Sompo International Overview

October 9, 2018

Mike McGuire, Chief Financial Officer
1. Introduction
2. Overview of Sompo International
3. Sompo International Business Segments
4. Sompo International Financial Highlights
5. Conclusion and Q&A
Mike McGuire is the Chief Financial Officer of Sompo International Holdings Ltd. and Chief Executive Officer of Blue Capital Management Ltd., both wholly-owned subsidiaries of Sompo Holdings, Inc. Mr. McGuire has been with Sompo International and its predecessor company Endurance Specialty Holdings Ltd. since early 2003. Prior to joining Endurance, Mr. McGuire spent almost 10 years at Deloitte where he had a broad range of public accounting experience in audit and advisory roles in the United States, Bermuda and Europe, including providing transaction accounting, structuring and due diligence services for mergers and acquisitions. Mr. McGuire is a Certified Public Accountant and a member of the American Institute of Certified Public Accountants.
Sompo Holdings Group’s vision is to become a global top 10 insurance group by diversifying risk and expanding overseas business (i.e., Sompo International), with the overseas profit contribution expected to increase from 7% to 40%.

1 Year in which Sompo International was launched following the acquisition of Endurance
2 Estimate based on current definition of adjusted profit
Overview of Sompo International
Sompo International is a leading global specialty provider of property and casualty insurance and reinsurance and currently manages Sompo’s commercial Property, Casualty and Specialty products outside of Japan.

**FINANCIAL STRENGTH RATINGS**

- **A+ (Strong)**
  - Standard & Poor’s

- **A+ (Superior)**
  - A.M. Best

- **Strong**
  - ERM assessment
  - Standard & Poor’s

**SOMPO INTERNATIONAL**

- **$5.4 B**
  - Gross Written Premiums
  - Trailing 12 Months Ended March 31, 2018
  - (increased from $2.5 Billion in 2012)

- **$5.0 B**
  - Tangible Shareholder’s Equity
  - (excludes non-controlling interests)
  - March 31, 2018

- **12**
  - Sompo International has operations in 12 countries: Bermuda (HQ), US, UK, Belgium, France, Germany, Italy, Luxembourg, Mexico, Spain, Switzerland and Singapore.
Sompo International’s P&C Executive Team

With extensive experience in their respective areas of expertise, Sompo International’s P&C Executive Team is committed to leading a strong, well diversified business.

John Charman
Chairman &
Chief Executive Officer

John Del Col
General Counsel

Jack Kuhn
Chief Executive Officer, Global Insurance and Chief Underwriting Officer, Commercial P&C

Stephen Young
Chief Executive Officer, Global Reinsurance

John Kuhn
Chief Executive Officer, Global Insurance and Chief Underwriting Officer, Commercial P&C

Nigel Frudd
Chief Strategy Officer

Chris Gallagher
Chief Risk Officer and Group Actuary

Brian Goshen
Chief Administrative Officer

Takashi Kurumisawa
Chief Executive Officer, SI (Europe)

Mike McGuire
Chief Financial Officer
The new Retail platform within Sompo International will:

- Operate under the oversight of the Sompo International Board of Directors with a new governance structure
- Share expertise across the company’s retail businesses around the globe
- Collaborate on the development of future products and underwriting models

Sompo International’s Retail Executive Team:
We have 1,652 employees in 12 countries.
Overseas Insurance Growth

Sompo International (SI) will lead the profit growth of Sompo Holdings Group by:

<table>
<thead>
<tr>
<th>Expanding geographically and into additional lines of business with a focus on the specialty insurance segment</th>
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<tbody>
<tr>
<td>October 2017: Launched “AgriSompo”, an integrated platform to provide global agriculture insurance and reinsurance solutions</td>
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<td>June 2018: Acquired US based Lexon Surety Group</td>
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<tr>
<td>September 2018: Launched Continental European insurance subsidiary</td>
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<tr>
<td>September 2018: Launched “SomPro” a global financial and professional lines platform encompassing insurance and reinsurance capabilities</td>
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<table>
<thead>
<tr>
<th>Growing Sompo’s overseas business based on integration of SI’s know-how and Sompo’s resources</th>
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<tr>
<td>2017: Launched global clearing system to unify commercial P&amp;C underwriting throughout Sompo’s Overseas businesses under SI</td>
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<td>April 2018: S&amp;P upgraded Sompo International’s operating subsidiary ratings to A+ in April 2018, citing the company’s increased strategic importance to Sompo Holdings, Inc. S&amp;P’s ERM evaluation of Sompo Holdings improved</td>
</tr>
<tr>
<td>2018: Completed integrations of Sompo America and SJNK Europe. SI’s underwriting and product capabilities now offered to Sompo Holdings global client base</td>
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<tr>
<th>Building an integrated global platform comprised of the current Commercial P&amp;C platform and a Retail platform</th>
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<tr>
<td>SI has launched a new Retail platform to bring in remaining overseas businesses under SI by the end of 2020.</td>
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<tr>
<td>Personal lines focus of SI Retail complements SI’s existing Commercial P&amp;C business and brings new opportunities for growth, scale and diversity</td>
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Projected Premium Growth

<table>
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<th>2017 Commercial P&amp;C</th>
<th>2020 Commercial P&amp;C and Retail</th>
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<tr>
<td>$4.7B*</td>
<td>$7.3B</td>
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$10.8B
We plan to bring Sompo Holdings’ subsidiaries outside of Japan under the oversight and control of Sompo International by the end of 2020. 45 licensed entities and 8,741 employees worldwide
The Sompo M&A Philosophy

• Sompo International has deep M&A expertise and expects to leverage these skills to accelerate strategic growth and diversification of Sompo Holdings.

• SI’s M&A activities are integrated with and overseen by Sompo Holdings’ M&A Committee. SI has leading role in M&A strategy and execution for the group.

• M&A activity is guided by the following core principles:
  • M&A must enhance business profile, diversification and profitability of Sompo Holdings Group.
  • M&A must not negatively affect group reputation, credit ratings, risk profile or tax position.
  • Maintenance of strict discipline in what price/valuation we are willing to pay. Acquisitions must be strategically and financially beneficial.
  • Detailed due diligence is required for all transactions (legal, financial, operational, actuarial, tax, etc.).
  • We control acquisition process “in house”. Outside advisors support but do not lead M&A.
  • We will be creative and innovative in structuring and financing acquisitions from a governance, corporate finance and tax perspective.
  • We are receptive to joint ventures or minority shareholdings provided our stringent governance and risk management requirements are met.
  • Effective integration is critical. We must implement effective oversight, governance and control to meet our high standards, but also maintain efficiency to allow acquired businesses to prosper without undue bureaucracy.
Sompo International Business Segments
In 2017 Sompo America was integrated into Sompo International and include the related trailing twelve month Gross Premiums Written of $432.3 million.

1) Includes weather derivative premiums.
With a global presence, our specialized Insurance teams collaborate to deliver exceptional service to our clients across products lines and distribution channels.

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<tbody>
<tr>
<td><strong>Chief Executive Officer</strong></td>
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<tr>
<td>Michael Chang</td>
<td>Graham Evans</td>
<td>Christopher Sparro</td>
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</table>

- Property
- General Liability
- Multiline/Package
- Auto
- Workers’ Compensation
- Umbrella/Excess
- Casualty
- Professional Lines
  - (Real Estate, Hospitality and Japanese Interest Accounts)
  - Builders’ Risk
  - Environmental
  - Surety
  - Cyber & Network Risk
  - Weather Protection
- Accident & Health
- Aerospace
- Casualty
- Cyber & Network Risk
- Energy
- Marine
- Political & Financial Risk
- Professional Lines
  - (Professional Indemnity, Management Liability, Financial Institutions)
  - Property
  - Transaction Risk
- Professional Lines
  - (Commercial Management Liability, Financial Institutions)
  - Property
  - Retail
- Healthcare Liability
- Inland Marine
- Middle Market Property
- Ocean Marine
- Aviation via W. Brown Associates
- Commercial Property
- Cyber & Network Risk
- Excess Casualty - E&S
- Excess Casualty - Retail
- Primary Casualty - E&S
- Professional Lines
  - (Commercial Management Liability, Sompo Pro, Financial Institutions)
  - Property - E&S
  - Small Commercial & Program Business
  - Sompo Express
  - Surety

- Bermuda Insurance
  - Chief Executive Officer
  - Global Insurance and
  - Chief Underwriting Officer, Commercial P&C
  - Jack Kuhn

- ARMtech
  - President &
  - Chief Executive Officer
  - ARMtech Insurance Services Ltd.
  - Michael Smith

- Mult peril Crop Insurance (MPCI)
- Crop Hail
- Livestock Risk Protection

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- Crop Hail
- Livestock Risk Protection
Insurance Portfolio Overview
Strong Growth, Balance and Diversification

Insurance Gross Premiums Written

Larger More Balanced Portfolio of Business

- **Agriculture** - Our U.S. crop insurance subsidiary, ARMtech, offers federally sponsored multi-peril crop insurance, crop hail, livestock risk protection and other agricultural risk management products through independent agents.

- **U.S. Specialty** - Servicing clients from small businesses to multinationals, our specialized teams offer a diversified set of insurance products through our network of wholesale and retail brokers, and MGUs. *Products include Aviation, Property, Cyber & Network Risk, Primary/Excess Casualty, Healthcare Liability, Inland/Ocean Marine, Professional Lines, Small Commercial & Program Business and Surety.*

- **Bermuda** - Working through an international network of brokers, we serve insureds ranging from mid-sized companies to the largest multinational corporations. *Products include Cyber & Network Risk, Direct & Facultative Property, Excess Casualty, Healthcare Liability and Professional Lines.*

- **International Insurance** - Working through our UK and Continental European platforms (including Lloyd’s) and our broad distribution network outside of North America, our International Insurance platforms offer diversified specialty products around the globe. *Products include Accident & Health, Aerospace, Casualty, Cyber & Network Risk, Energy, Marine, Political & Financial Risk, Professional Lines, Property and Transaction Risk.*

- **Global Risk Solutions** - Serving the Real Estate, Hospitality, Financial Institutions, and Professional Services industries and the U.S. operations of Sompo’s Japanese clients, we work exclusively through retail brokers, focusing on middle-market and large accounts. *Products include Property, General Liability, Package, Auto, Workers Comp, Umbrella/Excess, Professional Lines, Surety and other Specialty lines.*
Reinsurance Business Leaders

With a global presence, our specialized Reinsurance teams are empowered to deliver superior underwriting capabilities to our clients across products and geographies.

Stephen Young
Chief Executive Officer
Global Reinsurance, Sompo International

Stefan Beine
EVP & Head of Europe Non-Specialty Reinsurance

David Bigley
EVP, CUO & Head of Global Catastrophe Reinsurance

Christopher Donelan, CPCU, ARe
President & CUO North America Reinsurance & Head of Global Casualty Reinsurance

Rene Lamer
Chief Executive, Singapore Branch

Martin Malinow
President, Sompo Global Weather

Adrian Poxon
EVP & Head of Global Specialty Reinsurance

Christoph Virchow
EVP & Head of Global Specialty Reinsurance
Reinsurance Portfolio Overview
Balance, Diversification and Cycle Management

More Diversified and Profitable Portfolio of Business

- **Catastrophe** – With a diversified global catastrophe portfolio, we offer a broad array of individualized catastrophe products including traditional coverage as well as collateralized reinsurance structures through our wholly owned asset manager, Blue Capital.

- **Property** – Our Global Property team offers proportional and excess property reinsurance of residential, commercial and industrial exposures.

- **Casualty** – Our team of dedicated casualty underwriters support both proportional and non-proportional reinsurance programs across the full spectrum of the liability market.

- **Specialty** – Within Specialty, we write Agriculture, Aviation & Space, Engineering, Marine & Energy, Mortgage & Financial Reinsurance, and Trade Credit, Surety & Political Risk products.

- **Professional Lines** - Located in key markets globally, we support both excess of loss and proportional reinsurance programs with a broad range of products.
Sompo International Financial Highlights
Sompo International’s Strong P&C History
Underwriting Expertise Driving Increased Scale and Profitability

Sompo International Gross Premiums Written and Equity

- Premium and equity levels have almost doubled in last 5 years driven by:
  - Investment in industry leading talent
  - Strong specialty underwriting focus
  - Successful acquisition integrations
  - Best in class leadership team with strong execution
- Current plans anticipate continued CAGR of 10% - 15% for gross premiums written over the next several years
## Sompo International’s P&C Financial Highlights

### (In millions of U.S. dollars)

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<tr>
<td><strong>SOMPO INTERNATIONAL</strong></td>
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<tr>
<td>Gross Premiums Written¹</td>
<td>$2,193.6</td>
<td>$5,108.1</td>
<td>$4,202.2</td>
</tr>
<tr>
<td>Net Premiums Written¹</td>
<td>$1,284.1</td>
<td>$2,877.3</td>
<td>$2,369.9</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$20,320.7</td>
<td>$19,057.3</td>
<td>$14,122.9</td>
</tr>
<tr>
<td>Loss Ratio</td>
<td>59.3%</td>
<td>81.5%</td>
<td>55.9%</td>
</tr>
<tr>
<td>Expense Ratio</td>
<td>36.2%</td>
<td>30.8%</td>
<td>32.2%</td>
</tr>
<tr>
<td>Combined Ratio²</td>
<td>95.5%</td>
<td>112.3%</td>
<td>88.1%</td>
</tr>
<tr>
<td>Tangible Shareholder’s Equity³</td>
<td>$4,969.1</td>
<td>$4,965.7</td>
<td>$4,414.1</td>
</tr>
<tr>
<td><strong>SOMPO INTERNATIONAL INSURANCE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Premiums Written¹</td>
<td>$1,167.8</td>
<td>$3,392.1</td>
<td>$2,570.5</td>
</tr>
<tr>
<td>Net Premiums Written¹</td>
<td>$512.3</td>
<td>$1,497.0</td>
<td>$1,056.3</td>
</tr>
<tr>
<td><strong>SOMPO INTERNATIONAL REINSURANCE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Premiums Written</td>
<td>$1,025.8</td>
<td>$1,716.0</td>
<td>$1,631.7</td>
</tr>
<tr>
<td>Net Premiums Written</td>
<td>$771.7</td>
<td>$1,380.3</td>
<td>$1,313.7</td>
</tr>
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1. In late 2017 Sompo America was integrated into Sompo International. Sompo America accounted for $118.9 million of Gross Premiums Written for the quarter ended March 31, 2018 and $413.9 million for full year 2017.
2. One-time merger cost is excluded as a special factor in expense ratio and combined ratio in FY2017.
3. Tangible Shareholders’ Equity excludes non-controlling interests.

For more detailed financial information, please visit www.sompo-hd.com/en/ir/financial
Asset Portfolio – Sompo International
March 31, 2018

- Enhancing shareholder value, preservation of capital and maximizing risk adjusted returns.
- Emphasis on liquid, high quality assets to meet company liabilities.
- Given current valuations and company objectives, reduced allocation to public equities.

Total Asset Portfolio

- Asset Allocation
  - Equity $403mil
  - Cash $142mil
  - US Corporate $2,630mil
  - Asset Backed & Non-Agency CMBS $1,489mil
  - HY Credit $620mil
  - HY Alts $223mil
  - US Govt & Agency MBS $2,921mil
  - USD Core (High Grade) Fixed Income Assets $7,040mil
  - Foreign Currency Core FI Assets $438mil
  - High Yield $1,026mil

USD/GBP/Euro Core FI Book & Market Yield

- Book Yield
  - 2015: 2.2%
  - 2016: 2.4%
  - 2017: 2.3%
  - Q1 ’18: 2.4%
- Market Yield
  - 2015: 2.4%
  - 2016: 2.4%
  - 2017: 2.4%
  - Q1 ’18: 2.5%

USD Core (High Grade) Duration (years)

- Total Non-$ per Tsy
  - Cash, 2%
  - Govt/Agcy, 17%
  - IG CMBS, 7%
  - ABS, 9%
  - IG RMBS, 19%
  - IG Credit, 30%
  - Equity HFs, 4%
  - Equity, 2%
  - Fixed Income
  - 0% Cash
  - 10% Cash
  - 20% Cash
  - 30% Cash
  - 40% Cash
  - 50% Cash
  - 60% Cash
  - 70% Cash
  - 80% Cash
  - 90% Cash
  - 100% Cash

Trend of Income Yield (NII / Total investment assets)

- 2015: 1.66%
- 2016: 2.28%
- 2017: 2.82%
- Q1 ’18: 2.90%

All Fixed Income – Composition by Ratings

<table>
<thead>
<tr>
<th>Rating</th>
<th>Composition</th>
</tr>
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<tbody>
<tr>
<td>IG(Above BBB-)</td>
<td>94%</td>
</tr>
<tr>
<td>HY(Below BB+)</td>
<td>6%</td>
</tr>
</tbody>
</table>

As of March 2018

- $7bn USD Core FI Duration
  - End of Dec. ’16: 3.4 years
  - End of Dec. ’17: 3.6 years
  - End of March ’18: 3.6 years

- Liability
  - 2015: 2.6 years
  - 2016: 2.9 years
  - 2017: 2.8 years

* Excludes Operating cash
Commentary on March 31, 2018 Results and Market Conditions

• SI had a very solid first quarter as gross premiums written were $2.2 billion or 23.3% higher than first quarter 2017 partly driven by the inclusion of Sompo America
  ▪ Our combined ratio of 95.5% included low levels of development related to Hurricane Irma
  ▪ Continued drive for scale, efficiency and continuous improvement in systems/infrastructure

• SI’s investment portfolio has performed well in period of increasing (more normal) volatility and our diversified asset allocation, strong portfolio oversight and active management has enabled us to capture increasing yields which are driving improvements to our investment income. Total Invested Assets and Cash in SI now over $10.0 billion and the portfolio is well positioned to benefit from rising interest rates in US markets.

• Market conditions remain very competitive, but SI is leading market in driving rate improvements.
Conclusion and Q&A
Conclusion

• Sompo International is an excellent platform for future growth of Sompo’s overseas business:
  ▪ Industry leading underwriting talent
  ▪ Diversified across insurance and reinsurance by product and geography
  ▪ Excellent financial strength with prudently managed balance sheet

• Global Integration of Sompo International with Sompo Holding’s overseas businesses will be a key differentiator in marketplace:
  ▪ Oversight and governance is efficient and effective
  ▪ Underwriting activities are integrated globally to maintain high quality, consistency and profitability
  ▪ Global network and product expertise provide unique growth opportunities

• Sompo International will be a key driver for Sompo Holdings to become a leading global insurer
Questions?
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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