



SOMPO
HOLDINGS

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Summary of
Consolidated Financial Results
for the three months ended June 30, 2023
Supplementary Information

August 9, 2023

Sompo Holdings, Inc.

(Securities Code : 8630)

Summary of Consolidated Financial Results for the three months ended June 30, 2023
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Overview of Consolidated Financial Results for the three months ended June 30, 2023

1. Sompo Holdings, Inc.

Overview of Consolidated Financial Results for the three months ended June 30, 2023

(Yen in billions)

		Three months ended June 30, 2022 (April 1 to June 30, 2022)	Three months ended June 30, 2023 (April 1 to June 30, 2023)	Increase (Decrease)	Rate of change
Ordinary income:	(1)	1,266	1,449	182	14.4
Net premiums written:	(2)	1,052	1,136	84	8.0
Sompo Japan Insurance Inc.	(3)	568	573	5	1.0
Overseas consolidated subsidiaries	(4)	462	539	76	16.6
Life insurance premiums written	(5)	74	75	1	1.4
Ordinary profit	(6)	23	128	105	446.1
Net income attributable to shareholders of the parent:	(7)	13	100	86	631.7
Sompo Japan Insurance Inc.	(8)	31	44	12	39.1
Overseas consolidated subsidiaries	(9)	(9)	63	73	-
Sompo Himawari Life Insurance, Inc.	(10)	(0)	4	4	-
Nursing Care & Seniors consolidated subsidiaries	(11)	1	1	0	3.9
Others and consolidation adjustment, etc.	(12)	(9)	(13)	(4)	—

Note)

Overseas consolidated subsidiaries that have applied International Financial Reporting Standards (IFRS) have applied IFRS 17 "Insurance Contracts" and IFRS 9 "Financial Instruments" from the beginning of the first quarter of the fiscal year ending March 31, 2024. Various figures for the three months ended June 30, 2022 after retrospective application of IFRS 17 and 9 have been compared with those for the three months ended June 30, 2023. The impact before and after retrospective application for the first quarter of the fiscal year ended March 31, 2023 is as shown in the table below.

The impact of main items in the consolidated statement of income for the three months ended June 30, 2022

(Yen in billions)

		Before retrospective application	After retrospective application	Amount of impact
Ordinary income:	(1)	1,286	1,266	(20)
Investment income	(2)	87	67	(20)
Ordinary expense:	(3)	1,231	1,242	11
Underwriting expenses	(4)	1,021	993	(28)
Investment expenses	(5)	22	62	39
Ordinary profit	(6)	55	23	(31)
Net income attributable to shareholders of the parent	(7)	41	13	(28)

Note)

Please refer to the note on page 5 1(6) "Changes in Accounting Policies, Changes in Accounting Estimations, and Retrospective Restatements" of the Consolidated Financial Statements for the three months ended June 30, 2023.

2. Forecasts for the fiscal year ending March 31, 2024 (April 1, 2023 to March 31, 2024)

Forecasts for the fiscal year ending March 31, 2024 (April 1, 2023 to March 31, 2024) remains unchanged from the previous announcement (May 19, 2023). Due to the change in accounting policy described in the above 1, figures for the fiscal year ended March 31, 2023 are shown after retrospective application.

(Yen in billions)

		Fiscal year ended March 31, 2023 (Note)	Fiscal year ending March 31, 2024 Forecast	Increase (Decrease)	Rate of change
Ordinary profit		49	322	272	550.4
Net income attributable to shareholders of the parent		26	230	203	770.8

Note)

Compared to before retrospective application, ordinary profit and net income attributable to shareholders of the parent have decreased by 73.0 billion yen and 64.7 billion yen, respectively.

Overview of Business Results of Principal Consolidated Subsidiaries

Sompo Japan Insurance Inc. (Non-consolidated)

Quarterly Balance Sheet

	(Millions of yen)		
	As of March 31, 2023	As of June 30, 2023	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits	474,287	501,490	27,203
Receivables under resale agreements	69,999	79,999	10,000
Monetary receivables bought	20,366	20,347	(18)
Money trusts	21,105	23,089	1,983
Securities	5,085,990	5,294,501	208,511
Loans	563,994	508,681	(55,312)
Tangible fixed assets	232,078	231,844	(234)
Intangible fixed assets	235,489	242,825	7,335
Other assets	531,253	477,232	(54,020)
Deferred tax assets	40,035	—	(40,035)
Allowance for possible credit losses	(2,751)	(2,745)	5
Allowance for possible investment losses	(5,180)	(5,180)	—
Total assets	7,266,668	7,372,086	105,418
Liabilities:			
Underwriting funds:	4,547,526	4,578,043	30,516
Reserve for outstanding losses and claims	960,373	974,568	14,194
Underwriting reserves	3,587,152	3,603,474	16,321
Corporate bonds	527,000	527,000	—
Other liabilities	589,464	444,554	(144,910)
Reserve for retirement benefits	78,879	79,633	753
Reserve for bonus payments	15,240	4,226	(11,014)
Reserve for bonus payments to directors	87	—	(87)
Reserves under the special laws:	99,792	100,906	1,113
Reserve for price fluctuation	99,792	100,906	1,113
Deferred tax liabilities	—	22,278	22,278
Total liabilities	5,857,992	5,756,642	(101,350)
Net assets:			
Shareholders' equity:			
Common stock	70,000	70,000	—
Capital surplus	70,000	70,000	—
Retained earnings	508,480	552,753	44,273
Total shareholders' equity	648,480	692,753	44,273
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	757,782	920,536	162,753
Deferred gains and losses on hedges	2,412	2,154	(257)
Total valuation and translation adjustments	760,194	922,690	162,495
Total net assets	1,408,675	1,615,444	206,768
Total liabilities and net assets	7,266,668	7,372,086	105,418

Sompo Japan Insurance Inc. (Non-consolidated)

Quarterly Statement of Income

(Millions of yen)

	Three months ended June 30, 2022 (April 1 to June 30, 2022)	Three months ended June 30, 2023 (April 1 to June 30, 2023)	Increase (Decrease)	Rate of change
	Amount	Amount		
Ordinary income:	648,213	668,721	20,508	3.2
Underwriting income:	596,140	602,419	6,278	1.1
Net premiums written	568,263	573,812	5,549	1.0
Deposits of premiums by policyholders	18,853	19,975	1,121	5.9
Interest and dividend income on deposits of premiums, etc.	7,353	7,206	(147)	(2.0)
Investment income:	50,062	64,412	14,349	28.7
Interest and dividend income	38,414	40,721	2,306	6.0
Investment gains on money trusts	1,155	632	(522)	(45.2)
Gains on sales of securities	8,630	23,660	15,029	174.2
Transfer of interest and dividend income on deposits of premiums, etc.	(7,353)	(7,206)	147	—
Other ordinary income	2,010	1,890	(119)	(6.0)
Ordinary expenses:	606,934	613,194	6,259	1.0
Underwriting expenses:	512,281	512,804	523	0.1
Net claims paid	294,209	306,515	12,305	4.2
Loss adjustment expenses	29,982	31,147	1,165	3.9
Net commissions and brokerage fees	112,690	111,533	(1,156)	(1.0)
Maturity refunds to policyholders	36,182	32,678	(3,503)	(9.7)
Provision for reserve for outstanding losses and claims	12,798	14,194	1,396	10.9
Provision for underwriting reserves	25,966	16,321	(9,644)	(37.1)
Investment expenses:	6,846	11,264	4,417	64.5
Investment losses on money trusts	2	—	(2)	(100.0)
Losses on sales of securities	1,068	3,725	2,657	248.7
Impairment losses on securities	579	580	0	0.0
Operating, general and administrative expenses	85,416	86,860	1,444	1.7
Other ordinary expenses:	2,389	2,264	(125)	(5.2)
Interest paid	1,759	1,630	(128)	(7.3)
Ordinary profit	41,279	55,527	14,248	34.5
Extraordinary gains:	16	15	(0)	(5.8)
Gains on disposal of fixed assets	16	15	(0)	(5.8)
Extraordinary losses:	1,209	1,286	76	6.3
Losses on disposal of fixed assets	145	173	28	19.6
Provision for reserves under the special laws:	1,064	1,113	48	4.5
Provision for reserve for price fluctuation	1,064	1,113	48	4.5
Net income before income taxes	40,085	54,256	14,171	35.4
Income taxes and deferred income taxes	8,257	9,983	1,725	20.9
Net income	31,827	44,273	12,445	39.1
Underwriting result:				
Net premiums written (+)	568,263	573,812	5,549	1.0
Net claims paid (—)	294,209	306,515	12,305	4.2
Loss adjustment expenses (—)	29,982	31,147	1,165	3.9
Net operating expenses: (—)	192,194	192,536	342	0.2
Net commissions and brokerage fees	112,690	111,533	(1,156)	(1.0)
Operating, general and administrative expenses related to underwriting	79,504	81,002	1,498	1.9
Underwriting result	51,877	43,612	(8,264)	(15.9)
Underwriting profit	863	5,869	5,006	579.7
Ratios:				
Net loss ratio (%)	57.0	58.8	1.8	
Net operating expenses ratio (%)	33.8	33.6	(0.3)	
Combined ratio (%)	90.9	92.4	1.5	

Sompo Japan Insurance Inc. (Non-consolidated)

Premiums Written and Claims Paid by Business Lines

Direct premiums written (excluding deposits of premiums by policyholders)

(Millions of yen)

Business line	Three months ended June 30, 2022 (April 1 to June 30, 2022)			Three months ended June 30, 2023 (April 1 to June 30, 2023)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	124,275	19.2	10.3	126,523	19.5	1.8
Marine insurance	15,994	2.5	21.6	15,962	2.5	(0.2)
Personal accident insurance	49,765	7.7	1.5	50,250	7.7	1.0
Voluntary automobile insurance	276,176	42.7	(0.9)	276,255	42.5	0.0
Compulsory automobile liability insurance	56,019	8.7	(3.5)	51,035	7.9	(8.9)
Others	124,715	19.3	3.4	129,667	20.0	4.0
Total	646,947	100.0	2.3	649,694	100.0	0.4
Deposits of premiums by policyholders	18,853	—	(5.5)	19,975	—	5.9

Net premiums written

(Millions of yen)

Business line	Three months ended June 30, 2022 (April 1 to June 30, 2022)			Three months ended June 30, 2023 (April 1 to June 30, 2023)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	79,107	13.9	15.2	79,928	13.9	1.0
Marine insurance	14,260	2.5	22.9	13,136	2.3	(7.9)
Personal accident insurance	47,769	8.4	1.1	47,825	8.3	0.1
Voluntary automobile insurance	274,986	48.4	(0.9)	275,135	47.9	0.1
Compulsory automobile liability insurance	48,389	8.5	(11.3)	50,441	8.8	4.2
Others	103,749	18.3	2.9	107,344	18.7	3.5
Total	568,263	100.0	1.4	573,812	100.0	1.0

Net claims paid

(Millions of yen)

Business line	Three months ended June 30, 2022 (April 1 to June 30, 2022)			Three months ended June 30, 2023 (April 1 to June 30, 2023)		
	Amount	Rate of change	Net loss ratio	Amount	Rate of change	Net loss ratio
Fire and allied insurance	57,350	(1.9)	75.2	57,443	0.2	74.6
Marine insurance	4,621	(3.6)	34.6	5,707	23.5	46.1
Personal accident insurance	19,677	14.9	44.7	18,241	(7.3)	42.4
Voluntary automobile insurance	132,375	3.3	55.1	147,424	11.4	60.6
Compulsory automobile liability insurance	36,031	(6.7)	82.8	35,214	(2.3)	78.2
Others	44,151	11.3	45.3	42,484	(3.8)	42.4
Total	294,209	2.6	57.0	306,515	4.2	58.8

Sampo Japan Insurance Inc. (Non-consolidated)

Non-consolidated Solvency Margin Ratio

	(Millions of yen)	
	As of March 31, 2023	As of June 30, 2023
(A) Total Non-consolidated Solvency Margin	2,952,779	3,230,102
Capital and funds, etc.	648,480	692,753
Reserve for price fluctuation	99,792	100,906
Contingency reserve	3,624	3,912
Catastrophic loss reserve	541,683	548,520
General allowance for possible credit losses	172	166
Unrealized gains and losses on securities, deferred gains and losses on hedges (before tax effect deductions)	935,188	1,139,935
Unrealized gains and losses on land	129,929	129,814
Excess amount of reserve for maturity refunds	—	—
Subordinated debt, etc.	427,000	427,000
Excess amount of reserve for maturity refunds and subordinated debt, etc. which are excluded from total solvency margin	—	—
Deductions	36,213	33,063
Others	203,119	220,156
(B) Total Non-consolidated Risks	947,373	980,932
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$		
Underwriting risk (R_1)	202,217	202,217
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_2)	—	—
Guaranteed interest rate risk (R_3)	12,362	11,966
Investment risk (R_4)	692,323	726,944
Business management risk (R_5)	21,983	22,666
Major catastrophe risk (R_6)	192,263	192,184
(C) Non-consolidated Solvency Margin Ratio [(A) / {(B) × 1/2}] × 100	623.3 %	658.5 %

Note) The above amounts and figures are calculated based on provisions of Articles 86 and 87 of the Ordinance for Enforcement of the Insurance Business Act and Public Notice No. 50 of the Ministry of Finance (1996). The amounts and figures as of June 30, 2023 are partly calculated by using the simplified method. For example, some bases for the major catastrophe risk calculation are deemed the same as the amounts and figures as of March 31, 2023.

SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED (Non-consolidated)

Quarterly Balance Sheet

	As of March 31, 2023	As of June 30, 2023	Increase (Decrease)
	Amount	Amount	
(Millions of yen)			
Assets:			
Cash and deposits	17,032	16,845	(186)
Securities	50,419	50,686	266
Tangible fixed assets	351	344	(6)
Intangible fixed assets	7,594	8,039	444
Other assets	6,853	10,131	3,277
Deferred tax assets	1,862	1,850	(12)
Allowance for possible credit losses	(2)	(2)	(0)
Total assets	84,112	87,894	3,781
Liabilities:			
Underwriting funds:	62,687	70,301	7,613
Reserve for outstanding losses and claims	25,005	24,989	(16)
Underwriting reserves	37,682	45,312	7,630
Other liabilities	5,641	2,240	(3,401)
Reserve for retirement benefits to directors	15	16	1
Reserve for bonus payments	395	166	(229)
Reserve for bonus payments to directors	17	5	(12)
Reserves under the special laws:	107	112	4
Reserve for price fluctuation	107	112	4
Total liabilities	68,865	72,842	3,976
Net assets:			
Shareholders' equity:			
Common stock	32,260	32,260	—
Capital surplus	40,692	40,692	—
Retained earnings	(56,242)	(56,898)	(655)
Total shareholders' equity	16,709	16,054	(655)
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	(1,462)	(1,002)	459
Total valuation and translation adjustments	(1,462)	(1,002)	459
Total net assets	15,247	15,051	(195)
Total liabilities and net assets	84,112	87,894	3,781

SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED (Non-consolidated)

Quarterly Statement of Income

(Millions of yen)					
	Three months ended	Three months ended	Increase (Decrease)	Rate of change	
	June 30, 2022 (April 1 to June 30, 2022)	June 30, 2023 (April 1 to June 30, 2023)			
	Amount	Amount			%
Ordinary income:	21,406	23,216	1,810		8.5
Underwriting income:	21,322	23,159	1,837		8.6
Net premiums written	21,310	23,129	1,819		8.5
Interest and dividend income on deposits of premiums, etc.	12	14	2		17.5
Reversal of reserve for outstanding losses and claims	—	16	16		—
Investment income:	82	55	(27)		(33.1)
Interest and dividend income	94	69	(25)		(26.7)
Transfer of interest and dividend income on deposits of premiums, etc.	(12)	(14)	(2)		—
Other ordinary income	1	1	(0)		(2.8)
Ordinary expenses:	21,643	23,862	2,219		10.3
Underwriting expenses:	17,825	19,888	2,062		11.6
Net claims paid	8,628	10,655	2,027		23.5
Loss adjustment expenses	1,114	1,185	71		6.4
Net commissions and brokerage fees	368	413	45		12.3
Provision for reserve for outstanding losses and claims	543	—	(543)		(100.0)
Provision for underwriting reserves	7,166	7,630	463		6.5
Operating, general and administrative expenses	3,806	3,946	139		3.7
Other ordinary expenses:	10	28	17		160.6
Interest paid	1	1	(0)		(4.5)
Ordinary loss	(236)	(646)	(409)		—
Extraordinary losses:	4	4	(0)		(0.3)
Losses on disposal of fixed assets	0	0	0		9,834,900.0
Provision for reserves under the special laws:	4	4	(0)		(2.3)
Provision for reserve for price fluctuation	4	4	(0)		(2.3)
Net loss before income taxes	(241)	(651)	(409)		—
Income taxes and deferred income taxes	3	3	0		1.1
Net loss	(245)	(655)	(409)		—
Underwriting result:					
Net premiums written	(+)	21,310	23,129	1,819	8.5
Net claims paid	(—)	8,628	10,655	2,027	23.5
Loss adjustment expenses	(—)	1,114	1,185	71	6.4
Net operating expenses:	(—)	4,161	4,320	159	3.8
Net commissions and brokerage fees		368	413	45	12.3
Operating, general and administrative expenses related to underwriting		3,792	3,906	114	3.0
Underwriting result		7,406	6,967	(438)	(5.9)
Underwriting profit (loss)		(275)	(635)	(360)	—
Ratios:					
Net loss ratio	(%)	45.7	51.2	5.5	
Net operating expenses ratio	(%)	19.5	18.7	(0.8)	
Combined ratio	(%)	65.2	69.9	4.6	

SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED (Non-consolidated)

Non-consolidated Solvency Margin Ratio

	(Millions of yen)	
	As of March 31, 2023	As of June 30, 2023
(A) Total Non-consolidated Solvency Margin	19,323	19,829
Capital and funds, etc.	16,709	16,054
Reserve for price fluctuation	107	112
Contingency reserve	11	11
Catastrophic loss reserve	3,915	4,598
General allowance for possible credit losses	0	1
Unrealized gains and losses on securities, deferred gains and losses on hedges (before tax effect deductions)	(1,421)	(949)
Unrealized gains and losses on land	—	—
Excess amount of reserve for maturity refunds	—	—
Subordinated debt, etc.	—	—
Excess amount of reserve for maturity refunds and subordinated debt, etc. which are excluded from total solvency margin	—	—
Deductions	—	—
Others	—	—
(B) Total Non-consolidated Risks	9,442	10,089
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$		
Underwriting risk (R_1)	7,612	7,801
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_2)	—	—
Guaranteed interest rate risk (R_3)	13	13
Investment risk (R_4)	1,747	1,772
Business management risk (R_5)	320	340
Major catastrophe risk (R_6)	1,309	1,745
(C) Non-consolidated Solvency Margin Ratio [(A) / {(B) × 1/2}] × 100	409.2 %	393.0 %

Note) The above amounts and figures are calculated based on provisions of Articles 86 and 87 of the Ordinance for Enforcement of the Insurance Business Act and Public Notice No. 50 of the Ministry of Finance (1996). The amounts and figures as of June 30, 2023 are partly calculated by using the simplified method. For example, some bases for the major catastrophe risk calculation are deemed the same as the amounts and figures as of March 31, 2023.

Sampo Himawari Life Insurance, Inc. (Non-consolidated)

Quarterly Balance Sheet

	As of March 31, 2023	As of June 30, 2023	(Millions of yen) Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits	79,308	141,075	61,767
Securities:	3,735,314	3,856,195	120,880
Government bonds	2,693,598	2,832,760	139,161
Municipal bonds	56,732	63,059	6,326
Corporate bonds	380,019	394,001	13,982
Domestic stocks	10,424	11,825	1,401
Foreign securities	587,130	546,480	(40,649)
Loans:	42,150	42,494	344
Policy loans	42,148	42,494	346
Ordinary loans	2	—	(2)
Tangible fixed assets	1,750	1,726	(23)
Intangible fixed assets	3,620	3,400	(220)
Agency accounts receivable	119	137	18
Reinsurance accounts receivable	1,650	1,064	(585)
Other assets	59,467	56,029	(3,437)
Deferred tax assets	39,503	1,829	(37,673)
Allowance for possible credit losses	(51)	(53)	(1)
Total assets	3,962,833	4,103,900	141,067
Liabilities:			
Policy reserves:	3,423,777	3,455,163	31,385
Reserve for outstanding claims	40,758	40,081	(677)
Policy reserves	3,378,531	3,410,629	32,098
Reserve for dividends to policyholders	4,488	4,452	(35)
Agency accounts payable	5,134	4,108	(1,025)
Reinsurance accounts payable	1,075	1,009	(65)
Other liabilities	414,812	423,973	9,160
Reserve for bonus payments to directors	25	—	(25)
Reserve for retirement benefits	5,316	5,437	121
Reserve for possible reimbursement of prescribed claims	542	416	(126)
Reserves under the special laws:	10,958	11,236	278
Reserve for price fluctuation	10,958	11,236	278
Total liabilities	3,861,642	3,901,345	39,703
Net assets:			
Shareholders' equity:			
Common stock	17,250	17,250	—
Capital surplus	13,333	13,333	—
Retained earnings	96,422	100,911	4,489
Total shareholders' equity	127,005	131,495	4,489
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	(25,815)	71,059	96,875
Total valuation and translation adjustments	(25,815)	71,059	96,875
Total net assets	101,190	202,554	101,364
Total liabilities and net assets	3,962,833	4,103,900	141,067

Sampo Himawari Life Insurance, Inc. (Non-consolidated)

Quarterly Statement of Income

(Millions of yen)

	Three months ended June 30, 2022 (April 1 to June 30, 2022)	Three months ended June 30, 2023 (April 1 to June 30, 2023)	Increase (Decrease)	Rate of change
	Amount	Amount		
Ordinary income:	121,842	145,740	23,897	19.6 %
Insurance premiums and other:	103,799	104,458	658	0.6
Insurance premiums	102,917	103,388	471	0.5
Investment income:	17,793	40,173	22,380	125.8
Interest and dividend income and other	13,380	14,461	1,081	8.1
Gains on sales of securities	2,676	22,591	19,914	744.0
Investment gains on special account	115	2,469	2,353	2,035.0
Other ordinary income:	249	1,108	858	344.5
Reversal of reserve for outstanding claims	—	677	677	—
Ordinary expenses:	120,786	138,106	17,320	14.3
Insurance claims and other:	60,583	55,184	(5,398)	(8.9)
Insurance claims	10,071	10,051	(19)	(0.2)
Annuity payments	2,950	2,967	17	0.6
Insurance benefits	17,610	13,228	(4,381)	(24.9)
Surrender benefits	27,818	26,907	(910)	(3.3)
Other refunds	1,140	1,018	(121)	(10.7)
Provision for policy reserves and other:	30,975	32,098	1,123	3.6
Provision for reserve for outstanding claims	740	—	(740)	(100.0)
Provision for policy reserves	30,234	32,098	1,864	6.2
Provision for interest portion of reserve for dividends to policyholders	0	0	(0)	(4.2)
Investment expenses:	5,349	27,138	21,789	407.3
Interest paid	20	18	(2)	(11.9)
Losses on sales of securities	5,163	24,707	19,543	378.5
Losses on derivatives	129	2,378	2,248	1,732.8
Operating expenses	22,855	22,388	(467)	(2.0)
Other ordinary expenses	1,023	1,297	274	26.8
Ordinary profit	1,056	7,633	6,577	622.4
Extraordinary losses:	239	301	62	26.3
Losses on disposal of fixed assets and other	0	0	(0)	(100.0)
Provision for reserves under the special laws:	238	278	39	16.5
Provision for reserve for price fluctuation	238	278	39	16.5
Other extraordinary losses	—	23	23	—
Provision for reserve for dividends to policyholders	986	1,017	31	3.2
Net income (loss) before income taxes	(168)	6,314	6,482	—
Income taxes and deferred income taxes	(49)	1,824	1,873	—
Net income (loss)	(119)	4,489	4,608	—

Sampo Himawari Life Insurance, Inc. (Non-consolidated)

Major Business Results

Total amount of policies in force

(Number in thousands, Yen in billions, %)

	As of March 31, 2023				As of June 30, 2023			
	Number		Amount		Number		Amount	
		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year
Individual insurance	4,668	106.0	22,858	98.1	4,721	101.1	22,718	99.4
Individual annuities	48	96.2	208	96.6	47	98.8	207	99.2
Group insurance	—	—	2,659	98.5	—	—	2,644	99.5
Group annuities	—	—	—	—	—	—	—	—

Note) Amounts of "Individual annuities" represent the sums of annuity fund at the beginning of annuity payment of contracts before the beginning of annuity payment and policy reserves for the contracts after the beginning of annuity payment.

Total amount of new policies

(Number in thousands, Yen in billions, %)

	Three months ended June 30, 2022 (April 1 to June 30, 2022)				Three months ended June 30, 2023 (April 1 to June 30, 2023)			
	Number		Amount		Number		Amount	
		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year
Individual insurance	122	181.9	416	88.1	110	90.4	399	96.0
Individual annuities	—	—	—	—	—	—	—	—
Group insurance	—	—	7	376.6	—	—	34	438.1
Group annuities	—	—	—	—	—	—	—	—

Note) Amounts of "Individual annuities" represent amounts of annuity fund at the beginning of annuity payment.

Annualized premiums

Policies in force

(Millions of yen, %)

	As of March 31, 2023		As of June 30, 2023	
		% of previous fiscal year		% of previous fiscal year
Individual insurance	370,259	100.8	370,891	100.2
Individual annuities	15,087	98.4	15,029	99.6
Total	385,346	100.7	385,921	100.1
Medical and survival benefits	187,585	108.0	189,993	101.3

New policies

(Millions of yen, %)

	Three months ended June 30, 2022 (April 1 to June 30, 2022)		Three months ended June 30, 2023 (April 1 to June 30, 2023)	
		% of previous fiscal year		% of previous fiscal year
Individual insurance	8,122	124.0	7,610	93.7
Individual annuities	—	—	—	—
Total	8,122	124.0	7,610	93.7
Medical and survival benefits	5,824	150.3	4,928	84.6

Notes)

1. Annualized premiums are calculated by using multipliers for various premium payment terms to the premium per payment. In single premium contracts, the amount is calculated by dividing the premium by the duration of the policy.
2. Annualized premiums for medical and survival benefits include (a) premium related to medical benefits such as hospitalization and surgery benefits, (b) premium related to survival benefits such as specific illness and nursing benefits, and (c) premium related to premium waiver benefits, in which disability cause is excluded but causes such as specific illness and nursing care are included.

Sompo Himawari Life Insurance, Inc. (Non-consolidated)

Non-consolidated Solvency Margin Ratio

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
(A) Total Non-consolidated Solvency Margin	309,186	447,603
Capital, etc.	127,005	131,669
Reserve for price fluctuation	10,958	11,236
Contingency reserve	34,301	34,389
General allowance for possible credit losses	1	0
Unrealized gains and losses on securities (before tax effect deductions) (90% of gain or 100% of loss), deferred gains and losses on hedges (before tax effect deductions) (90% of gain or 100% of loss)	(35,854)	88,824
Unrealized gains and losses on land (85% of gain or 100% of loss)	—	—
Excess amount of continued Zillmerized reserve	145,353	143,588
Subordinated debt, etc.	—	—
Excess amount of continued Zillmerized reserve and subordinated debt, etc. which are excluded from total solvency margin	(8,748)	—
Brought in capital, etc.	—	—
Deductions	—	—
Others	36,168	37,893
(B) Total Non-consolidated Risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	58,712	73,918
Underwriting risk (R_1)	13,924	13,818
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_8)	13,089	13,286
Guaranteed interest rate risk (R_2)	8,354	8,337
Guaranteed minimum benefit risk (R_7)	401	402
Investment risk (R_3)	41,622	58,008
Business management risk (R_4)	1,547	1,877
(C) Non-consolidated Solvency Margin Ratio [(A) / {(B) × 1/2}] × 100	1,053.2 %	1,211.0 %

Notes)

1. The above amounts and figures are calculated based on provisions of Articles 86 and 87 of the Ordinance for Enforcement of the Insurance Business Act and Public Notice No. 50 of the Ministry of Finance (1996).
2. Guaranteed minimum benefit risk is calculated by using the standard method.

Supplementary Explanation

< Calculation of ratios, etc. >

- Underwriting profit = Underwriting income - Underwriting expenses - Operating, general and administrative expenses related to underwriting + Other income and expenses*

*Other income and expenses include, but not limited to, income tax expenses for compulsory automobile liability insurance.

- Net loss ratio = (Net claims paid + Loss adjustment expenses) / Net premiums written × 100
- Net operating expenses ratio = (Net commissions and brokerage fees + Operating, general and administrative expenses related to underwriting) / Net premiums written × 100
- Combined ratio = Net loss ratio + Net operating expenses ratio

< Non-consolidated solvency margin ratio >

• In addition to reserves to cover payments for claims, benefits and maturity refunds, etc., it is necessary for insurance companies to maintain sufficient solvency in order to cover against risks which exceed their normal estimates, e.g. occurrence of major catastrophes, fluctuation in mortality rate due to significant changes in key environmental factors and big decline in value of assets held by insurance companies.

• (C) Non-consolidated Solvency Margin Ratio, which is calculated in accordance with the Insurance Business Act, etc. is the ratio of “solvency margin of insurance companies by means of their capital, reserves, etc.” ((A) Total Non-consolidated Solvency Margin) to “risks which exceed their normal estimates” ((B) Total Non-consolidated Risks).

- “Risks which exceed their normal estimates” are composed of risks described below.

<1> Underwriting risk, Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance:

Risks of rate of occurrence of insurance claims, etc. in excess of normal estimates (excluding risks relating to major catastrophes)

<2> Guaranteed interest rate risk:

Risks of invested assets failing to yield assumed interest rates due to the aggravation of investment conditions

<3> Investment risk:

Risks of securities and other assets held fluctuating in prices in excess of normal estimates

<4> Business management risk:

Risks beyond normal estimates arising from business management that do not fall under other categories

<5> Major catastrophe risk:

Risks of the occurrence of major catastrophic losses in excess of normal estimates (risks such as the Great Kanto Earthquake or Isewan Typhoon)

<6> Guaranteed minimum benefit risk:

Risks of special account assets fluctuating in prices in excess of normal estimates

- “Solvency margin of insurance companies by means of their capital, reserves, etc.” (total non-consolidated solvency margin) is the sum of total net assets (excluding planned outflows), certain reserves (reserve for price fluctuation, contingency reserve and catastrophic loss reserve, etc.) and parts of unrealized gains and losses on land, etc.

• Solvency margin ratio is one of the indicators for the regulatory authorities to monitor financial soundness of insurance companies. Solvency margin ratio exceeding 200% would indicate adequate capability to meet payments of possible insurance claims and others.