accounting was adopted upon the establishment of Sompo Holdings. The figures therefore include adjustments for gains/losses on sales, etc.

^{*3} Consolidated net income denotes net income (loss) attributable to shareholders of the parent.

Overview of 1Q FY2019 Results and Business Forecasts for FY2019 – Businesses (1)

Sampo Japan Nipponkoa

(Billions of yen)	1Q FY2019	Change	FY2019 (Forecasts)	Change (against FY2018)
Net premiums written	563.7	+10.1 (+1.8%)	2,172.0	+23.3 (+1.1%)
(excl. CALI, household earthquake)	497.0	+6.8 (+1.4%)	1,892.6	+22.7 (+1.2%)
Net premiums earned (excl. CALI, household earthquake)	459.9	-3.8 (-0.8%)	1,885.5	+16.2 (+0.9%)
E/I loss ratio (excl. CALI, household earthquake)	58.9%	+1.4pt	61.7%	-5.5pt
W/P loss ratio	57.1%	-1.6pt	65.0%	-4.8pt
(excl. CALI, household earthquake)	54.3%	-0.5pt	63.0%	-5.0pt
Net expense ratio	31.6%	-0.3pt	32.0%	-0.1pt
(excl. CALI, household earthquake)	32.7%	-0.1pt	33.5%	-0.1pt
Combined ratio (W/P) (excl. CALI, household earthquake)	87.0%	-0.6pt	96.5%	-5.1pt
(Reference) Combined ratio (E/I)* (excl. CALI, household earthquake)	91.6%	+1.3pt	95.2%	-5.6pt
Underwriting profit	4.5	-17.8	98.0	+56.0 (+133.4%)
Investment profit	30.2	-5.0	143.1	-46.6 (-24.6%)
Ordinary profit	28.7	-23.9	226.0	+10.4 (+4.9%)
Net income	21.2	-17.8	163.0	-12.7 (-7.2%)
Adjusted profit	34.0	-16.4	91.8	+45.0 (+96.4%)

* Sum of W/P loss ratio and net expense ratio

Overview of 1Q FY2019 Results and Business Forecasts for FY2019 – Businesses (2)

S ^{*1}	(\$ million)	1Q FY2019	Change	FY2019 (Forecasts)	Change (against FY2018)
	Gross premiums written	2,566	+332	6,477	+516
	Net premiums written	1,604	+318	3,879	+560
	Net premiums earned	843	+198	3,605	+518
	Net losses and loss expenses	521	+140	2,262	+147
	Expense	279	+44	1,108	+155
	Loss ratio ^{*2}	61.9%	+2.8pt	62.8%	-5.8pt
	Expense ratio ^{*2}	33.1%	-3.3pt	30.7%	-0.1pt
	Combined ratio ^{*2}	95.0%	-0.4pt	93.5%	-5.9pt
	Underwriting income	38	+4	245	+220
	Net investment income	85	+21	300	+56
	Net income (After Preferred dividend)	207	+154	412	+340
	Adjusted profit ^{*3}	82	+11	412	+234

*1 Incl. former Sampo America, Sampo Mexico and SJNK Europe.

*2 The denominator of loss ratio, expense ratio and combined ratio is net premiums earned.

Overview of 1Q FY2019 Results and Business Forecasts for FY2019 – Businesses (3)

Himawari Life

(Billions of yen)	1Q FY2019	Change	FY2019 (Forecasts)	Change (against FY2018)
Annualized new premium	5.5	-3.5	35.0	-2.0
Premium and other income	105.7	+0.2	453.3	+8.9
Investment profit (general account)	11.0	+0.4	45.1	+0.4
Ordinary profit	7.8	+0.0	27.8	+1.2
Net income	4.8	+0.0	16.0	+0.6
Adjusted profit	8.2	-0.4	34.0	+1.1

Sompo Care

(Billions of yen)	1Q FY2019	Change	FY2019 (Forecasts)	Change (against FY2018)
Sales	31.4	+0.4	127.4	+3.2
Occupancy rate	91.2%	+2.4pt	92.1%	+1.2pt
Net income	1.1	+0.1	4.3	+0.2

Note Regarding Forward-looking Statements

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

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