1 September 2017

To Whom It May Concern

Corporate Name: Sompo Holdings, Inc.
Representative: Kengo Sakurada, Group CEO,
Representative Director, President and Executive Officer
(Stock Code: 8630, TSE 1st Section)

Transfer of Shares in Sompo Canopius AG

Today Sompo Holdings, Inc. ("Sompo"), through Sompo Japan Nipponkoa Insurance Inc. ("Sompo Japan Nipponkoa"), its wholly-owned subsidiary, entered into the share transfer agreement to sell 100% of the shares of Sompo Canopius AG ("Canopius", Executive Chairman: Michael Watson) to Fortuna Holdings Limited, registered and incorporated in the Island of Jersey and owned by the fund managed by an affiliate of Centerbridge Partners, L. P. ("Centerbridge").

1. Background of the Transfer

Since being acquired by Sompo in May 2014, Canopius has been the main driver for the Europe and U.S. business and has made a steady financial contribution to the Sompo Group. On the other hand in pursuit of further overseas business expansion, Sompo announced in October last year, the acquisition of Endurance Specialty Holdings Ltd. (currently Sompo International, "Sompo International"), an insurance and reinsurance group with operations in Europe and the U.S. Sompo has employed the strategy of positioning Sompo International as its global commercial business platform for the Group's overseas business and providing higher quality of products under the unified underwriting platform.

While implementing the post-merger integration process following the completion of the acquisition of Sompo International in March this year, Sompo carefully considered with the Canopius management a number of options with regard to the future of Canopius. Among those options, Sompo recognizes that operating Canopius, which has the same Lloyd's business as Sompo International, as a standalone company would result in lack of strategic consistency, business efficiency and brand unification. On the other hand, integrating Canopius within Sompo International in a hasty and irrational manner would harm the corporate value of Canopius. Taking these into consideration, Sompo concluded that selling Canopius would help improve Sompo's capital efficiency and maximize shareholder value and would be the best

option for both the Sompo Group and Canopius. Following negotiations with a number of potential buyers, Sompo has reached the agreement with Centerbridge to sell Canopius to Centerbridge. Sompo therefore wishes to make this announcement.

Selling Canopius to Centerbridge, which is not an insurance group, but a private equity investor with an excellent reputation and experience in owning companies in the regulated industries, would allow Canopius to continue to operate as an independent business. Sompo will continue to have a working relationship with Canopius through business partnership.

Going forward Sompo seeks to accelerate reorganization of its Europe and U.S. business, and aims to grow its overseas business further by utilizing Sompo International as its fully-integrated, global commercial business platform.

2. Overview of Canopius

(1)	Corporate Name	Sompo Canopius AG	
(2)	Head Office	Freigutstrasse 16, 8002 Zurich, Switzerland	
(3)	Representative	Executive Chairman Michael Watson	
(4)	Main Business	Holding company	
(5)	Capital	CHF 100,000 (approximately JPY 11.4 million)	
(6)	Incorporation	24 October 2003	
(7)	Major Shareholders	Sompo Japan Nipponkoa Insurance Inc. 100%	
(8)	Relationship with Sompo Holdings, Inc.	Capital Relationship	Wholly-owned subsidiary
		Personnel Relationship	A total of 3 Sompo executives (a Representative Director and Senior Managing Executive Officer and two Managing Executive Officers) are serving as board members of Canopius. Sompo group companies are also seconding 15 employees to the Canopius group companies.
		Business Relationship	Sompo and Canopius group companies have entered into reinsurance transactions.

(9) Consolidated financial results (last 3 years)

Fiscal Year	December 2014	December 2015	December 2016
Consolidated Net Assets	£480	£525	$812
Consolidated Total Assets	£2,360	£2,406	$3,618
Consolidated Net Assets per Share	£1.61	£5256.67	$8127.75
Gross Premium	£880	£896	$1,368
Consolidated Profits before tax	£69	£49	$58
Consolidated Net Income	£64	£42	$51
Consolidated Net Income per Share	£0.21	£424.77	$514.78
Dividends per Share	£0	£0	$0
Combined Ratio	91%	89%	95%

Note 1: The exchange rate of 1 CHF = JPY 114.09 is used in this press release.

Note 2: In million dollars and in million pounds (excluding consolidated net assets per share,

consolidated net income per share and dividends per share).

Note 3: Incorporation is the date Canopius Group Limited, which was the ultimate holding company at the time of Sompo's acquisition in 2014, was incorporated.

Note 4: The number of shares used to calculate consolidated net assets per share, net income per share and dividends per share for 2014 is that of Canopius Group Limited, the ultimate holding company at the time of Sompo's acquisition in 2014. Thus the number of shares is largely different from that of Sompo Canopius AG.

3. Overview of Buyers

(1) Overview of Fortuna Holdings Limited

(1)	Corporate Name	Fortuna Holdings Limited	
(2)	Head Office	First Floor, Waterloo House, Don Street, St Helier, Jersey, JE1 1AD	
(3)	Representative	Luigi Sbrozzi and Giorgia Rodigari	
(4)	Main Business	Holding company	
(5)	Capital	GBP 100 (approximately JPY 14,494)	
(6)	Incorporation	25 August 2017	
(7)	Major Shareholders	Centerbridge Capital Partners III (Cayman), L.P. 100%	
(8)	Relationship with Sompo Holdings, Inc.	Capital Relationship	N/A
		Personnel Relationship	N/A
		Business Relationship	N/A
		Business	N/A
		Related party	N/A
(9)	Consolidated financial results (last 3 years)		
		N/A	

Note 1: The exchange rate of 1 GBP = JPY 144.94 is used in this press release.

(2) Overview of Fund which owns Fortuna Holdings Limited

(1)	Corporate Name	Centerbridge Capital Partners III (Cayman), L.P.
(2)	Head Office	Walkers Corporate Limited; Cayman Corporate Center, 27 Hospital Road, George Town, Grand Cayman KY1-9008, Cayman Islands
(3)	Type of Fund	A Cayman Islands-domiciled limited partnership under the Cayman Islands Exempted Limited Partnership Law

(4)	Purpose of Fund	Investment into private equities	
(5)	Formation	25 February 2015	
(6)	Aggregate Capital	Not to be disclosed from the confidentiality obligation perspective on the Fund's side.	
(7)	Investors, Investment Ratio and Overview of Investors	Not to be disclosed from the confidentiality obligation perspective on the Fund's side	
(8)	Overview of the GP	Name	Centerbridge Associates III (Cayman), L.P.
		Head Office	Walkers Corporate Limited; Cayman Corporate Center, 27 Hospital Road, George Town, Grand Cayman KY1-9008, Cayman Islands
		Representative	Jeffrey H. Aronson and Mark T. Gallogly
		Business	An affiliate of Centerbridge Partner L.P., which has major stronghold in New York and London and manages limited partnerships of financial institutions, universities pension funds and trusts.
		Capital (total AUM)	USD 29 billion (approximately JPY 3.2 trillion) (as of July 2017)
(9)	Standing Proxy	N/A	
(10)	Relationship with Sompo Holdings	N/A	

Note1: The exchange rate of 1 USD = JPY 110.35 is used in this press release.

4. Number of shares to be transferred, transfer price and number of shares held before and after the transfer

(1)	Number of Shares Held before the transfer	100,000 (Voting rights ratio: 100.0%)
(2)	Number of Shares to be transferred	100,000
(3)	Transfer Price	952.4 million US dollars (approximately JPY 105.1 billion) * To be adjusted based on the net tangible assets of Canopius as of 31 December 2017

(4)	Number of Shares to be Held after the transfer	0 (Voting rights ratio: 0.0%)

Note 1: The exchange rate is 110.35 yen to the dollar.

5. Timetable

(1)	Board Resolution Date	1 September 2017
(2)	Signing Date	1 September 2017

6. Future Outlook and Estimated Impact on the Sompo Group's Financials

(1) Future Outlook

Entering into the share transfer agreement today, Sompo, Sompo Japan Nipponkoa and Centerbridge will begin application for approval of relevant regulators and proceed with the share transfer ("Share Transfer") upon receipt of regulatory approvals. Sompo expects to complete the share transfer process in or after January 2018. As a result of the Share Transfer, Sompo Canopius Reinsurance AG (head office: Switzerland, CEO: Markus Eugster) will no longer be Sompo's significant subsidiary.

(2) Estimated Impact on FY 2017 Financials

As a result of the Share Transfer, Sompo Japan Nipponkoa, on an unconsolidated basis, expects to post a profit of around 0.7 billion yen (after tax) at this point in time. Sompo expects to post a loss of around 14.0 billion yen (after-tax) *1 on a consolidated basis, reflecting the periodic profits and losses to date. However, gains or losses of sales of securities are excluded from the calculation of the adjusted consolidated profit, which is the source of shareholder return, and thus does not give much financial impact.

As stated in the above (1), since the completion of the Share Transfer is expected to be in or after January 2018, the net income from Canopius for FY2017 will be fully consolidated into Sompo's financial results.

In light of this, Sompo concludes that the estimated impact of the Share Transfer on the Group's consolidated financial results for FY2017 would be minimal and does not intend to revise the forecasts at this point in time.

*1 Calculated based on the accounting book value of Canopius of 121.1 billion yen (as of June

2017) on Sompo's consolidated basis. However, the book value may be adjusted based on the tangible net asses at the time of sales.

(3) Estimated Impact on Mid-Term Management Plan

In November 2016, Sompo disclosed its numerical management targets for FY2018, which were the adjusted consolidated profit of 220 to 230 billion yen (of which the adjusted profit from overseas insurance business is more than 60 billion yen) and the adjusted consolidated ROE of more than 8%. Although Canopius will not be consolidated in Sompo's financial results, Sompo expects to achieve these targets, considering that its overseas business centering on Sompo International would generate higher profits than the disclosed figures, steady improvement of financial results from businesses other than overseas business and the possibility of utilizing the released capital for growth investments.

The decision over the Share Transfer was made after reviewing various options including integration of Canopius into Sompo International and maintaining the two companies as standalone businesses. The adjusted profits of Canopius had been included in shareholder return[*2] for the periods in which Canopius financial results were consolidated into Sompo's financial results.

*2 Total payout ratio was 50% for FY2014, 2015 and 2016 respectively.
Sompo Canopius' adjusted profits were 9.8 billion yen, 7.6 billion yen and 5.9 billion yen for FY2014, 2015 and 2016 respectively.

(4) Estimated Impact on Financial Soundness

As a result of the Share Transfer, Sompo's ESR[*3] is expected to improve by around 8 points due to the increase of adjusted capital and the decrease of risks, strengthening the Group's capital solvency. By utilizing the capital surplus generated from the Share Transfer, Sompo aims to increase profits and improve capital efficiency.

*3 Economic Solvency Ratio is calculated based on 99.5%VaR. 218% as of the end of July 2017 (preliminary figure)

(Reference: Calculation Method for Adjusted Consolidated Profit, etc.)

Adjusted profit for each business segment	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（dividends from subsidiaries, etc.）
	Domestic life insurance	Net income +Provision of contingency reserve (after tax) +Provisions for 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) Operating income is used for Sompo International (Endurance).[*1]
Adjusted consolidated profit		Total of above adjusted profits
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[*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.)

∗1 For Sompo International, operating income, which exclude temporarily fluctuation factors, is used (Operating income = Net income – net foreign exchange gains/losses – net realized and unrealized gains/losses – net impairment losses recognized in earnings, etc.)

∗2 Domestic life insurance adjusted net assets = Net assets (J-GAAP, after tax) + Contingency reserve (after tax) + Reserve for price fluctuation (after tax) +Adjustment of underwriting reserve (after tax) + Non-depreciated acquisition cost (after tax)

(Note for the statement regarding forecasts of financial results)

The above forecasts are prepared based on information available and assumptions deemed reasonable as of the date of this release. Accordingly, actual results may differ significantly from projections depending on various factors.

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