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Consolidated Financial Indicators for Sampo Holdings

	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019		FY2020	FY2021	FY2022	FY2022 (USD base)
Key Figures (Millions of Yen, Millions of U.S. dollars)												
Ordinary Income	3,008,339	3,282,343	3,256,186	3,419,530	3,770,052	3,643,040	3,760,366		3,846,323	4,167,496	4,607,134	34,502
Net Premiums Written (P&C Insurance)	2,268,967	2,508,031	2,552,193	2,550,336	2,854,755	2,718,155	2,825,482		2,923,547	3,215,713	3,670,717	27,489
Life Insurance Premiums	277,230	277,208	297,696	323,860	346,998	349,606	356,064		346,177	325,183	316,752	2,372
Ordinary Profit	112,391	208,309	216,853	241,713	141,890	198,959	192,451		215,097	315,512	122,530	917
Net Income Attributable to Shareholders of the Parent	44,169	54,276	159,581	166,402	139,817	146,626	122,515		142,482	224,842	91,156	682
Comprehensive Income	149,965	469,485	(116,689)	226,949	177,754	(54,460)	(77,806)		512,417	143,823	(32,648)	(244)
Per Share Information (Yen, U.S. dollars)												
Net Income	106.98	132.85	394.21	419.15	361.39	392.26	334.12		397.40	644.24	270.64	2.02
Dividends	60.0	70.0	80.0	90.0	110.0	130.0	150.0		170.00	210.00	260.00	1.94
(Of which, Interim)	30.0	30.0	40.0	40.0	55.0	65.0	75.0		80.00	105.00	130.00	0.97
Diluted Net Income	106.77	132.61	393.66	418.71	361.09	391.96	333.89		397.16	643.86	270.53	2.02
Financial Condition (Millions of Yen, Millions of U.S. dollars)												
Total Net Assets	1,390,153	1,829,852	1,652,839	1,868,940	1,916,210	1,779,911	1,612,584		2,031,168	2,040,789	1,868,902	13,996
Total Assets	9,499,799	10,253,431	10,186,746	11,931,135	11,948,323	12,018,254	11,977,836		13,118,656	13,787,835	14,460,232	108,292
Equity Ratio (%)	14.5	17.8	16.1	15.1	15.8	14.6	13.3		15.4	14.7	12.8	—
Consolidated Solvency Margin Ratio (%)	783.1	803.4	851.4	748.9	862.5	859.8	856.1		871.8	773.0	589.7	—
Stock Information (Shares)												
Number of Shares Outstanding (Excluding Treasury Stock)	411,284,208	408,037,848	404,162,514	393,398,576	380,579,944	372,426,159	364,125,082		354,956,543	342,602,649	333,083,607	—
Adjusted Financial Indicators (Billions of Yen, Millions of U.S. dollars)												
Adjusted Consolidated Profit	35.5	113.6	164.3	183.2	162.7	113.5	150.8		202.1	261.3	152.2	1,140
Adjusted Consolidated ROE (%)	1.9	5.1	6.9	7.6	6.4	4.5	6.4		8.0	9.4	5.5	—

Notes: 1. Reflecting amendments to the "Accounting Standard for Business Combinations," etc., since fiscal 2015 the presentation of "net income" has been amended to "net income attributable to shareholders of the parent."
 2. As for adjusted consolidated profit and adjusted consolidated ROE for fiscal 2013-2015, estimated amounts calculated based on FY2016 definitions are presented.
 3. U.S. dollar amounts are translated from yen at the rate of ¥133.53 = U.S. \$1.00, the approximate rate prevailing at March 31, 2023.

Definition of Adjusted Consolidated Profit, Adjusted Consolidated ROE, etc. (FY2021 and later)

Adjusted profit for each business*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 and Reinsurance	Operating income*2 Net income is used for affiliates accounted for under the equity-method in principle.
	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) – Gains/losses on sales of securities and impairment losses on securities (after tax)
	Nursing Care & Seniors	Net income
	Digital	Net income – Gains/losses on sales and impairment losses related to investment (after tax)
	Others	Net income
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, etc. (after tax) + Reserve for price fluctuation in Domestic P&C Insurance (after tax) + Domestic Life Insurance adjusted net assets*3	
Adjusted consolidated ROE	Adjusted consolidated profit/ Adjusted consolidated net assets (All values in the denominator are the average of the fiscal-year opening and closing balances.)	
Risk diversification ratio	Risk diversification effect/Total amount of Group risk (Before consideration of diversification effect)	
Global business ratio (Regional diversification ratio)	Adjusted profit of Overseas Insurance and Reinsurance/ Adjusted consolidated profit	

*1 Adjusted profit by business segment excludes one-time gains and losses or special factors such as dividend from group companies.
 *2 Defined as the operating income, which excludes one-time fluctuation factors (= Net income – Net foreign exchange gains and losses – Net realized and unrealized gains and losses on securities – Net impairment losses recognized in earnings, etc.)
 *3 Adjusted net assets of Domestic Life Insurance = Net assets of Domestic Life Insurance (J-GAAP) + Contingency reserve (after tax) + Reserve for price fluctuation (after tax) + Adjustment of underwriting reserve (after tax) + Non-depreciated acquisition cost (after tax)

Adjusted Financial Indicators

Adjusted consolidated profit is a profit indicator that is meant to more accurately reflect business results and is calculated by adjusting consolidated net income based on J-GAAP for catastrophic loss reserve and other items.
 This indicator is used to determine shareholder returns.

Business Overview

Domestic P&C Insurance Business

1. Direct premiums written (including deposits of premiums by policyholders)

(Millions of yen)

	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)			Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)		
	Amount	% of total amount	% of year-on-year change	Amount	% of total amount	% of year-on-year change
Fire and allied insurance	500,724	19.55%	2.32%	553,594	20.93%	10.56%
Marine insurance	49,065	1.92	10.45	59,117	2.24	20.49
Personal accident insurance	236,459	9.23	(4.41)	234,121	8.85	(0.99)
Voluntary automobile insurance	1,147,521	44.79	0.05	1,149,439	43.46	0.17
Compulsory automobile liability insurance	220,617	8.61	(7.62)	225,489	8.53	2.21
Others	407,515	15.91	3.75	422,948	15.99	3.79
Total	2,561,904	100.00	0.08	2,644,710	100.00	3.23
Deposits of premiums by policyholders	81,009	3.16	(13.36)	70,773	2.68	(12.64)

Notes)

- Figures are amounts before the elimination of internal transactions between segments.
- Direct premiums written (including deposits of premiums by policyholders) is gross premiums written deducted by the sum of surrender benefits of direct policies and other refunds of direct policies. (Includes deposits of premiums of saving-type insurance policies)

2. Net premiums written

(Millions of yen)

	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)			Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)		
	Amount	% of total amount	% of year-on-year change	Amount	% of total amount	% of year-on-year change
Fire and allied insurance	328,029	14.80%	6.91%	385,476	16.83%	17.51%
Marine insurance	46,841	2.11	15.41	54,947	2.40	17.30
Personal accident insurance	153,498	6.92	(0.39)	155,352	6.78	1.21
Voluntary automobile insurance	1,141,991	51.51	0.12	1,143,902	49.94	0.17
Compulsory automobile liability insurance	217,261	9.80	(8.77)	211,113	9.22	(2.83)
Others	329,525	14.86	4.19	339,804	14.83	3.12
Total	2,217,148	100.00	0.94	2,290,596	100.00	3.31

Note) Figures are amounts before the elimination of internal transactions between segments.

3. Net claims paid

(Millions of yen)

	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)			Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)		
	Amount	% of total amount	% of year-on-year change	Amount	% of total amount	% of year-on-year change
Fire and allied insurance	216,465	17.92%	0.79%	286,787	21.25%	32.49%
Marine insurance	22,999	1.90	(7.75)	22,956	1.70	(0.19)
Personal accident insurance	70,378	5.83	(2.33)	87,443	6.48	24.25
Voluntary automobile insurance	567,452	46.98	1.09	617,608	45.77	8.84
Compulsory automobile liability insurance	159,225	13.18	(9.45)	144,986	10.74	(8.94)
Others	171,450	14.19	(0.47)	189,706	14.06	10.65
Total	1,207,972	100.00	(1.08)	1,349,489	100.00	11.72

Note) Figures are amounts before the elimination of internal transactions between segments.

4. Investment assets

(Millions of yen)

	As of March 31, 2022		As of March 31, 2023	
	Amount	% of total amount	Amount	% of total amount
Deposits	504,107	7.90%	495,820	8.40%
Receivables under resale agreements	73,999	1.16	69,999	1.19
Monetary receivables bought	20,104	0.31	20,366	0.35
Money trusts	20,683	0.32	21,105	0.36
Securities	4,291,143	67.21	3,874,601	65.68
Loans	494,703	7.75	441,994	7.49
Land & buildings	210,442	3.30	207,941	3.52
Total investment assets	5,615,185	87.94	5,131,828	86.99
Total net assets	6,385,083	100.00	5,899,190	100.00

Note) Figures are amounts after the elimination of internal transactions between segments.

5. Securities

(Millions of yen)

	As of March 31, 2022		As of March 31, 2023	
	Amount	% of total amount	Amount	% of total amount
Government bonds	678,580	15.81%	512,262	13.22%
Municipal bonds	12,419	0.29	12,701	0.33
Corporate bonds	646,357	15.06	514,550	13.28
Domestic stocks	1,271,703	29.64	1,276,277	32.94
Foreign securities	1,455,844	33.93	1,319,952	34.07
Others	226,237	5.27	238,856	6.16
Total	4,291,143	100.00	3,874,601	100.00

Notes)

- Figures are amounts after the elimination of internal transactions between segments.
- As of March 31, 2022, others primarily comprised security investment trust beneficiary securities amounting to 212,389 million yen. As of March 31, 2023, others primarily comprised security investment trust beneficiary securities amounting to 222,247 million yen.

6. Yield

(1) Income yield

(Millions of yen)

	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)			Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)		
	Income amount	Average amount under management	Annualized yield	Income amount	Average amount under management	Annualized yield
Deposits	13	513,791	0.00%	19	493,775	0.00%
Receivables under resale agreements	2	63,101	0.00	3	71,653	0.00
Monetary receivables bought	156	21,222	0.74	151	20,389	0.74
Money trusts	592	16,223	3.66	602	16,172	3.73
Securities	108,038	3,162,829	3.42	108,761	3,114,015	3.49
Loans	4,880	541,421	0.90	4,401	467,601	0.94
Land & buildings	2,915	223,822	1.30	2,768	210,937	1.31
Subtotal	116,600	4,542,413	2.57	116,707	4,394,544	2.66
Others	229	—	—	363	—	—
Total	116,830	—	—	117,070	—	—

Notes)

- Figures are amounts after the elimination of internal transactions between segments.
- Income is the sum of interest and dividend income and the amount equivalent to the interest and dividend income that is included in investment gains on money trusts and investment losses on money trusts in the Consolidated Statement of Income.
- Average amount under management calculations are, in principle, based on average balances (acquisition costs or amortization costs) at the end of each month. Meanwhile, the calculations of receivables under resale agreements and monetary receivables bought are based on average balances (acquisition costs or amortization costs) at the end of each day.
- Securities listed on the Consolidated Balance Sheet include shares in affiliates accounted for under the equity method, but exclude those shares calculating average amounts under management and annualized yields.

(2) Realized yield

(Millions of yen)

	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)			Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)		
	Investment profit (realized basis)	Average amount under management (acquisition cost basis)	Annualized yield	Investment profit (realized basis)	Average amount under management (acquisition cost basis)	Annualized yield
Deposits	4,018	513,791	0.78%	3,628	493,775	0.73%
Receivables under resale agreements	2	63,101	0.00	3	71,653	0.00
Monetary receivables bought	156	21,222	0.74	151	20,389	0.74
Money trusts	1,307	16,223	8.06	3,103	16,172	19.19
Securities	147,680	3,162,829	4.67	132,540	3,114,015	4.26
Loans	5,652	541,421	1.04	5,193	467,601	1.11
Land & buildings	2,915	223,822	1.30	2,768	210,937	1.31
Derivatives	(2,604)	—	—	(13,460)	—	—
Others	1,512	—	—	818	—	—
Total	160,642	4,542,413	3.54	134,746	4,394,544	3.07

Notes)

- Figures are amounts after the elimination of internal transactions between segments.
- Investment profit (realized basis) excludes investment expenses from total amount of investment income and interest and dividend income on deposits of premiums, etc., on the Consolidated Statement of Income.
- Average amount under management (acquisition cost basis) calculations are, in principle, based on average balances (acquisition costs or amortization costs) at the end of each month. Meanwhile, the calculations of receivables under resale agreements and monetary receivables bought are based on average balances (acquisition costs or amortization costs) at the end of each day.
- Securities listed on the Consolidated Balance Sheet include shares in affiliates accounted for under the equity method, but exclude those shares calculating average amounts under management and annualized yields.

7. Foreign investments

(Millions of yen)

	As of March 31, 2022		As of March 31, 2023	
	Amount	% of total amount	Amount	% of total amount
Foreign currency denominated securities				
Foreign bonds	523,802	34.03%	343,103	24.23%
Foreign stocks	50,062	3.25	45,404	3.21
Others	695,124	45.16	790,698	55.84
Subtotal	1,268,990	82.45	1,179,206	83.27
Yen-denominated securities				
Foreign bonds	20,190	1.31	22,794	1.61
Others	249,913	16.24	214,103	15.12
Subtotal	270,104	17.55	236,898	16.73
Total	1,539,094	100.00	1,416,104	100.00
Yield on foreign investments				
Income yield		4.41%		3.64%
Realized yield		4.86		2.91

Notes)

- Figures are amounts after the elimination of internal transactions between segments.
- Figures include the amount managed as money trust.
- Assets associated with foreign investments under income yield within yield on foreign investments are calculated using the same method as (3) Yield a. Income yield.
- Assets associated with foreign investments under realized yield within yield on foreign investments are calculated using the same method as (3) Yield b. Realized yield.
- As of March 31, 2022, others in foreign currency denominated securities primarily comprised security investment trust beneficiary securities amounting to 633,790 million yen, and others in yen-denominated securities primarily comprised security investment trust beneficiary securities amounting to 185,565 million yen. As of March 31, 2023, others in foreign currency denominated securities primarily comprised security investment trust beneficiary securities amounting to 727,439 million yen, and others in yen-denominated securities primarily comprised security investment trust beneficiary securities amounting to 158,285 million yen.

Overseas Insurance Business

(Millions of yen)

	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)		Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)	
	Amount	% of year-on-year change	Amount	% of year-on-year change
Net premiums written	998,565	37.36%	1,380,120	38.21%

Note) Figures are amounts before the elimination of internal transactions between segments.

Domestic Life Insurance Business

1. Total amount of business in force

(Millions of yen)

	As of March 31, 2022		As of March 31, 2023	
	Amount	% of year-on-year change	Amount	% of year-on-year change
Individual insurance	23,301,172	(1.03)	22,858,745	(1.90)
Individual annuities	216,055	(3.22)	208,801	(3.36)
Group insurance	2,700,035	(0.58)	2,659,037	(1.52)
Group annuities	—	—	—	—

Notes)

- Figures are amounts before the elimination of internal transactions between segments.
- 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.

2. Total amount of new business

(Millions of yen)

	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)			Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)		
	New business + Net increase on conversion	New business	Net increase on conversion	New business + Net increase on conversion	New business	Net increase on conversion
Individual insurance	1,924,487	1,924,487	—	1,724,168	1,724,168	—
Individual annuities	—	—	—	—	—	—
Group insurance	23,963	23,963	—	93,951	93,951	—
Group annuities	—	—	—	—	—	—

Notes)

- Figures are amounts before the elimination of internal transactions between segments.
- Amounts of new business and net increase on conversion for individual annuities represent annuity fund at the beginning of annuity payment.

3. Investment assets

(Millions of yen)

	As of March 31, 2022		As of March 31, 2023	
	Amount	% of total amount	Amount	% of total amount
Deposits	137,951	3.71%	79,308	2.02%
Securities	3,476,022	93.53	3,734,465	95.14
Loans	41,428	1.11	42,150	1.07
Land & buildings	432	0.01	433	0.01
Total investment assets	3,655,835	98.37	3,856,357	98.24
Total net assets	3,716,323	100.00	3,925,327	100.00

Note) Figures are amounts after the elimination of internal transactions between segments.

4. Securities

(Millions of yen)

	As of March 31, 2022		As of March 31, 2023	
	Amount	% of total amount	Amount	% of total amount
Government bonds	2,370,357	68.19%	2,692,301	72.09%
Municipal bonds	57,678	1.66	56,882	1.52
Corporate bonds	421,119	12.11	380,316	10.18
Domestic stocks	9,859	0.28	10,424	0.28
Foreign securities	611,887	17.60	587,130	15.72
Other securities	5,120	0.15	7,409	0.20
Total	3,476,022	100.00	3,734,465	100.00

Note) Figures are amounts after the elimination of internal transactions between segments.

5. Yield

(1) Income yield

(Millions of yen)

	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)			Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)		
	Income amount	Average amount under management	Annualized yield	Income amount	Average amount under management	Annualized yield
Deposits	—	124,249	—%	—	76,004	—%
Securities	48,199	3,301,806	1.46	53,797	3,601,588	1.49
Loans	1,248	41,526	3.01	1,270	41,788	3.04
Land & buildings	—	449	—	—	438	—
Subtotal	49,447	3,468,032	1.43	55,068	3,719,820	1.48
Others	—	—	—	—	—	—
Total	49,447	—	—	55,068	—	—

Notes)

- Figures are amounts after the elimination of internal transactions between segments, excluding investment gains and assets on special account specified in Article 118 of the Insurance Business Act.
- Income amount represents interest and dividend income on the Consolidated Statement of Income.
- Average amount under management calculations are, in principle, based on average balances (acquisition costs or amortization costs) at the end of each month.

(2) Realized yield

(Millions of yen)

	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)			Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)		
	Investment profit (realized basis)	Average amount under management (acquisition cost basis)	Annualized yield	Investment profit (realized basis)	Average amount under management (acquisition cost basis)	Annualized yield
Deposits	—	124,249	—%	—	76,004	—%
Securities	46,862	3,301,806	1.42	62,628	3,601,588	1.74
Loans	1,248	41,526	3.01	1,270	41,788	3.04
Land & buildings	—	449	—	—	438	—
Derivatives	464	—	—	(4,773)	—	—
Total	48,575	3,468,032	1.40	59,125	3,719,820	1.59

Notes)

- Figures are amounts after the elimination of internal transactions between segments, excluding investment gains and assets on special account specified in Article 118 of the Insurance Business Act.
- Investment profit (realized basis) excludes investment expenses from investment income on the Consolidated Statement of Income.
- Average amount under management (acquisition cost basis) calculations are, in principle, based on average balances (acquisition costs or amortization costs) at the end of each month.

6. Foreign investments

(Millions of yen)

	As of March 31, 2022		As of March 31, 2023	
	Amount	% of total amount	Amount	% of total amount
Foreign currency denominated securities				
Foreign bonds	567,076	93.95%	543,789	93.94%
Others	11,951	1.98	12,989	2.24
Subtotal	579,027	95.93	556,779	96.18
Yen-denominated securities				
Foreign bonds	8,820	1.46	8,604	1.49
Others	15,770	2.61	13,496	2.33
Subtotal	24,590	4.07	22,100	3.82
Total	603,618	100.00	578,879	100.00
Yield on foreign investments				
Income yield		2.00%		2.28%
Realized yield		2.16		1.54

Notes)

- Figures are amounts after the elimination of internal transactions between segments, excluding investment gains and assets on special account specified in Article 118 of the Insurance Business Act.
- Assets associated with foreign investments under income yield within yield on foreign investments are calculated using the same method as (3) Yield a. Income yield.
- Assets associated with foreign investments under realized yield within yield on foreign investments are calculated using the same method as (3) Yield b. Realized yield.
- As of March 31, 2022, others in foreign currency denominated securities is entirely attributable to security investment trust beneficiary securities, and others in yen-denominated securities is entirely attributable to security investment trust beneficiary securities.
As of March 31, 2023, others in foreign currency denominated securities is entirely attributable to security investment trust beneficiary securities, and others in yen-denominated securities is entirely attributable to security investment trust beneficiary securities.

Nursing Care & Seniors Business

Ordinary income increased by 15.0 billion yen, to 151.6 billion yen, compared with the fiscal year ended March 31, 2022. Net income attributable to shareholders of the parent decreased by 0.5 billion yen from the fiscal year ended March 31, 2022, to 0.7 billion yen.

(Reference) Overview of Entire Business

1. Direct premiums written (including deposits of premiums by policyholders)

(Millions of yen)

	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)			Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)		
	Amount	% of total amount	% of year-on-year change	Amount	% of total amount	% of year-on-year change
Fire and allied insurance	698,230	19.16%	9.29%	811,188	19.89%	16.18%
Marine insurance	104,894	2.88	17.88	134,251	3.29	27.99
Personal accident insurance	239,911	6.58	(4.05)	238,659	5.85	(0.52)
Voluntary automobile insurance	1,217,407	33.41	0.02	1,263,857	31.00	3.82
Compulsory automobile liability insurance	220,617	6.05	(7.62)	225,489	5.53	2.21
Others	1,163,307	31.92	41.11	1,404,014	34.43	20.69
Total	3,644,369	100.00	11.85	4,077,460	100.00	11.88
Deposits of premiums by policyholders	81,009	2.22	(13.36)	70,773	1.74	(12.64)

Notes)

- Figures are amounts after the elimination of internal transactions between segments.
- Direct premiums written (including deposits of premiums by policyholders) is gross premiums written deducted by the sum of surrender benefits of direct policies and other refunds of direct policies. (Includes deposits of premiums of saving-type insurance policies)

2. Net premiums written

(Millions of yen)

	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)			Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)		
	Amount	% of total amount	% of year-on-year change	Amount	% of total amount	% of year-on-year change
Fire and allied insurance	524,266	16.30%	14.14%	627,013	17.08%	19.60%
Marine insurance	92,493	2.88	12.79	117,017	3.19	26.51
Personal accident insurance	156,850	4.88	0.07	159,745	4.35	1.85
Voluntary automobile insurance	1,217,232	37.85	(0.03)	1,263,943	34.43	3.84
Compulsory automobile liability insurance	217,261	6.76	(8.77)	211,113	5.75	(2.83)
Others	1,007,609	31.33	30.90	1,291,883	35.19	28.21
Total	3,215,713	100.00	9.99	3,670,717	100.00	14.15

Note) Figures are amounts after the elimination of internal transactions between segments.

3. Net claims paid

(Millions of yen)

	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)			Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)		
	Amount	% of total amount	% of year-on-year change	Amount	% of total amount	% of year-on-year change
Fire and allied insurance	311,296	19.65%	13.01%	401,364	20.61%	28.93%
Marine insurance	45,867	2.89	1.44	48,789	2.51	6.37
Personal accident insurance	71,164	4.49	(2.24)	88,314	4.53	24.10
Voluntary automobile insurance	612,647	38.67	2.46	678,374	34.83	10.73
Compulsory automobile liability insurance	159,225	10.05	(9.45)	144,986	7.44	(8.94)
Others	384,195	24.25	8.96	585,818	30.08	52.48
Total	1,584,397	100.00	4.25	1,947,647	100.00	22.93

Note) Figures are amounts after the elimination of internal transactions between segments.

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Independent Auditor’s Report

The Board of Directors
Sampo Holdings, Inc.

Opinion

We have audited the accompanying consolidated financial statements of Sampo Holdings, Inc. and its consolidated subsidiaries (the Group), which comprise the consolidated balance sheet as at March 31, 2023, and the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended, and notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor’s opinion thereon, and we do not provide a separate opinion on these matters.

Assessment of goodwill related to the overseas insurance business	
Description of Key Audit Matter	Auditor’s Response
The goodwill of ¥197,729 million recorded in the consolidated balance sheet of the Group as of March 31, 2023 includes ¥118,746 million of goodwill related to the overseas insurance business. The related notes are the	Our audit procedures performed to assess goodwill included the following, among others:

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<p>Notes to the Consolidated Financial Statements “Significant accounting estimates” and “Information related to amortization of goodwill and balance of goodwill by reportable segments” in “Segment information”.</p> <p>Goodwill related to the overseas insurance business is amortized in equal installments within 20 years from the year of occurrence, except for immaterial amounts of goodwill that are amortized at one time. The related notes are the Notes to the Consolidated Financial Statements “Significant accounting estimates” and “4. Accounting policies (9) Method and period of amortization of goodwill” in “Significant Accounting Policies for the Preparation of the Consolidated Financial Statements.” In addition, in assessing the impairment of goodwill related to the overseas insurance business, if there are any indications that the asset group including goodwill is impaired, the recoverable amount of the asset group must be estimated and if the book value exceeds the recoverable amount, its difference must be recognized as an impairment loss.</p> <p>The overseas insurance business, which is served by Sampo International Holdings Ltd. (SIH) as the core company, includes the direct insurance and reinsurance business in the commercial segment mainly for specialty insurance, and the consumer segment mainly for personal insurance. The overseas insurance business is conducted in developed markets such as Bermuda and North America, as well as in emerging markets such as Turkey, South America and Southeast Asia.</p> <p>The goodwill of the overseas insurance business relates to the business of SIH, which consists of the goodwill related to the acquisition of Endurance Specialty Holdings Ltd. (currently SIH), goodwill related to the</p>	<ul style="list-style-type: none"> ● We assessed the design and tested operating effectiveness of internal controls over assessments of goodwill. Our assessments included an assessment of the Group’s internal controls, including the Group’s decisions regarding asset groups, the consideration of developments in operating performance, the consideration of any changes that would significantly reduce the recoverable amount due to the discontinuation or reorganization of business, and the consideration of any significant deterioration in market conditions. ● We inspected the materials used to assess indications of impairment of goodwill. ● We made inquiries to the relevant divisions which are responsible for testing indications of impairment of goodwill. <p>In addition, our audit procedures performed to assess the goodwill for the overseas insurance business included the following, among others:</p> <ul style="list-style-type: none"> ● We inspected the meeting minutes of the Group’s decision-making bodies, including the Board of Directors and the Management Committee to consider the business plan, strategy and performance of the overseas insurance business. ● We considered the outlook of the direct insurance and reinsurance markets in the overseas insurance business, the impact of the COVID-19, uncertainty over the international situation caused by a war in Ukraine, financial turmoil in the United States (e.g., bankruptcy of local banks) and other matters by referring to the available external information. ● We made inquiries to the Group’s officers in charge of the overseas insurance business and the management of SIH with respect to the results of operations and business plans of the commercial and consumer segments of the overseas insurance business.
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<p>acquisition of overseas subsidiaries of the consumer segment, and goodwill related to the acquisition of the overseas insurance business by SIH.</p> <p>The overseas insurance business is operated globally both in developed and emerging markets and has two distinct segments: commercial and consumer segments. In the commercial segment, business performance has grown due to the expansion of the US agricultural insurance business and the rate increase of insurance premiums which enhance the importance of the commercial segment in Sompo Group. On the other hand, business performance of the consumer segment has been affected by trends such as a competition for automobile insurance, regulations in each country, inflation, foreign exchange and interest rates. As described above, in the execution of the overseas insurance business strategy, there are various risk factors, such as continued premium rate hike due to the hardening commercial insurance market, situation of the COVID-19, uncertainty over the international situation caused by the war in Ukraine, financial turmoil in the United States (e.g., bankruptcy of local banks), natural catastrophic losses such as hurricanes, competitive environment in each country where the business is conducted, and trends in regulations and economic indicators. Therefore, the determination of impairment of goodwill, including the assessment of an indication of impairment, requires adequate consideration in an audit. The Group determined that no impairment of goodwill related to the overseas insurance business was required for the current period.</p> <p>In our audit, it is crucial to assess the business performance of SIH's commercial and consumer segments and the progress of the business plans approved by the management. The various risk factors mentioned above</p>	<ul style="list-style-type: none">● We conducted ongoing communications with our network firms serving as local auditors of SIH and inspected the audit workpapers of the local auditors to assess any indications of impairment due to certain factors including the outlook of the direct insurance and reinsurance markets, interest rate trends and changes in regulations.● We made inquiries to the local management about the trend of the business performance and business plan of the company selected in consideration of the company size and so on in the commercial segment of SIH.● We conducted ongoing communications with the local auditors of the selected companies in consideration of the company size and so on and considered the status of business performance by inspecting the audit workpapers of the local auditors in the consumer segment of SIH.● We involved our network firms serving as local auditors of SIH, our valuation specialists and actuaries to consider the growth rate of net premiums written and loss ratio by comparing them with the relevant information including the prior years' business performance, industry trends and competitor information.
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<p>affect the ordinary income/loss of SIH as a result of fluctuations in premiums, claims and insurance liabilities in the business performance and business plan. The key assumptions in the estimation of ordinary income/loss include the growth rate of net premiums written and the loss ratio, which are related to the performance of insurance underwriting business. Estimates of the growth rate of net premiums written and the loss ratio are highly dependent on management's judgment.</p> <p>Based on the above, the assessment of goodwill related to the overseas insurance business is highly dependent on management's judgment related to the business of the relevant subsidiaries and is considered a key audit matter.</p>	
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Estimate method to Statistical IBNR reserve	
Description of Key Audit Matter	Auditor's Response
<p>The Group recorded ¥ 2,382,382 million of "Reserve for outstanding losses and claims" in the consolidated balance sheet as of March 31, 2023. As described in Note to Consolidated Financial Statements "Significant accounting estimates", the Reserve for outstanding losses and claims consists of the ordinary outstanding claims reserve and the IBNR reserve (IBNR stands for "Incurred But Not Reported" and is the reserve for incurred but not reported losses).</p> <p>Ordinary outstanding claims reserve is the amount individually estimated to pay as insurance claims for loss which has been reported, based on the details of the report of the loss event, the details of the insurance policy, and the outcome of the loss adjustment. IBNR reserve is the amount estimated to pay as insurance claims for loss which has not yet been reported but a loss event specified in the insurance policy is deemed to have already occurred. The IBNR reserve includes the amount estimated by the statistical estimation method based on the unit of account by each line of business by underwriting category for which payment of insurance claims under the written insurance policy is expected to continue for a long period of time (statistical IBNR reserve).</p> <p>Statistical IBNR reserve is estimated by actuarial calculations based on certain statistical estimation method and requires a high degree of technical expertise in actuarial calculation. The key assumptions in the statistical estimation method include the factors which are used to estimate the conclusive amount of insurance claims and other losses (loss development factors) as well as the expected loss ratio based on the actual payment of insurance claims and other losses by accident year over a certain period in the past. Also, these key assumptions are affected by identification of anomaly such as losses attributable to natural catastrophic disasters and the development of losses including insurance claims and other losses over passage of time.</p> <p>Based on the above, given that the estimate method to statistical IBNR reserve requires a high</p>	<p>Our audit procedures performed to consider the estimate method to statistical IBNR reserve included the following, among others:</p> <ul style="list-style-type: none"> ● We assessed the design and tested operating effectiveness of internal controls over the estimate method to statistical IBNR reserve. Our procedures included assessments of internal controls over selection of statistical estimation method and determination of key assumptions such as loss development factors and expected loss ratio. ● We involved our network firm's actuaries to perform the following procedures, among others: <ul style="list-style-type: none"> - We assessed the consistency of the exclusion of anomaly such as losses arising from natural catastrophic disasters from the actuarial calculations as well as compared and considered the development in the loss development factor with the development in the amount of insurance claims. - We considered whether to modify the expected loss ratio in light of current trends including the premium rate updates. - With regard to the statistical IBNR reserve for significant units of account, we independently estimated the statistical IBNR reserve in consideration of the development of the losses attributable to the natural catastrophic disasters and considered the management's estimates by comparing them with our estimates. ● In order to assess the data used for estimating the statistical IBNR reserve (e.g. insurance claims), we selected samples to consider the actual data such as insurance claims payments which were reconciled with payment data, and compare them with the underlying data for estimating the statistical IBNR reserve.

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<p>degree of technical expertise in actuarial calculation and the key assumptions used in the statistical estimation method are highly dependent on management's judgment, the estimate method to statistical IBNR reserve is considered a key audit matter.</p>	<ul style="list-style-type: none"> ● We inspected the materials on the estimation of statistical IBNR reserve based on the units of account for underwriting by each line of business, and recalculated the estimation of statistical IBNR reserve, including the determination of loss development factors.
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Other Information

The other information comprises the information included in the annual report (Yukashoken Hokokusho) that contains audited consolidated financial statements but does not include the consolidated financial statements and our auditor's report thereon. Management is responsible for preparation and disclosure of the other information. The Audit Committee is responsible for overseeing the Group's reporting process of the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the consolidated financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the Independent Auditor's Report as required by the Financial Instruments and Exchange Act of Japan for the conveniences of the reader.

Ernst & Young ShinNihon LLC
Tokyo, Japan

June 23, 2023

Noboru Miura
Designated Engagement Partner
Certified Public Accountant

Hirotsugu Kamoshita
Designated Engagement Partner
Certified Public Accountant

Hiroyuki Kobayashi
Designated Engagement Partner
Certified Public Accountant

Consolidated Financial Statements

Consolidated Balance Sheet

Sompo Holdings, Inc.

(Millions of yen)

	Notes No.	As of March 31, 2022		As of March 31, 2023		Increase (Decrease)
		Amount	Composition ratio	Amount	Composition ratio	
Assets:						
Cash and deposits	*5	1,170,892	8.49%	1,246,638	8.62%	75,746
Receivables under resale agreements		73,999	0.54	69,999	0.48	(4,000)
Monetary receivables bought		20,104	0.15	21,915	0.15	1,810
Money trusts		20,815	0.15	21,236	0.15	421
Securities	*3, *4, *5, *6	9,542,035	69.21	9,808,182	67.83	266,146
Loans	*4	536,132	3.89	484,145	3.35	(51,986)
Tangible fixed assets:	*1, *2, *5	353,438	2.56	360,882	2.50	7,444
Land		114,278		112,957		(1,320)
Buildings		132,446		137,542		5,096
Leased assets		64,381		64,935		554
Construction in progress		12,618		15,875		3,256
Other tangible fixed assets		29,713		29,571		(141)
Intangible fixed assets:		428,266	3.11	543,122	3.76	114,856
Software		108,110		99,161		(8,949)
Goodwill		151,012		197,729		46,716
Other intangible fixed assets		169,143		246,232		77,088
Other assets	*4	1,618,878	11.74	1,816,820	12.56	197,941
Net defined benefit asset		179	0.00	230	0.00	50
Deferred tax assets		31,741	0.23	98,173	0.68	66,431
Allowance for possible credit losses		(8,649)	(0.06)	(11,114)	(0.08)	(2,465)
Total assets		13,787,835	100.00	14,460,232	100.00	672,397

Consolidated Balance Sheet (Continued)

Sompo Holdings, Inc.

(Millions of yen)

	Notes No.	As of March 31, 2022		As of March 31, 2023		Increase (Decrease)
		Amount	Composition ratio	Amount	Composition ratio	
Liabilities:						
Underwriting funds:		9,445,446	68.51%	10,118,934	69.98%	673,487
Reserve for outstanding losses and claims		1,959,817		2,382,382		422,564
Underwriting reserves		7,485,628		7,736,552		250,923
Corporate bonds		539,742	3.91	609,051	4.21	69,309
Other liabilities	*5	1,536,282	11.14	1,642,946	11.36	106,664
Net defined benefit liability		69,767	0.51	59,235	0.41	(10,532)
Reserve for retirement benefits to directors		9	0.00	16	0.00	6
Reserve for bonus payments		41,814	0.30	42,488	0.29	674
Reserve for bonus payments to directors		767	0.01	487	0.00	(279)
Reserve for stocks payments		2,401	0.02	2,669	0.02	267
Reserves under the special laws:		105,389	0.76	110,858	0.77	5,469
Reserve for price fluctuation		105,389		110,858		5,469
Deferred tax liabilities		5,424	0.04	4,642	0.03	(782)
Total liabilities		11,747,045	85.20	12,591,329	87.08	844,284
Net assets:						
Shareholders' equity:						
Common stock		100,045	0.73	100,045	0.69	—
Capital surplus		134,962	0.98	134,708	0.93	(253)
Retained earnings		1,028,109	7.46	1,035,772	7.16	7,662
Treasury stock		(24,965)	(0.18)	(82,145)	(0.57)	(57,179)
Total shareholders' equity		1,238,152	8.98	1,188,381	8.22	(49,770)
Accumulated other comprehensive income:						
Unrealized gains and losses on securities available for sale		838,843	6.08	587,917	4.07	(250,925)
Deferred gains and losses on hedges		3,429	0.02	2,412	0.02	(1,016)
Foreign currency translation adjustments		(68,911)	(0.50)	54,890	0.38	123,802
Remeasurements of defined benefit plans		16,605	0.12	20,555	0.14	3,950
Total accumulated other comprehensive income		789,966	5.73	665,776	4.60	(124,189)
Stock acquisition rights		446	0.00	269	0.00	(177)
Non-controlling interests		12,224	0.09	14,475	0.10	2,251
Total net assets		2,040,789	14.80	1,868,902	12.92	(171,886)
Total liabilities and net assets		13,787,835	100.00	14,460,232	100.00	672,397

Consolidated Statement of Income and Consolidated Statement of Comprehensive Income
Consolidated Statement of Income

Sompo Holdings, Inc.

(Millions of yen)

	Notes No.	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)		Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)		Increase (Decrease)
		Amount	% of ordinary income	Amount	% of ordinary income	
Ordinary income:		4,167,496	100.00%	4,607,134	100.00%	439,638
Underwriting income:		3,656,896	87.75	4,090,702	88.79	433,806
Net premiums written		3,215,713		3,670,717		455,003
Deposits of premiums by policyholders		81,009		70,773		(10,235)
Interest and dividend income on deposits of premiums, etc.		30,944		30,159		(785)
Life insurance premiums written		325,183		316,752		(8,430)
Other underwriting income		4,045		2,299		(1,746)
Investment income:		338,496	8.12	325,711	7.07	(12,784)
Interest and dividend income		215,785		241,475		25,690
Investment gains on money trusts		1,353		3,105		1,752
Investment gains on trading securities		853		2,200		1,347
Gains on sales of securities		112,354		75,524		(36,829)
Gains on redemption of securities		4,836		2,389		(2,446)
Investment gains on special account		1,767		1,430		(337)
Other investment income		32,491		29,744		(2,746)
Transfer of interest and dividend income on deposits of premiums, etc.		(30,944)		(30,159)		785
Other ordinary income:		172,103	4.13	190,720	4.14	18,617
Other ordinary income		172,103		190,720		18,617
Ordinary expenses:		3,851,984	92.43	4,484,604	97.34	632,620
Underwriting expenses:		3,099,481	74.37	3,597,988	78.10	498,506
Net claims paid		1,584,397		1,947,647		363,250
Loss adjustment expenses	*1	132,036		135,859		3,822
Net commissions and brokerage fees	*1	632,667		703,159		70,492
Maturity refunds to policyholders		190,527		181,722		(8,805)
Dividends to policyholders		28		7		(21)
Life insurance claims paid and other payments		100,557		132,543		31,986
Provision for reserve for outstanding losses and claims		252,510		322,801		70,291
Provision for underwriting reserves		203,433		164,048		(39,384)
Other underwriting expenses		3,322		10,197		6,875
Investment expenses:		37,383	0.90	113,781	2.47	76,397
Investment losses on money trusts		45		2		(42)
Losses on sales of securities		11,869		58,653		46,783
Impairment losses on securities		5,966		12,325		6,359
Losses on redemption of securities		4		—		(4)
Losses on derivatives		15,368		28,121		12,753
Other investment expenses		4,129		14,678		10,548
Operating, general and administrative expenses	*1	570,387	13.69	598,472	12.99	28,085
Other ordinary expenses:		144,731	3.47	174,363	3.78	29,631
Interest paid		14,960		15,966		1,006
Provision for allowance for possible credit losses		1,915		4,852		2,936
Losses on bad debt		108		77		(30)
Investment losses on the equity method		5,675		1,844		(3,831)
Other ordinary expenses		122,071		151,622		29,550
Ordinary profit		315,512	7.57	122,530	2.66	(192,982)

Consolidated Statement of Income and Consolidated Statement of Comprehensive Income
Consolidated Statement of Income (Continued)

Sompo Holdings, Inc.

(Millions of yen)

	Notes No.	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)		Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)		Increase (Decrease)
		Amount	% of ordinary income	Amount	% of ordinary income	
Extraordinary gains:		15,364	0.37%	8,957	0.19%	(6,406)
Gains on disposal of fixed assets		15,364		8,957		(6,406)
Extraordinary losses:		13,243	0.32	8,078	0.18	(5,165)
Losses on disposal of fixed assets		5,670		2,371		(3,298)
Impairment losses		2,396		148		(2,247)
Provision for reserves under the special laws:		5,176		5,469		292
Provision for reserve for price fluctuation		5,176		5,469		292
Losses on reduction of real estate		—		88		88
Net income before income taxes		317,632	7.62	123,409	2.68	(194,223)
Income taxes		123,161	2.96	32,237	0.70	(90,924)
Deferred income taxes		(32,139)	(0.77)	(1,759)	(0.04)	30,379
Total income taxes		91,022	2.18	30,477	0.66	(60,544)
Net income		226,610	5.44	92,931	2.02	(133,678)
Net income attributable to non-controlling interests		1,767	0.04	1,774	0.04	6
Net income attributable to shareholders of the parent		224,842	5.40	91,156	1.98	(133,685)

Consolidated Statement of Comprehensive Income

Sompo Holdings, Inc.

(Millions of yen)

	Notes No.	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)
		Amount	Amount
Net income		226,610	92,931
Other comprehensive income:			
Unrealized gains and losses on securities available for sale		(159,488)	(251,113)
Deferred gains and losses on hedges		(977)	(1,016)
Foreign currency translation adjustments		71,828	122,626
Remeasurements of defined benefit plans		5,755	3,971
Share of other comprehensive income of affiliates accounted for under the equity method		94	(47)
Total other comprehensive income	*1	(82,787)	(125,580)
Comprehensive income		143,823	(32,648)
(Comprehensive income attributable to)			
Comprehensive income attributable to shareholders of the parent		142,847	(33,206)
Comprehensive income attributable to non-controlling interests		976	557

Consolidated Statement of Changes in Net Assets

Sompo Holdings, Inc.

Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	100,045	244,060	876,066	(73,772)	1,146,399
Changes during the period:					
Dividends			(68,747)		(68,747)
Net income attributable to shareholders of the parent			224,842		224,842
Acquisition of treasury stock				(60,430)	(60,430)
Disposal of treasury stock		(10)		150	139
Cancellation of treasury stock		(109,087)		109,087	—
Changes in the scope of consolidation			(4,052)		(4,052)
Net changes in items other than shareholders' equity					
Total changes during the period	—	(109,097)	152,043	48,807	91,752
Balance at the end of the period	100,045	134,962	1,028,109	(24,965)	1,238,152

	Accumulated other comprehensive income					Stock acquisition rights	Non-controlling interests	Total net assets
	Unrealized gains and losses on securities available for sale	Deferred gains and losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the period	997,904	4,406	(141,211)	10,862	871,961	467	12,340	2,031,168
Changes during the period:								
Dividends								(68,747)
Net income attributable to shareholders of the parent								224,842
Acquisition of treasury stock								(60,430)
Disposal of treasury stock								139
Cancellation of treasury stock								—
Changes in the scope of consolidation								(4,052)
Net changes in items other than shareholders' equity	(159,061)	(977)	72,299	5,743	(81,995)	(20)	(115)	(82,132)
Total changes during the period	(159,061)	(977)	72,299	5,743	(81,995)	(20)	(115)	9,620
Balance at the end of the period	838,843	3,429	(68,911)	16,605	789,966	446	12,224	2,040,789

Consolidated Statement of Changes in Net Assets (Continued)

Sompo Holdings, Inc.

Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	100,045	134,962	1,028,109	(24,965)	1,238,152
Effect of hyperinflation			(4,225)		(4,225)
Adjusted beginning balance	100,045	134,962	1,023,883	(24,965)	1,233,926
Changes during the period:					
Dividends			(79,816)		(79,816)
Net income attributable to shareholders of the parent			91,156		91,156
Acquisition of treasury stock				(58,026)	(58,026)
Disposal of treasury stock		(253)		846	592
Changes in the scope of consolidation			547		547
Net changes in items other than shareholders' equity					
Total changes during the period	—	(253)	11,888	(57,179)	(45,545)
Balance at the end of the period	100,045	134,708	1,035,772	(82,145)	1,188,381

	Accumulated other comprehensive income					Stock acquisition rights	Non-controlling interests	Total net assets
	Unrealized gains and losses on securities available for sale	Deferred gains and losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the period	838,843	3,429	(68,911)	16,605	789,966	446	12,224	2,040,789
Effect of hyperinflation								(4,225)
Adjusted beginning balance	838,843	3,429	(68,911)	16,605	789,966	446	12,224	2,036,564
Changes during the period:								
Dividends								(79,816)
Net income attributable to shareholders of the parent								91,156
Acquisition of treasury stock								(58,026)
Disposal of treasury stock								592
Changes in the scope of consolidation								547
Net changes in items other than shareholders' equity	(250,925)	(1,016)	123,802	3,950	(124,189)	(177)	2,251	(122,115)
Total changes during the period	(250,925)	(1,016)	123,802	3,950	(124,189)	(177)	2,251	(167,661)
Balance at the end of the period	587,917	2,412	54,890	20,555	665,776	269	14,475	1,868,902

Consolidated Statement of Cash Flows

Sompo Holdings, Inc.

	(Millions of yen)			
	Notes No.	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)	Increase (Decrease)
		Amount	Amount	Amount
Cash flows from operating activities:				
Net income before income taxes		317,632	123,409	(194,223)
Depreciation		53,932	51,591	(2,341)
Impairment losses		2,396	148	(2,247)
Amortization of goodwill		26,536	30,277	3,741
Increase (decrease) in reserve for outstanding losses and claims		233,362	314,074	80,712
Increase (decrease) in underwriting reserves		194,259	167,566	(26,693)
Increase (decrease) in allowance for possible credit losses		(103)	1,591	1,694
Increase (decrease) in net defined benefit liability		(3,197)	(5,931)	(2,733)
Increase (decrease) in reserve for retirement benefits to directors		(26)	6	32
Increase (decrease) in reserve for bonus payments		10,296	(3,792)	(14,088)
Increase (decrease) in reserve for bonus payments to directors		(322)	(302)	20
Increase (decrease) in reserve for stocks payments		654	796	141
Increase (decrease) in reserve for price fluctuation		5,176	5,469	292
Interest and dividend income		(215,785)	(241,475)	(25,690)
Losses (gains) on investment in securities		(99,350)	(6,931)	92,418
Interest expenses		14,960	15,966	1,006
Foreign exchange losses (gains)		(29,474)	(28,522)	952
Losses (gains) related to tangible fixed assets		(9,706)	(6,496)	3,210
Losses (gains) related to loans		0	743	742
Investment losses (gains) on the equity method		5,675	1,844	(3,831)
Decrease (increase) in other assets (other than investing and financing activities)		(72,763)	(18,137)	54,626
Increase (decrease) in other liabilities (other than investing and financing activities)		65,410	(80,600)	(146,010)
Others		21,201	32,748	11,546
Subtotal		520,767	354,043	(166,724)
Interest and dividend received		201,430	231,330	29,899
Interest paid		(15,506)	(16,372)	(866)
Income taxes paid		(106,671)	(120,109)	(13,438)
Cash flows from operating activities		600,021	448,892	(151,129)

Consolidated Statement of Cash Flows (Continued)

Sompo Holdings, Inc.

	(Millions of yen)			
	Notes No.	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)	Increase (Decrease)
		Amount	Amount	Amount
Cash flows from investing activities:				
Net decrease (increase) in deposits		10,079	(9,072)	(19,152)
Purchase of monetary receivables bought		(2,884)	(2,187)	696
Proceeds from sales and redemption of monetary receivables bought		4,183	1,776	(2,406)
Increase in money trusts		(20)	(3,000)	(2,979)
Decrease in money trusts		9,790	3,634	(6,156)
Purchase of securities		(1,944,183)	(2,157,767)	(213,584)
Proceeds from sales and redemption of securities		1,496,848	1,905,741	408,892
Loans made		(106,430)	(127,178)	(20,747)
Collection of loans		204,982	173,989	(30,992)
Net increase (decrease) in receivables under securities borrowing transactions and payables under securities lending transactions		47,624	168,818	121,193
Others		(25,433)	(135,637)	(110,203)
Total of investment transactions		(305,442)	(180,882)	124,559
Total of operating activities and investment transactions as above		294,578	268,009	(26,569)
Acquisition of tangible fixed assets		(21,497)	(24,142)	(2,645)
Proceeds from sales of tangible fixed assets		22,716	13,365	(9,350)
Acquisition of stocks of subsidiaries resulting in changes in the scope of consolidation		—	(64,931)	(64,931)
Sales of stocks of subsidiaries resulting in changes in the scope of consolidation		—	3,329	3,329
Payments for sales of stocks of subsidiaries resulting in changes in the scope of consolidation		—	(19,538)	(19,538)
Others		(44,316)	(51,835)	(7,518)
Cash flows from investing activities		(348,540)	(324,634)	23,905
Cash flows from financing activities:				
Repayments of borrowings		(30,482)	(16,288)	14,194
Issuance of corporate bonds		—	227,000	227,000
Redemption of corporate bonds		—	(173,370)	(173,370)
Net increase (decrease) in payables under securities lending transactions		673	21,353	20,680
Proceeds from sales of treasury stock		2	115	112
Acquisition of treasury stock		(60,430)	(58,026)	2,403
Dividends paid		(68,657)	(79,718)	(11,060)
Dividends paid to non-controlling shareholders		(839)	(1,081)	(242)
Others		(10,374)	(12,348)	(1,974)
Cash flows from financing activities		(170,108)	(92,364)	77,743
Effect of exchange rate changes on cash and cash equivalents		1,735	30,764	29,029
Increase (decrease) in cash and cash equivalents		83,107	62,657	(20,449)
Cash and cash equivalents at the beginning of the period		1,117,770	1,207,306	89,536
Increase in cash and cash equivalents resulting from newly consolidated subsidiaries		6,429	1,075	(5,353)
Cash and cash equivalents at the end of the period	*1	1,207,306	1,271,040	63,733

Notes to the Consolidated Financial Statements

Sompo Holdings, Inc.

Significant Accounting Policies for the Preparation of the Consolidated Financial Statements

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 74 companies

Names of major subsidiaries

Sompo Japan Insurance Inc.
SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED
Sompo Japan Partners Inc.
Mysurance Inc.
Sompo International Holdings Ltd.
Endurance Specialty Insurance Ltd.
Endurance Assurance Corporation
Endurance Worldwide Insurance Limited
SI Insurance (Europe), SA
Sompo Sigorta Anonim Sirketi
Sompo Holdings (Asia) Pte. Ltd.
Berjaya Sompo Insurance Berhad
Sompo Seguros S.A.
Sompo Himawari Life Insurance, Inc.
Sompo Care Inc.
ND Software Co., Ltd.
Sompo Warranty Inc.
Sompo Light Vortex, Inc.
Sompo Asset Management Co., Ltd.
Sompo Japan DC Securities Inc.
Sompo Risk Management Inc.
Sompo Health Support Inc.

ND Software Co., Ltd. and its three subsidiaries are included in the scope of consolidation from the fiscal year ended March 31, 2023 as they became subsidiaries through the acquisition of shares.

(2) Names of major non-consolidated subsidiaries

Names of major subsidiaries

Sompo Systems, Inc.

As the non-consolidated subsidiaries do not have a material impact on reasonable judgment about the financial conditions and results of operations of Sompo Holdings Group ("SOMPO HOLDINGS") in terms of total assets, ordinary income, net income or loss and retained earnings, etc. to the extent of equity position of the Company, they are excluded from the scope of consolidation.

2. Application of the equity method

(1) Number of affiliates accounted for under the equity method: 12 companies

Names of major affiliates

Capital Insurance Corporation
Universal Sompo General Insurance Company Limited
Palantir Technologies Japan K.K.
Tier IV, Inc.
DeNA SOMPO Mobility Co., Ltd.
ABEJA, Inc.
DeNA SOMPO Carlife Co., Ltd.
akippa Inc.

(2) The non-consolidated subsidiaries and affiliates (Sompo Systems, Inc., etc.) do not have a material impact on the consolidated financial statements in terms of net income or loss and retained earnings, etc. to the extent of the equity position of the Company even if they are excluded from the scope of the equity method, and they do not have a material impact as a whole. Therefore, they are excluded from the scope of the equity method.

(3) The Company holds 26.6% of voting rights of Japan Earthquake Reinsurance Co., Ltd. ("J.E.R.") through its domestic consolidated property and casualty insurance subsidiaries. As J.E.R. is engaged in public business and the Company is not considered to have a material impact on J.E.R.'s decisions of finance, promotion and business strategy, J.E.R. is excluded from affiliates.

3. The fiscal year of consolidated subsidiaries

The balance sheet dates of the foreign consolidated subsidiaries are December 31. As the difference between the balance sheet dates and the consolidated balance sheet date does not exceed three months, the financial statements as of December 31 are used for the preparation of the consolidated financial statements.

Necessary adjustments are made for the significant transactions during the periods from the balance sheet dates of the subsidiaries to the consolidated balance sheet date.

4. Accounting policies

(1) Valuation policies and methods for securities

(a) Trading securities are carried at fair value.

Cost of sale is calculated based on the moving-average method.

(b) Bonds held to maturity are carried at amortized cost based on the moving-average method.

(c) Policy reserve matching bonds are carried at amortized cost based on the moving-average method in accordance with "Temporary Treatment of Accounting and Auditing Concerning Policy Reserve Matching Bonds in the Insurance Industry" (Japanese Institute of Certified Public Accountants Industry Audit Practice Committee Report No.21).

The outline of risk management policy in relation to policy reserve matching bonds is as follows.

Domestic consolidated life insurance subsidiary sets up the sub-category for individual insurance depending on line of business and investment policy, etc., and follows the management policy to match the duration of the policy reserve in the sub-category with the duration of policy reserve matching bonds within a certain range.

(d) Stocks of non-consolidated subsidiaries and affiliates that are not accounted for under the equity method are carried at cost based on the moving-average method.

(e) Securities available for sale (excluding stocks and others without a quoted market price) are carried at fair value. Unrealized gains and losses are directly included in net assets and cost of sale is calculated based on the moving-average method.

(f) Stocks and others without a quoted market price of securities available for sale are carried at cost based on the moving-average method.

(g) Securities managed as trust assets in individually operated money trusts for primarily trading purposes are carried at fair value.

(h) Securities managed as trust assets in individually operated money trusts classified as other than trading purposes or held to maturity are carried on the same basis as that of securities available for sale.

(2) Valuation policies and methods for derivative transactions

Derivative transactions are carried at fair value.

(3) Depreciation methods of significant depreciable assets

(a) Tangible fixed assets (excluding leased assets)

Depreciation of tangible fixed assets (excluding leased assets) is calculated by using the straight-line method.

(b) Intangible fixed assets (excluding leased assets)

Amortization of intangible fixed assets (excluding leased assets) is calculated by using the straight-line method.

As for intangible fixed assets acquired through the acquisition of subsidiaries, amortization is being carried out over the estimated period of its effect and as its effect emerges.

Amortization of software for internal use held by the consolidated subsidiaries is calculated by using the straight-line method based on the estimated useful lives.

(c) Leased assets

Leased assets under finance lease transactions that are not deemed to transfer ownership of the leased assets to the lessee for the domestic consolidated subsidiaries have been depreciated using the straight-line method over the period of the lease.

(4) Accounting policies for significant reserves

(a) Allowance for possible credit losses

In order to provide for losses from defaults, the domestic consolidated insurance subsidiaries establish allowance for possible credit losses in accordance with the internal standards for self-assessment of assets and the policy of write-off and provision.

For claims against debtors that have legally, formally or substantially entered into bankruptcy, special liquidation or whose notes have been under suspension at clearing houses, allowances are provided based on the amount remaining after deduction of the estimated collectable amounts by the disposal of collateral and by guarantees.

For claims against debtors that are highly likely to go bankrupt in the future, allowances are provided based on the amount considered necessary according to overall solvency assessment of the debtor, after deduction of estimated collectable amounts by disposal of collateral and by guarantees.

For claims other than those described above, allowances are provided based on the amount of claims multiplied by the default rate, which is calculated based on historical credit loss experience for a certain period in the past.

The departments responsible for respective assets assess relevant claim in accordance with the internal standards for self-assessment of assets. The asset auditing department independently reviews the results and allowances are provided based on the reviewed results.

The other consolidated subsidiaries determine mainly the collectability of the receivables respectively to provide allowances to cover the estimated future losses.

(b) Reserve for retirement benefits to directors

In order to provide for retirement benefits to directors, the domestic consolidated subsidiaries record the amount deemed accrued at the end of the fiscal year based on internal regulations.

(c) Reserve for bonus payments

In order to provide for employees' bonus payments, reserve for bonus payments is recorded, with the estimated amount to be paid at the end of the fiscal year.

(d) Reserve for bonus payments to directors

In order to provide for directors' bonus payments, reserve for bonus payments to directors is recorded, with the estimated amount to be paid at the end of the fiscal year.

(e) Reserve for stocks payments

In order to provide for the grant of Company shares to directors (excluding non-executive directors and

outside directors), senior vice presidents and senior vice presidents (shikkouyakuin) of SOMPO HOLDINGS, according to the "Rules of the Stock Benefit Trust for Directors," reserve for stocks payments is recorded, with the estimated amount of the stock payment obligation at the end of the fiscal year.

(f) Reserve for price fluctuation

In order to provide for possible losses arising from price fluctuation of stock, etc., the domestic consolidated insurance subsidiaries set aside reserves under Article 115 of the Insurance Business Act.

(5) Methods of accounting procedures for retirement benefits

(a) Allocation method of projected retirement

The benefit formula method is mainly used for calculating the retirement benefit obligation as the method for attributing projected retirement benefits to the end of the current consolidated fiscal year.

(b) Amortization method of actuarial difference

Actuarial differences are mainly amortized from the following fiscal year by using the straight-line attribution method over certain years (10 to 11 years) within the average remaining service years of employees in each fiscal year when the difference occurs.

(6) Significant hedge accounting

Generally, the consolidated subsidiaries apply the exceptional treatment for certain interest rate swaps to hedge cash flow fluctuation risks of floating-rate loans and bonds to the extent that such transactions meet the conditions required for the application of the exceptional treatment.

The deferred hedge accounting method is applied to interest rate swaps to hedge interest rate fluctuation risks related to long-term insurance contracts based on "The Accounting and Auditing Treatment on the Application of the Financial Products Accounting Standard to the Insurance Industry" (Japanese Institute of Certified Public Accountants Industry Committee Practical Guideline No. 26). Since insurance liabilities as a hedged item and interest rate swaps as a hedging instrument are grouped by certain remaining periods, and then designated as a hedge, the hedge is highly effective and the assessment of hedge effectiveness is omitted.

The fair value hedge accounting method is applied to equity swaps for hedging future stock price fluctuation risks. Generally, the fair value hedge accounting method is applied to forward foreign exchanges, currency options and currency swaps in order to reduce foreign exchange rate fluctuation risks on foreign currency denominated assets, etc. The assignment accounting as an exceptional treatment is applied to certain transactions to the extent that such transactions meet the conditions required for application of the assignment accounting. A deferred hedge is applied to the part of foreign exchange forward contracts to fix yen-denominated cash flow from foreign currency denominated forecast transactions. The assignment accounting is applied to currency swaps in order to reduce foreign exchange rate fluctuation risks on foreign currency denominated corporate bonds issued by the domestic consolidated insurance subsidiary and foreign currency denominated borrowings. Hedge effectiveness is assessed by periodically comparing the accumulated fluctuations of the market value or cash flows of the hedged item to those of the related hedging instrument for the period from the commencement of the hedge to the date of assessment.

However, when the significant conditions are shared among the hedged item and the hedging instrument and its effectiveness is obviously considered high, when interest rate swaps meet requirements for applying the exceptional treatment or when certain transactions fulfill the required conditions to apply the assignment accounting, the assessment of the hedge effectiveness is omitted.

(7) Accounting policies for significant revenue and expenses

In the Nursing Care & Seniors Business, performance obligations are satisfied when various nursing care services at nursing homes (fee-based nursing homes) or the assisting equipment sales services are provided to nursing facility residents, and revenue is recognized at the point in time when such performance obligations are satisfied.

The Company hereby recognizes the revenue from the service for the nursing facility residents as the net amount that remains after deducting the amount to pay to the suppliers from the amount received from the customers

regarding the transaction in which SOMPO HOLDINGS' role is the agent.

(8) Accounting methods for insurance contracts

The domestic consolidated insurance subsidiaries account for insurance contracts, including insurance premiums, reserve for outstanding losses and claims and underwriting reserve, etc., pursuant to the provisions of laws and regulations, such as the Insurance Business Act, etc.

(9) Method and period of amortization of goodwill

Goodwill is amortized in equal installments over 10 to 20 years.
Immaterial amounts of goodwill are amortized at one time.

(10) Cash and cash equivalents in the consolidated statement of cash flows

Cash and cash equivalents in the consolidated statement of cash flows consist of cash on hand, demand deposits and short-term investments with original maturities or redemption of three months or less, which can be cashed easily and have little risk of fluctuation in value.

(11) Accounting methods for consumption taxes

The Company and its domestic consolidated subsidiaries account for consumption taxes by using the tax-excluded method, except for the domestic consolidated insurance subsidiaries' expenses such as loss adjustment expenses and operating, general and administrative expenses mainly under the tax-included method. Non-deductible consumption taxes relating to assets are included in other assets and amortized in equal installments over 5 years.

(Significant accounting estimates)

1. Impairment of goodwill

(1) Amount recorded on the consolidated financial statements for the fiscal year ended March 31, 2023

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Goodwill	151,012	197,729

(2) Other information that helps readers of the consolidated financial statements understand the details of the accounting estimates

(a) Calculation method

Goodwill is amortized in equal installments over its amortization period (within 20 years) by measuring the length of period it remains effective. However, immaterial goodwill is amortized at one time in the fiscal year in which it arises.

The Company assesses whether there are indications of impairment of goodwill at the end of fiscal years and also performs the assessment whenever necessary, pursuant to the "Accounting Standard for Impairment of Fixed Assets" and the "Guidance on Accounting Standard for Impairment of Fixed Assets" (Accounting Standards Board of Japan (ASBJ) Guidance No.6). An asset group including goodwill whose operating environment including market environment has significantly deteriorated (e.g. significant deviation downward from the business plan at the time of its acquisition, or deterioration in its latest business results or future prospect) is deemed to have an indication of impairment.

For the asset group including goodwill with an indication of impairment, the total amount of undiscounted future cash flows deriving therefrom over the remaining amortization period is estimated. If such amount is below its book value, impairment losses shall be recognized.

For the asset group including goodwill for which it was determined that impairment losses should be recognized, the recoverable value shall be calculated in the form, for example, of the usage value, which is calculated by discounting the undiscounted future cash flows by a certain discount rate. If such recoverable value is below its book value, impairment losses shall be recorded, at the amount of difference

between the two.

(b) Effects on the consolidated financial statements for the fiscal year ending March 31, 2024

Impairment losses can occur if there is a significant decrease in the undiscounted future cash flows, resulting from an event that requires a significant downward adjustment in preparing future business plans (such as a material event that affects assumptions of estimated net premiums written or loss ratio, etc. at overseas insurance business) accompanied by indications of impairment.

2. Reserve for outstanding losses and claims

(1) Amount recorded on the consolidated financial statements for the fiscal year ended March 31, 2023

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Reserve for outstanding losses and claims	1,959,817	2,382,382

(2) Other information that helps readers of the consolidated financial statements understand the details of the accounting estimates

The domestic consolidated insurance subsidiaries provide for reserve for outstanding losses and claims pursuant to the provisions of Article 117 of the Insurance Business Act and Articles 72 and 73 of the Ordinance for Enforcement of the Insurance Business Act, and Public Notice No. 234 of the Ministry of Finance (1998).

Overseas consolidated insurance subsidiaries provide for reserve for outstanding losses and claims pursuant to laws and regulations in the country of domicile.

(a) Calculation method

With respect to ordinary outstanding claims reserve, for insurance contracts for which an event that triggers payment was reported, the expected amount of payment is estimated for each insurance contract, based on the reported details of the event, policy conditions of the insurance contract and the loss adjustment activities. With respect to the Incurred But Not Reported Losses Reserve (hereinafter the "IBNR Reserve"), when an event that triggers payment has not yet been reported but an event prescribed in the insurance contract is found to have already occurred, the amount of payment is estimated by calculation units such as line of business, by using primarily statistical methods. As for losses of a rather case-specific nature such as large-scale natural disasters, the IBNR Reserve is estimated on a case-by-case basis.

(b) Effects on the consolidated financial statements for the fiscal year ending March 31, 2024

The amount of insurance claims paid or the recorded amount of reserve for outstanding losses and claims can deviate from the initial estimation, due to revision of laws and regulations in Japan and overseas, changes in the trend of court precedents, inflation and fluctuations in exchange rates and other fluctuating factors. While the IBNR Reserve is provided in consideration of past trends and other factors based on appropriate insurance actuarial principles, it involves uncertainty that results from the unreported occurrence of events that trigger payment.

(Changes in Accounting Policies)

Application of "Implementation Guidance on Accounting Standard for Fair Value Measurement"

The Company has applied the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (Accounting Standards Board of Japan (ASBJ) Guidance No.31, June 17, 2021) from the beginning of the fiscal year ended March 31, 2023, and has prospectively applied the new accounting policies specified in the Implementation Guidance on Accounting Standard for Fair Value Measurement in accordance with the transitional treatment based on Paragraph 27-2 of the Implementation Guidance on Accounting Standard for Fair Value Measurement. In addition, the effect of this change on the Consolidated Financial Statements is immaterial.

(Accounting standards and guidance issued but not yet effective)

Major accounting standards and guidance issued but not yet applied by overseas consolidated subsidiaries that have adopted International Financial Reporting Standards (hereinafter "IFRS") are as follows.

Name of accounting standards	Outline	Scheduled date of application
IFRS 9 "Financial Instruments"	Prescribes the classification, measurement and others of financial instruments	Beginning of the fiscal year ending March 31, 2024
IFRS 17 "Insurance Contracts"	Prescribes the recognition, measurement and others of insurance liabilities	Beginning of the fiscal year ending March 31, 2024

These accounting standards have been applied retrospectively and the beginning balance of retained earnings decreases by 9,191 million yen due to the cumulative effect reflected in net assets at the beginning of the consolidated fiscal year ended March 31, 2023. The amounts in the attached consolidated financial statements are before retrospective application.

(Additional information)

1. Performance-linked stock compensation plan

The Company introduced the "Board Benefit Trust (BBT)" (hereinafter the "Plan"), a performance-linked stock compensation plan for directors (excluding non-executive directors and outside directors), senior vice presidents and senior vice presidents (shikkouyakuin) of SOMPO HOLDINGS.

(1) Outline of the transactions involved

The Company established the "Rules of the Stock Benefit Trust for Directors" (hereinafter the "Rules") as a prerequisite to the introduction of the Plan. Based on the Rules, the Company entrusted money to a trust bank for acquiring shares to be delivered later, and the trust bank has acquired shares in the Company using the money entrusted thereto (hereinafter the "Trust").

The Plan is a scheme for delivering shares, based on the Rules, to directors (excluding non-executive directors and outside directors), senior vice presidents and senior vice presidents (shikkouyakuin) of SOMPO HOLDINGS, in proportion to the points granted thereto upon their retirement.

(2) Accounting treatment

The gross method is adopted based on the "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees, etc. through Trusts" (ASBJ Practical Issue Task Force No. 30, March 26, 2015). Expenses and corresponding reserves are provided based on the number of points granted to officers according to the Rules.

Shares in the Company remaining in the Trust are recorded as treasury stock under shareholders' equity, and its carrying amount is 3,693 million yen and its number of shares is 961,300 shares at the end of the fiscal year ended March 31, 2022, while its carrying amount is 3,280 million yen and its number of shares is 853,700 shares at the end of the fiscal year ended March 31, 2023.

2. Accounting treatment in a hyperinflationary economy

During the fiscal year ended March 31, 2023, as the cumulative inflation rate in Turkey exceeded 100% over three years, we determined that our subsidiary in Turkey, which has the Turkish lira as its functional currency, is operating under a hyperinflationary economy. The financial statements of the Turkish subsidiary have therefore been consolidated with adjustments made in accordance with IAS 29, "Financial Reporting in Hyperinflationary Economies." IAS 29 requires that the financial statements of subsidiaries in a hyperinflationary economy be restated to the unit of measurement as of the end of the reporting period before inclusion in the consolidated financial statements.

Notes to the Consolidated Balance Sheet

*1. The amounts of accumulated depreciation of tangible fixed assets are as follows.

(Millions of yen)	
As of March 31, 2022	As of March 31, 2023
406,556	420,172

*2. The amounts of advanced depreciation of tangible fixed assets are as follows.

(Millions of yen)	
As of March 31, 2022	As of March 31, 2023
12,609	12,325

Note) For the tangible fixed assets acquired by using the grant of governmental subsidies in the fiscal year ended March 31, 2023, the amount of advanced depreciation deducted from its acquisition cost was 88 million yen.

*3. Investments in non-consolidated subsidiaries and affiliates are as follows.

(Millions of yen)		
	As of March 31, 2022	As of March 31, 2023
Securities (stocks)	38,047	49,111
Investments in jointly controlled companies	1,437	1,980
Securities (equity interests)	10,405	13,281

*4. The individual amounts and the total amount of bankrupt or de facto bankrupt loans, doubtful loans, loans overdue for three months or more, and restructured loans among loans under the Insurance Business Act are as follows.

(Millions of yen)		
	As of March 31, 2022	As of March 31, 2023
Bankrupt or de facto bankrupt loans	31	30
Doubtful loans	28	18
Loans overdue for three months or more	35	34
Restructured loans	—	—
Total	96	83

Note) Bankrupt or de facto bankrupt loans represent loans to borrowers who are in bankruptcy due to reasons such as the filing of the petition for commencement of bankruptcy proceedings, reorganization proceedings, or rehabilitation proceedings. Doubtful loans represent, among loans which are not included in bankrupt or de facto bankrupt loans, loans for which the borrower is not yet bankrupt, but it is highly probable that the principal cannot be collected and interest cannot be received in accordance with the contract due to the deterioration of the financial condition and business performance of the borrower. Loans overdue for three months or more represent, among loans that are not included in bankrupt or de facto bankrupt loans and doubtful loans, loans on which the payment of principal or interest has been delayed for three months or more from the date following the due date. Restructured loans represent, among loans which are not included in bankrupt or de facto bankrupt loans, doubtful loans, and loans overdue for three months or more, loans on which favorable terms for the benefit of borrowers such as interest exemption or reduction, grace on interest payments, grace on principal repayments or forgiveness of debts have been granted in order to assist or facilitate the restructuring of borrowers in financial difficulties.

*5. Pledged assets and secured debts are as follows.

Pledged assets

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Deposits	83,835	30,610
Securities	608,872	788,282
Tangible fixed assets	1,606	928
Total	694,315	819,821

Note) The above figures are collateral for the borrowings and securities which are put into as deposited assets for overseas operation and others.

Secured debts

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Other liabilities (payables under securities lending transactions)	385,359	575,531
Other liabilities (borrowings)	239	134
Other liabilities (deposits)	47	—
Total	385,646	575,666

The above securities include pledged securities as collateral under securities lending transactions secured by cash. The amounts of securities are as follows.

(Millions of yen)

As of March 31, 2022	As of March 31, 2023
338,128	518,569

*6. The amounts of lending securities under loan agreements of securities are as follows.

(Millions of yen)

As of March 31, 2022	As of March 31, 2023
571,113	669,649

Notes to the Consolidated Statement of Income

*1 Main components of operating expenses are as follows.

(Millions of yen)

	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)
Agency commissions, etc.	574,545	627,049
Salaries	248,025	257,195

Note) Operating expenses represent the sum of loss adjustment expenses, operating, general and administrative expenses and net commissions and brokerage fees included in the consolidated statement of income.

Note to the Consolidated Statement of Comprehensive Income

*1 Reclassification adjustments and the related tax effects concerning other comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)
Unrealized gains and losses on securities available for sale		
The amount occurred during the period	(108,309)	(318,820)
Reclassification adjustments	(111,948)	(7,118)
Before tax effects adjustments	(220,257)	(325,938)
Tax effects	60,769	74,825
Unrealized gains and losses on securities available for sale	(159,488)	(251,113)
Deferred gains and losses on hedges		
The amount occurred during the period	(116)	3,662
Reclassification adjustments	(1,239)	(1,060)
Adjustments of asset acquisition cost	—	(4,012)
Before tax effects adjustments	(1,355)	(1,409)
Tax effects	378	393
Deferred gains and losses on hedges	(977)	(1,016)
Foreign currency translation adjustments		
The amount occurred during the period	71,828	122,626
Remeasurements of defined benefit plans		
The amount occurred during the period	7,786	6,217
Reclassification adjustments	275	(734)
Before tax effects adjustments	8,061	5,482
Tax effects	(2,306)	(1,511)
Remeasurements of defined benefit plans	5,755	3,971
Share of other comprehensive income of affiliates accounted for under the equity method		
The amount occurred during the period	272	(6)
Reclassification adjustments	(177)	(41)
Share of other comprehensive income of affiliates accounted for under the equity method	94	(47)
Total other comprehensive income	(82,787)	(125,580)

Notes to the Consolidated Statement of Changes in Net Assets

Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

1. Type and number of shares outstanding and of treasury stock

	Number of shares at the beginning of the period (thousand shares)	Increase during the period (thousand shares)	Decrease during the period (thousand shares)	Number of shares at the end of the period (thousand shares)
Shares outstanding				
Common stock	373,330	—	25,631	347,698
Total	373,330	—	25,631	347,698
Treasury stock				
Common stock	18,373	12,391	25,669	5,096
Total	18,373	12,391	25,669	5,096

Notes)

- Treasury stock of common stock at the beginning and the end of the period includes 991 thousand shares and 961 thousand shares in the Company held by the Board Benefit Trust (BBT), respectively.
- The decrease in the number of shares outstanding of common stock of 25,631 thousand shares is due to the decrease as a result of a cancellation of treasury stock in accordance with approval of the Board of Directors.
- Breakdown of increase in treasury stock of common stock of 12,391 thousand shares is as follows.
Increase due to acquisition of treasury stock in accordance with approval of the Board of Directors: 12,384 thousand shares
Increase due to purchase of shares less than a full trading unit: 6 thousand shares
- Breakdown of decrease in treasury stock of common stock of 25,669 thousand shares is as follows.
Decrease due to cancellation of treasury stock in accordance with approval of the Board of Directors: 25,631 thousand shares
Decrease due to disposal of treasury stock related to exercise of rights of the BBT: 30 thousand shares
Decrease due to disposal of treasury stock related to exercise of stock acquisition rights: 6 thousand shares
Decrease due to sales of shares less than a full trading unit: 0 thousand shares

2. Stock acquisition rights

Category	Breakdown of stock acquisition rights	Balance at the end of the period (millions of yen)
Sompo Holdings, Inc.	Stock acquisition rights for stock options	446
Total		446

3. Dividends

(1) Dividends paid

Resolution	Type of shares	Total amount of dividends (millions of yen)	Dividend per share (yen)	Record date	Effective date
General Shareholders' Meeting held on June 28, 2021	Common stock	32,035	90	March 31, 2021	June 29, 2021
Board of Directors' Meeting held on November 19, 2021	Common stock	36,711	105	September 30, 2021	December 7, 2021

Notes)

- The "total amount of dividends" based on the resolution of the General Shareholders' Meeting held on June 28, 2021 includes 89 million yen in dividends paid on the shares in the Company held by the BBT.
- The "total amount of dividends" based on the resolution of the Board of Directors held on November 19, 2021 includes 100 million yen in dividends paid on the shares in the Company held by the BBT.

(2) Of dividends recorded in the current fiscal year, dividends effective in the following fiscal year

Resolution	Type of shares	Total amount of dividends (millions of yen)	Source of dividends	Dividend per share (yen)	Record date	Effective date
General Shareholders' Meeting held on June 27, 2022	Common stock	36,074	Retained earnings	105	March 31, 2022	June 28, 2022

Note) The "total amount of dividends" based on the resolution of the General Shareholders' Meeting held on June 27, 2022 includes 100 million yen in dividends to be paid on the shares in the Company held by the BBT.

Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

1. Type and number of shares outstanding and of treasury stock

	Number of shares at the beginning of the period (thousand shares)	Increase during the period (thousand shares)	Decrease during the period (thousand shares)	Number of shares at the end of the period (thousand shares)
Shares outstanding				
Common stock	347,698	—	—	347,698
Total	347,698	—	—	347,698
Treasury stock				
Common stock	5,096	9,709	190	14,615
Total	5,096	9,709	190	14,615

Notes)

- Treasury stock of common stock at the beginning and the end of the period includes 961 thousand shares and 853 thousand shares in the Company held by the Board Benefit Trust (BBT), respectively.
- Breakdown of increase in treasury stock of common stock of 9,709 thousand shares is as follows.
Increase due to acquisition of treasury stock in accordance with approval of the Board of Directors: 9,704 thousand shares
Increase due to purchase of shares less than a full trading unit: 4 thousand shares
- Breakdown of decrease in treasury stock of common stock of 190 thousand shares is as follows.
Decrease due to disposal of treasury stock related to exercise of rights of the BBT: 107 thousand shares
Decrease due to disposal of treasury stock related to exercise of stock acquisition rights: 82 thousand shares
Decrease due to sales of shares less than a full trading unit: 0 thousand shares

2. Stock acquisition rights

Category	Breakdown of stock acquisition rights	Balance at the end of the period (millions of yen)
Sompo Holdings, Inc.	Stock acquisition rights for stock options	269
Total		269

3. Dividends

(1) Dividends paid

Resolution	Type of shares	Total amount of dividends (millions of yen)	Dividend per share (yen)	Record date	Effective date
General Shareholders' Meeting held on June 27, 2022	Common stock	36,074	105	March 31, 2022	June 28, 2022
Board of Directors' Meeting held on November 18, 2022	Common stock	43,742	130	September 30, 2022	December 6, 2022

Notes)

- The "total amount of dividends" based on the resolution of the General Shareholders' Meeting held on June 27, 2022 includes 100 million yen in dividends paid on the shares in the Company held by the BBT.
- The "total amount of dividends" based on the resolution of the Board of Directors held on November 18, 2022 includes 111 million yen in dividends paid on the shares in the Company held by the BBT.

(2) Of dividends recorded in the current fiscal year, dividends effective in the following fiscal year

Resolution	Type of shares	Total amount of dividends (millions of yen)	Source of dividends	Dividend per share (yen)	Record date	Effective date
General Shareholders' Meeting held on June 26, 2023	Common stock	43,411	Retained earnings	130	March 31, 2023	June 27, 2023

Note) The "total amount of dividends" based on the resolution of the General Shareholders' Meeting to be held on June 26, 2023 includes 110 million yen in dividends to be paid on the shares in the Company held by the BBT.

Notes to the Consolidated Statement of Cash Flows

*1. Reconciliation of cash and cash equivalents at the end of the period to the line items represented in the consolidated balance sheet

(Millions of yen)

	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)
Cash and deposits	1,170,892	1,246,638
Receivables under resale agreements	73,999	69,999
Monetary receivables bought	20,104	21,915
Securities	9,542,035	9,808,182
Time deposits with original maturities of more than 3 months	(56,285)	(75,860)
Monetary receivables bought other than cash equivalents	(20,104)	(20,366)
Securities other than cash equivalents	(9,523,335)	(9,779,469)
Cash and cash equivalents	1,207,306	1,271,040

2. Significant non-cash transactions

None.

3. Cash flows from investing activities include cash flows from investment activities conducted as a part of insurance business.

Lease Transactions

Operating lease transactions

Future lease payments related to non-cancelable operating leases

(Lessee)

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Due within one year	18,705	19,197
Due after one year	159,977	168,068
Total	178,682	187,266

(Lessor)

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Due within one year	324	278
Due after one year	1,497	1,129
Total	1,821	1,407

Financial Instruments

1. Overview of financial instruments

(1) Our policy to manage financial instruments

As SOMPO HOLDINGS is mainly engaged in insurance businesses and recognizes the characteristic of investment fund for the insurance company, SOMPO HOLDINGS manages the investment assets based on the perspectives of safety, liquidity and profitability. Further, in order to appropriately manage investment assets related to long-term insurance liabilities related to life insurance and savings-type insurance, SOMPO HOLDINGS intends to stabilize returns for the future maturity refunds to policyholders by the methodology based on ALM (integrated management of assets and liabilities).

In addition, with a view to strengthen the financial structure, the consolidated subsidiary increased its capital substantively by the issuance of subordinated bond (i.e. hybrid finance) which is deemed as capital to some extent by major credit rating agencies.

(2) The nature and risk of financial instruments

As financial instruments which SOMPO HOLDINGS holds are mainly securities such as bonds and stocks, SOMPO HOLDINGS is exposed to risks (market risks) associated with price fluctuations of investments, which are influenced by stock prices, interest rates and foreign exchange rates, as well as risks (liquidity risks) that securities may not be traded or may be forced to be traded at far more unfavorable prices than under normal conditions due to a market crisis, etc.

In addition, the securities and the loans which SOMPO HOLDINGS holds are exposed to credit risks which would cause a significant decrease in their value or uncollectible interest and principal due to the reasons such as deterioration of creditworthiness and bankruptcy of the issuer and the borrower.

Regarding derivative transactions, SOMPO HOLDINGS utilizes derivatives to hedge risks on assets held. These also involve market risks and credit risks.

Please refer to the note on "(6) Significant hedge accounting" in "4. Accounting policies" in "1. Significant Accounting Policies for the Preparation of the Consolidated Financial Statements" for derivative transactions which hedge accounting is applied to.

(3) The risk management systems regarding financial instruments

The Company has established the risk management systems to appropriately identify, evaluate and control risks and accurately respond when risks emerge through strategic risk management (ERM) designed to maximize the corporate value of SOMPO HOLDINGS, as described below.

With the aim of maintaining strategic risk management, the Company's Board of Directors has established the "SOMPO Group Basic Policy on ERM," which sets forth principles for accurately assessing the group-wide status of risk exposure and managing the various types of risk in a comprehensive manner. With the aim of enabling appropriate management decision making based upon assessment of group-wide risk, the Company established Group ERM committee. Moreover, the Risk Management Department was established to promote the Company's efforts to develop and enhance its risk management systems.

Through the model of investment risks, the Company manages market risks, credit risks and real estate investment risk. In addition, the Company comprehensively manages risks, including the risk of invested assets failing to yield assumed interest rates with regard to insurance liabilities related to savings-type insurance held by its insurance subsidiaries. The Company obtains investment assets information on a daily basis and quantifies investment risks. Further, the Company utilizes risk management by setting stress scenarios to cover events that could cause a material impact on the operations of SOMPO HOLDINGS, and performing stress tests to assess and measure risks comprehensively.

As to credit risks, in order to avoid concentrating the risks on specific borrowers, the Company has set credit limits and manages the risks appropriately for the whole group.

As to liquidity risks, the Company has developed systems for its insurance subsidiaries to forecast payments for claims, etc. upon occurrence of liquidity risk scenarios, such as catastrophic events, to adequately manage and ensure the liquid assets to cope with these payments.

Each group company has rules formulated in reference to the SOMPO Group Basic Policy on ERM, thereby developing risk management systems appropriate to the content, scale, and characteristics of their particular

business activities and implementing autonomous risk management. In addition, insurance subsidiaries place considerable emphasis on managing various types of risk in ways tailored to their particular risk profile. By doing so, these subsidiaries are appropriately addressing risks that could significantly affect their operations.

(4) Supplemental explanation about the fair value of financial instruments

In view that certain assumption is employed to measure the fair value of financial instruments, the resulting value might differ depending on the assumption to be applied. "Notional amount" on each table in notes on "Derivative Transactions" shows contract amounts or notional amounts of derivative transactions. These amounts do not show the volume of market risk or credit risk regarding derivative transactions.

2. Financial instruments' fair value, etc. and breakdown by level of fair value

Carrying amount, fair value, unrealized gains and losses and fair value by level are as follows.

Stocks and others without a quoted market price and Investments in Partnerships, etc are not included in the following table (Please refer to Note 3).

The fair value of financial instruments is classified into the following three levels according to the observability and materiality of inputs used to measure the fair value.

Level 1 fair value: Fair value measured using observable inputs, of which quoted market prices in active markets for assets or liabilities that are the subject of the measurement.

Level 2 fair value: Fair value measured using observable inputs other than Level 1 inputs.

Level 3 fair value: Fair value measured using unobservable inputs.

If multiple inputs are used that are significant to the fair value measurement, the fair value measurement is categorized in the level of the lowest level input among the level to which each of the inputs belongs.

(1) Financial instruments measured at fair value on the consolidated balance sheet

As of March 31, 2022

(Millions of yen)

	Carrying amount			
	Level 1	Level 2	Level 3	Total
Monetary receivables bought	—	20,104	—	20,104
Money trusts	—	20,815	—	20,815
Securities:				
Trading securities				
Domestic bonds	4,490	1,808	—	6,299
Domestic stocks	8,978	—	—	8,978
Foreign securities	15,282	2,024	—	17,307
Securities available for sale ^{(*)1}				
Domestic bonds	1,038,805	970,193	—	2,008,999
Domestic stocks	1,230,493	—	—	1,230,493
Foreign securities	979,228	1,733,201	27,654	2,740,083
Others	1,281	—	16	1,297
Total assets	3,278,559	2,748,148	27,670	6,054,378
Derivative transactions ^{(*)2} ^{(*)3} :				
Currency-related	—	(79,532)	—	(79,532)
Interest-related	—	4,629	—	4,629
Bond-related	—	3,317	—	3,317
Others	16	(28)	264	252
Total derivative transactions	16	(71,613)	264	(71,332)

^{(*)1} Investment trusts to which the transitional treatment provided in Paragraph 26 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, July 4, 2019) is applied are not included in the balance of this tally. The carrying amount of the investment trusts on the consolidated balance sheet is 1,066,604 million yen.

^{(*)2} This table collectively shows derivative transactions which are included in other assets and other liabilities. Net assets and liabilities from derivative transactions are shown on the net basis. The items which are net liabilities in total are shown in the brackets [].

^{(*)3} Among the derivative transactions, the carrying amount of transactions to which hedge accounting is applied is (65,511) million yen.

As of March 31, 2023

(Millions of yen)

	Carrying amount			
	Level 1	Level 2	Level 3	Total
Monetary receivables bought	—	21,915	—	21,915
Money trusts	—	21,236	—	21,236
Securities:				
Trading securities				
Domestic bonds	4,688	1,394	—	6,083
Domestic stocks	9,591	—	—	9,591
Foreign securities	15,967	7,931	—	23,898
Securities available for sale				
Domestic bonds	742,025	801,862	—	1,543,888
Domestic stocks	1,233,564	—	—	1,233,564
Foreign securities	1,132,532	2,001,162	697,810	3,831,505
Others	69,189	2,242	160,308	231,741
Total assets	3,207,560	2,857,745	858,119	6,923,425
Derivative transactions ^{(*)1} ^{(*)2} :				
Currency-related	—	(11,139)	—	(11,139)
Interest-related	—	3,261	—	3,261
Stock-related	(1)	—	—	(1)
Bond-related	—	7,694	—	7,694
Others	(1)	(27)	(265)	(295)
Total derivative transactions	(3)	(210)	(265)	(479)

^{(*)1} This table collectively shows derivative transactions which are included in other assets and other liabilities. Net assets and liabilities from derivative transactions are shown on the net basis. The items which are net liabilities in total are shown in the brackets [].

^{(*)2} Among the derivative transactions, the carrying amount of transactions to which hedge accounting is applied is (6,881) million yen.

(2) Financial instruments other than those measured at fair value on the consolidated balance sheet

"Cash and deposits," "receivables under resale agreements," and "payables under securities lending transactions" are omitted, as the majority of these are short term (within 1 year) and the fair value approximates the book value.

As of March 31, 2022

(Millions of yen)

	Fair value				Carrying amount	Unrealized gains and losses
	Level 1	Level 2	Level 3	Total		
Securities:						
Bonds held to maturity						
Domestic bonds	1,227,242	180,397	—	1,407,640	1,204,717	202,922
Foreign securities	7,273	21,520	—	28,794	22,520	6,273
Policy reserve matching bonds						
Domestic bonds	923,917	10,420	—	934,337	966,496	(32,159)
Loans ^(*)	—	—	547,076	547,076	536,108	10,968
Total assets	2,158,434	212,338	547,076	2,917,848	2,729,843	188,005
Corporate bonds	—	552,806	—	552,806	539,742	13,064
Total liabilities	—	552,806	—	552,806	539,742	13,064

^(*) This figure represents deductions to loans of 24 million yen as general and individual allowance for possible credit losses.

As of March 31, 2023

(Millions of yen)

	Fair value				Carrying amount	Unrealized gains and losses
	Level 1	Level 2	Level 3	Total		
Securities:						
Bonds held to maturity						
Domestic bonds	1,181,881	164,846	—	1,346,728	1,208,639	138,089
Foreign securities	26	12,766	—	12,792	12,845	(53)
Policy reserve matching bonds						
Domestic bonds	1,299,564	9,585	—	1,309,149	1,410,404	(101,255)
Loans ^(*)	—	—	492,119	492,119	484,114	8,004
Total assets	2,481,472	187,197	492,119	3,160,789	3,116,003	44,785
Corporate bonds	—	605,519	—	605,519	609,051	(3,532)
Total liabilities	—	605,519	—	605,519	609,051	(3,532)

(*) This figure represents deductions to loans of 31 million yen as general and individual allowance for possible credit losses.

Notes

1. A description of the valuation technique(s) and inputs used in the fair value measurements

Assets

Monetary receivables bought

The fair value is measured at prices obtained from third parties and is classified as Level 2 fair value based on the inputs used for the prices obtained.

Money trusts

In principle, the fair value is measured at the value of securities managed as a trust asset calculated by the same method used for "securities" and is classified as Level 2 fair value based on the level of such securities.

Securities

The fair value of securities for which unadjusted quoted market prices in active markets are available is classified as Level 1 fair value. This mainly includes stocks, government bonds and listed investment trusts. If a publicly available quoted market price is used but the market is not active, the fair value of such securities is classified as Level 2 fair value. This mainly includes municipal bonds and corporate bonds.

For unlisted investment trusts, the fair value is measured at published quoted market prices, etc. provided by the investment trust management company, and is classified as Level 2 or Level 3 fair value based primarily on the level of the components of the trust assets. The fair value of private placement bonds is measured at the value calculated using prices obtained from third parties. The fair value that uses observable inputs or where the effect of unobservable inputs is not material is classified as Level 2 fair value, while those that use significant unobservable inputs are classified as Level 3 fair value.

Loans

The fair value of loans is measured at the amount obtained by discounting expected future cash flows to be collected for each loan by a discount rate equal to the risk free rate for the corresponding period plus a credit risk premium and a liquidity premium based on internal ratings, and is classified as Level 3 fair value.

Liabilities

Corporate bonds

The fair value of corporate bonds is measured at the value calculated using prices on exchanges and the price published by industry associations, etc. and is classified as Level 2 fair value.

Derivative transactions

The fair value of exchange traded transactions is based on the closing price of exchanges, etc. The fair value of OTC transactions is measured at the value calculated based on the discounted present value of future cash flows and option pricing models using inputs such as interest rates and foreign exchange rates.

The fair value of exchange traded transactions is mainly classified as Level 1 fair value. The fair value of OTC transactions that use observable inputs or where the effect of unobservable inputs is not material is classified as Level 2 fair value, while those that use significant unobservable inputs are classified as Level 3 fair value.

2. Level 3 fair value of financial instruments measured at fair value on the consolidated balance sheet

(1) Reconciliation from the balance at the beginning of the period to the balance at the end of the period and unrealized gains (losses) included in profit or loss

As of March 31, 2022

(Millions of yen)

	Securities	Derivative transactions
	Securities available for sale	Others
Balance at the beginning of the period	13,418	2,119
Profit or loss or other comprehensive income for the period		
Recorded in profit or loss ^(*)	(387)	746
Recorded in other comprehensive income ^(**)	2,331	237
Purchases, sales, issuances and settlements	12,308	(2,839)
Balance at the end of the period	27,670	264
Net realized and unrealized gains and losses of financial instruments held at the end of the reporting period included in profit or loss for the period ^(*)	—	962

(*) Included in "investment income" and "investment expenses" in the consolidated statement of income.

(**) Included in "Unrealized gains and losses on securities available for sale" and "foreign currency translation adjustments" of "other comprehensive income" in the consolidated statement of comprehensive income.

As of March 31, 2023

(Millions of yen)

	Securities	Derivative transactions
	Securities available for sale	Others
Balance at the beginning of the period	753,556	264
Profit or loss or other comprehensive income for the period		
Recorded in profit or loss ^(*)	8,896	990
Recorded in other comprehensive income ^(**)	(13,617)	135
Purchases, sales, issuances and settlements	109,283	(1,656)
Balance at the end of the period	858,119	(265)
Net realized and unrealized gains and losses of financial instruments held at the end of the reporting period included in profit or loss for the period ^(*)	15,353	372

(*) Included in "investment income" and "investment expenses" in the consolidated statement of income.

(**) Included in "Unrealized gains and losses on securities available for sale" and "foreign currency translation adjustments" of "other comprehensive income" in the consolidated statement of comprehensive income.

(2) A description of valuation processes used in fair value measurements

The fair values of financial instruments held by departments that trade financial instruments are measured and verified in accordance with basic policies stipulated by each group company. The measurement results are verified by departments independent from the departments that trade financial instruments.

In measuring fair value, the Company uses a valuation model that most appropriately reflects the nature, characteristics and risks of each asset. In addition, when using quoted market prices obtained from third parties, the Company verifies whether the prices are valid using appropriate methods, such as by confirming the valuation techniques and inputs used.

3. The carrying amounts of stocks and others without a quoted market price and Investments in Partnerships, etc. on the consolidated balance sheet are as follows. They are not included in "securities" in the table disclosed in fair value and breakdown by level of fair value of financial instruments.

(Millions of yen)

	Carrying amount	Carrying amount
	As of March 31, 2022	As of March 31, 2023
Stocks and others without a quoted market price ^(*)	82,955	95,252
Investments in Partnerships, etc. ^(**)	185,280	200,767

(*) Stocks and others without a quoted market price include unlisted stocks, and they are not subject to fair value disclosure in accordance with Paragraph 5 of the "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19).

(**) Investments in Partnerships, etc. are mainly investment partnerships, and they are not subject to fair value disclosure in accordance with Paragraph 24-16 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31).

4. The redemption amounts after the consolidated balance sheet date for monetary receivables and fixed maturity securities

As of March 31, 2022

	(Millions of yen)			
	Due within 1 year	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
Deposits	1,164,562	6,228	—	—
Receivables under resale agreements	73,999	—	—	—
Monetary receivables bought	—	969	—	19,117
Securities:				
Bonds held to maturity:				
Government bonds	6,300	83,765	225,541	727,377
Municipal bonds	—	1,000	—	43,400
Corporate bonds	4,400	4,500	800	99,300
Foreign securities	4,962	10,552	653	—
Policy reserve matching bonds:				
Government bonds	—	—	6,000	948,900
Corporate bonds	—	—	—	11,900
Fixed maturity securities available for sale:				
Government bonds	87,016	150,045	248,104	467,694
Municipal bonds	—	1,800	9,500	11,500
Corporate bonds	31,583	153,322	75,490	599,810
Foreign securities	198,283	1,050,253	793,283	942,791
Others	11,518	7,029	26,204	1,205
Loans ^(*)	184,035	254,976	62,538	34,571
Total	1,766,662	1,724,442	1,448,116	3,907,567

(*) 7 million yen of loans whose redemption amounts are not estimable such as loans to borrowers in bankruptcy, legally or substantially in bankruptcy and who are highly probable to go bankrupt in the future are not included.

As of March 31, 2023

	(Millions of yen)			
	Due within 1 year	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
Deposits	1,237,525	9,003	—	—
Receivables under resale agreements	69,999	—	—	—
Monetary receivables bought	1,552	380	—	20,117
Securities:				
Bonds held to maturity:				
Government bonds	7,100	251,135	91,171	703,777
Municipal bonds	—	1,000	—	43,400
Corporate bonds	4,200	500	600	99,300
Foreign securities	3,812	6,364	2,615	—
Policy reserve matching bonds:				
Government bonds	—	—	—	1,452,400
Corporate bonds	—	—	—	11,900
Fixed maturity securities available for sale:				
Government bonds	38,016	146,969	143,685	381,960
Municipal bonds	—	5,300	6,500	11,500
Corporate bonds	36,324	125,209	70,547	503,039
Foreign securities	184,667	1,191,547	977,900	1,132,442
Others	247	19,206	25,416	1,170
Loans ^(*)	170,862	227,149	58,494	27,631
Total	1,754,307	1,983,766	1,376,929	4,388,638

(*) 6 million yen of loans whose redemption amounts are not estimable such as loans to borrowers in bankruptcy, legally or substantially in bankruptcy and who are highly probable to go bankrupt in the future are not included.

5. The contractual payment amounts of the corporate bonds, long-term borrowings, lease obligations and other interest-bearing debt after the consolidated balance sheet date

As of March 31, 2022

	(Millions of yen)					
	Due within 1 year	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Corporate bonds	34,506	—	—	—	—	498,612
Long-term borrowings	15,256	48	41	14	13	71
Lease obligations	9,048	8,437	7,522	6,957	6,428	39,870
Payables under securities lending transactions	385,359	—	—	—	—	—
Total	444,171	8,486	7,564	6,971	6,441	538,554

As of March 31, 2023

	(Millions of yen)					
	Due within 1 year	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Corporate bonds	—	—	—	—	85,829	516,222
Long-term borrowings	1,294	1,288	1,261	1,261	1,241	26
Lease obligations	10,868	8,941	8,278	7,284	6,516	38,477
Payables under securities lending transactions	575,531	—	—	—	—	—
Total	587,694	10,230	9,540	8,545	93,587	554,726

Securities

1. Trading securities

	(Millions of yen)	
	As of March 31, 2022	As of March 31, 2023
Unrealized gains and losses recognized in the statement of income	1,639	2,635

2. Bonds held to maturity

As of March 31, 2022

	(Millions of yen)			
	Carrying amount	Fair value	Unrealized gains and losses	
Securities whose fair value exceeds their carrying amount	Domestic bonds	1,086,043	1,295,977	209,934
	Foreign securities	19,545	25,851	6,305
	Subtotal	1,105,589	1,321,829	216,239
Securities whose fair value does not exceed their carrying amount	Domestic bonds	118,674	111,662	(7,011)
	Foreign securities	2,975	2,942	(32)
	Subtotal	121,649	114,605	(7,043)
Total	1,227,238	1,436,434	209,195	

As of March 31, 2023

	(Millions of yen)			
	Carrying amount	Fair value	Unrealized gains and losses	
Securities whose fair value exceeds their carrying amount	Domestic bonds	1,076,224	1,231,876	155,652
	Foreign securities	6,477	6,566	89
	Subtotal	1,082,701	1,238,442	155,741
Securities whose fair value does not exceed their carrying amount	Domestic bonds	132,414	114,851	(17,563)
	Foreign securities	6,368	6,226	(142)
	Subtotal	138,783	121,077	(17,705)
Total	1,221,484	1,359,520	138,036	

3. Policy reserve matching bonds

As of March 31, 2022

	(Millions of yen)			
	Carrying amount	Fair value	Unrealized gains and losses	
Securities whose fair value exceeds their carrying amount	Domestic bonds	244,471	261,774	17,303
Securities whose fair value does not exceed their carrying amount	Domestic bonds	722,025	672,562	(49,462)
Total	966,496	934,337	(32,159)	

As of March 31, 2023

(Millions of yen)

		Carrying amount	Fair value	Unrealized gains and losses
Securities whose fair value exceeds their carrying amount	Domestic bonds	187,245	198,839	11,593
Securities whose fair value does not exceed their carrying amount	Domestic bonds	1,223,159	1,110,309	(112,849)
Total		1,410,404	1,309,149	(101,255)

4. Securities available for sale

As of March 31, 2022

(Millions of yen)

		Carrying amount	Cost	Unrealized gains and losses
Securities whose carrying amount exceeds their cost	Domestic bonds	1,271,303	1,168,831	102,472
	Domestic stocks	1,191,869	379,955	811,913
	Foreign securities	2,113,763	1,810,929	302,833
	Others	190,781	165,269	25,512
	Subtotal	4,767,718	3,524,986	1,242,731
Securities whose carrying amount does not exceed their cost	Domestic bonds	737,695	762,653	(24,957)
	Domestic stocks	38,624	45,836	(7,212)
	Foreign securities	1,636,053	1,688,726	(52,673)
	Others	92,099	93,379	(1,279)
	Subtotal	2,504,472	2,590,595	(86,122)
Total		7,272,190	6,115,581	1,156,609

Notes)

1. Stocks and others without a quoted market price and Investments in Partnerships are not included in the above table.
2. Certificate of deposit classified as cash and deposits and beneficial interests in the loan trusts classified as monetary receivables bought in the consolidated balance sheet are included in "Others" above.

As of March 31, 2023

(Millions of yen)

		Carrying amount	Cost	Unrealized gains and losses
Securities whose carrying amount exceeds their cost	Domestic bonds	737,040	680,127	56,913
	Domestic stocks	1,211,725	370,543	841,181
	Foreign securities	1,221,400	1,017,548	203,852
	Others	188,026	174,656	13,370
	Subtotal	3,358,193	2,242,875	1,115,318
Securities whose carrying amount does not exceed their cost	Domestic bonds	806,847	865,614	(58,767)
	Domestic stocks	21,838	24,806	(2,967)
	Foreign securities	2,610,105	2,852,932	(242,826)
	Others	133,788	139,486	(5,698)
	Subtotal	3,572,579	3,882,840	(310,260)
Total		6,930,773	6,125,715	805,057

Notes)

1. Stocks and others without a quoted market price and Investments in Partnerships are not included in the above table.
2. Certificate of deposit classified as cash and deposits and beneficial interests in the loan trusts, etc. classified as monetary receivables bought in the consolidated balance sheet are included in "Others" above.

5. Policy reserve matching bonds sold during the fiscal years ended March 31, 2022 and 2023

Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

None.

Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(Millions of yen)

	Proceeds from sales	Gains on sales	Losses on sales
Domestic bonds	76,574	4,332	76
Total	76,574	4,332	76

6. Securities available for sale sold during the fiscal years ended March 31, 2022 and 2023

Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(Millions of yen)

	Proceeds from sales	Gains on sales	Losses on sales
Domestic bonds	151,559	979	5,584
Domestic stocks	52,983	39,042	1,293
Foreign securities	917,840	69,110	4,880
Others	5,495	2,950	111
Total	1,127,878	112,082	11,869

Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(Millions of yen)

	Proceeds from sales	Gains on sales	Losses on sales
Domestic bonds	324,704	19,014	14,537
Domestic stocks	74,018	42,802	670
Foreign securities	862,845	5,612	43,356
Others	12,735	3,766	11
Total	1,274,303	71,197	58,576

7. Securities for which impairment losses are recognized during the fiscal years ended March 31, 2022 and 2023

For the fiscal year ended March 31, 2022, impairment losses on securities available for sale (excluding stocks and others without a quoted market price and Investments in Partnerships) amount to 2,944 million yen (domestic stocks: 1,537 million yen, foreign securities: 1,406 million yen), and impairment losses on stocks and others without a quoted market price and Investments in Partnerships amount to 1,110 million yen (domestic stocks: 744 million yen, foreign securities: 366 million yen).

For the fiscal year ended March 31, 2023, impairment losses on securities available for sale (excluding stocks and others without a quoted market price and Investments in Partnerships) amount to 9,839 million yen (domestic stocks: 882 million yen, foreign securities: 8,940 million yen, other: 16 million yen), and impairment losses on stocks and others without a quoted market price and Investments in Partnerships amount to 1,535 million yen (domestic stocks: 1,034 million yen, foreign securities: 501 million yen).

Basically, impairment losses on securities are recognized if fair value at the end of the fiscal year declines by 30% or more from their cost.

Money Trusts

1. Money trusts for trading purposes

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Unrealized gains and losses recognized in the statement of income	(32)	6

2. Money trusts held to maturity

None.

3. Money trusts classified as other than trading purposes or held to maturity

As of March 31, 2022

(Millions of yen)

	Carrying amount	Cost	Unrealized gains and losses
Money trusts	20,269	14,952	5,316

As of March 31, 2023

(Millions of yen)

	Carrying amount	Cost	Unrealized gains and losses
Money trusts	20,836	17,353	3,482

4. Money trusts for which impairment losses are recognized during the fiscal years ended March 31, 2022 and 2023

For the fiscal year ended March 31, 2022, impairment losses on securities managed as trust assets in money trust classified as other than trading purposes or held to maturity (excluding stocks and others without a quoted market price and Investments in Partnerships) amount to 12 million yen.

For the fiscal year ended March 31, 2023, impairment losses on securities managed as trust assets in money trust classified as other than trading purposes or held to maturity (excluding stocks and others without a quoted market price and Investments in Partnerships) amount to 89 million yen.

Basically, impairment losses on securities are recognized if fair value at the end of the fiscal year declines by 30% or more from their cost.

Derivative Transactions

1. Derivative transactions to which hedge accounting is not applied

(1) Currency derivatives

As of March 31, 2022

(Millions of yen)

	Notional amount		Fair value	Unrealized gains and losses
		Due after 1 year		
Over-the-counter transactions:				
Forward foreign exchanges:				
Short	50,394	—	(3,382)	(3,382)
Long	2,280	—	1,472	1,472
Currency options:				
Short	12,087	—	(254)	(240)
Long	10,250	—	1	(12)
Currency swaps	20,835	—	(7,102)	(7,102)
Total	—	—	(9,265)	(9,265)

As of March 31, 2023

(Millions of yen)

	Notional amount		Fair value	Unrealized gains and losses
		Due after 1 year		
Over-the-counter transactions:				
Forward foreign exchanges:				
Short	70,685	—	(1,203)	(1,203)
Long	14,424	—	241	241
Currency options:				
Long	10,000	—	6	(15)
Currency swaps	1,992	—	42	42
Total	—	—	(912)	(934)

(2) Interest rate derivatives

As of March 31, 2022

(Millions of yen)

	Notional amount		Fair value	Unrealized gains and losses
		Due after 1 year		
Market transactions:				
Interest rate futures:				
Short	4,462	—	(11)	(11)
Over-the-counter transactions:				
Interest rate swaps:				
Receipt fix / Payment float	3,962	2,306	(114)	(114)
Total	—	—	(126)	(126)

As of March 31, 2023

(Millions of yen)

	Notional amount		Fair value	Unrealized gains and losses
		Due after 1 year		
Market transactions:				
Interest rate futures:				
Short	5,507	—	(2)	(2)
Long	743	—	(0)	(0)
Over-the-counter transactions:				
Interest rate swaps:				
Receipt fix / Payment float	3,280	—	(82)	(82)
Total	—	—	(84)	(84)

(3) Equity derivatives

As of March 31, 2022

None.

As of March 31, 2023

(Millions of yen)

	Notional amount		Fair value	Unrealized gains and losses
		Due after 1 year		
Market transactions:				
Stock index futures:				
Short	3,504	—	(1)	(1)
Total	—	—	(1)	(1)

(4) Bond derivatives

As of March 31, 2022

(Millions of yen)

	Notional amount		Fair value	Unrealized gains and losses
		Due after 1 year		
Over-the-counter transactions:				
Bonds forwards:				
Short	6,360	—	(6,462)	15
Long	9,600	—	9,780	(0)
Total	—	—	3,317	14

As of March 31, 2023

(Millions of yen)

	Notional amount		Fair value	Unrealized gains and losses
		Due after 1 year		
Over-the-counter transactions:				
Bonds forwards:				
Short	11,783	—	(10,598)	149
Long	20,449	—	18,292	(149)
Total	—	—	7,694	(0)

(5) Others

As of March 31, 2022

(Millions of yen)

	Notional amount	Fair value		
		Due after 1 year		Unrealized gains and losses
Market transactions:				
Credit derivatives:				
Short	1,260	1,087	21	21
Over-the-counter transactions:				
Weather derivatives:				
Short	8,389	4,139	(1,401)	149
Long	2,548	1,655	2,260	229
Earthquake derivatives:				
Short	94,575	10	(854)	668
Long	40,698	6	277	(237)
Loss development cover:				
Short	2,916	2,916	(50)	(50)
Total	—	—	252	781

As of March 31, 2023

(Millions of yen)

	Notional amount	Fair value		
		Due after 1 year		Unrealized gains and losses
Market transactions:				
Credit derivatives:				
Short	1,355	691	18	18
Over-the-counter transactions:				
Weather derivatives:				
Short	4,664	—	(75)	45
Long	1,080	—	386	(10)
Earthquake derivatives:				
Short	98,150	—	(869)	690
Long	43,810	—	290	(251)
Loss development cover:				
Short	3,363	3,363	(45)	(45)
Total	—	—	(295)	446

2. Derivative transactions to which hedge accounting is applied

(1) Currency derivatives

As of March 31, 2022

(Millions of yen)

Methods for hedge accounting	Type	Main hedged items	Notional amount	Fair value	
				Due after 1 year	
Fair value hedge	Forward foreign exchanges: Short	Securities available for sale	996,690	—	(67,529)
				—	
	Currency options: Short Long	Securities available for sale	164,123	—	(2,764)
142,983			—	27	
Assignment accounting for forward foreign exchange contracts and others	Currency swaps	Foreign currency denominated corporate bonds (liabilities) and foreign currency denominated borrowings	142,767	—	Note
Total			—	—	(70,267)

Note) Forward foreign exchange contracts and others to which assignment accounting is applied are treated along with hedged items, i.e., foreign currency denominated corporate bonds (liabilities) and foreign currency denominated borrowings. The fair value of foreign currency denominated corporate bonds (liabilities) is included in the fair value of corporate bonds in "Financial Instruments."

As of March 31, 2023

(Millions of yen)

Methods for hedge accounting	Type	Main hedged items	Notional amount	Fair value	
				Due after 1 year	
Fair value hedge	Forward foreign exchanges: Short	Securities available for sale	696,497	—	(10,198)
				—	
	Currency options: Short Long	Securities available for sale	184,412	—	(241)
153,228			—	213	
Total			—	—	(10,227)

(2) Interest rate derivatives

As of March 31, 2022

(Millions of yen)

Methods for hedge accounting	Type	Main hedged items	Notional amount	Fair value	
				Due after 1 year	
Deferred hedge	Interest rate swaps: Receipt fix / Payment float	Insurance liabilities	52,500	44,500	4,755
Total			—	—	4,755

As of March 31, 2023

(Millions of yen)

Methods for hedge accounting	Type	Main hedged items	Notional amount	Fair value	
				Due after 1 year	
Deferred hedge	Interest rate swaps: Receipt fix / Payment float	Insurance liabilities	44,500	37,000	3,346
Total			—	—	3,346

Retirement Benefits

1. Outline of retirement benefit plans

In addition to a defined contribution pension plan, the Company provides defined benefit plans with a lump-sum payments retirement plan.

In addition to a defined contribution pension plan, Sompo Japan Insurance Inc., which is a consolidated subsidiary of the Company, provides defined benefit plans with a lump-sum payments retirement plan, a contract-type corporate pension plan and a self-administered corporate pension plan for both retired employees who are already receiving pension and those who are eligible for employees' benefits but have not yet reached the pension commencement age. Sompo Japan Insurance Inc. also sets up a retirement benefit trust.

The other domestic consolidated subsidiaries provide a contract-type corporate pension plan and an unfunded retirement plan with lump-sum payments as defined benefit type in addition to defined contribution pension plans. Certain foreign consolidated subsidiaries have retirement benefit plans such as defined contribution type and defined benefit type.

Net defined benefit liability and retirement benefit expenses regarding lump-sum payments retirement plan are calculated by using the simplified accounting methods.

2. Defined benefit plans

(1) Reconciliation of beginning and ending balances of the retirement benefit obligation

(Millions of yen)

	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)
Retirement benefit obligation at the beginning of the period	182,092	176,012
Service cost	11,554	11,050
Interest cost	1,023	1,180
The amount of actuarial difference occurred	(2,683)	(5,424)
Retirement benefit paid	(16,077)	(17,631)
The amount of prior service costs occurred	24	—
Changes in the scope of consolidation	—	960
Others	78	423
Retirement benefit obligation at the end of the period	176,012	166,570

Note) Retirement benefit expenses calculated by using the simplified accounting methods are included in "Service cost."

(2) Reconciliation of beginning and ending balances of plan assets

(Millions of yen)

	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)
Plan assets at the beginning of the period	101,943	106,740
Expected return on plan assets	400	388
The amount of actuarial difference occurred	5,002	1,065
The amount of employer contributions	1,360	1,522
Retirement benefit paid	(2,033)	(2,042)
Others	65	392
Plan assets at the end of the period	106,740	108,066

(3) Reconciliation of the ending balances of retirement benefit obligation and plan assets, and net defined benefit liability and net defined benefit asset recorded on the consolidated balance sheet

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Funded retirement benefit obligation	167,820	157,019
Plan assets	(106,740)	(108,066)
	61,079	48,953
Unfunded retirement benefit obligation	8,191	9,550
Asset ceiling adjustments	316	501
Net liabilities and assets on the consolidated balance sheet	69,587	59,004
Net defined benefit liability	69,767	59,235
Net defined benefit asset	(179)	(230)
Net liabilities and assets on the consolidated balance sheet	69,587	59,004

(4) Components of retirement benefit expenses

(Millions of yen)

	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)
Service cost	11,554	11,050
Interest cost	1,023	1,180
Expected return on plan assets	(400)	(388)
Amortization of actuarial difference	284	(744)
Amortization of prior service costs	(0)	7
Others	10	(13)
Retirement benefit expenses for defined benefit plans	12,472	11,091

Note) Retirement benefit expenses calculated by using the simplified accounting methods are included in "Service cost."

(5) Remeasurements of defined benefit plans

Components of items (before tax effect deductions) recorded in remeasurements of defined benefit plans are as follows.

(Millions of yen)

	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)
Prior service costs	24	(12)
Actuarial difference	(8,086)	(5,470)
Total	(8,061)	(5,482)

(6) Accumulated remeasurements of defined benefit plans

Components of items (before tax effect deductions) recorded in accumulated remeasurements of defined benefit plans are as follows.

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Unrecognized prior service costs	24	12
Unrecognized actuarial difference	(23,080)	(28,535)
Total	(23,056)	(28,523)

(7) Plan assets

(a) Main components of plan assets

The percentage shares of components by main asset class out of total plan assets are as follows.

(%)

	As of March 31, 2022	As of March 31, 2023
Bonds	21	22
Stocks	67	66
Joint investment assets	2	1
Life insurance general accounts	8	8
Cash and deposits	0	0
Others	2	2
Total	100	100

(b) Establishment of methods for the long-term expected rate of return on plan assets

In order to assume the long-term expected rate of return on plan assets, present and expected distribution of plan assets and the long-term expected rate of return on the multitude of assets in plan assets are considered.

(8) Basis of actuarial assumptions

Major bases of actuarial assumptions are as follows.

(%)

		Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)
Discount rate	Domestic consolidated subsidiaries	0.3 – 0.8	0.4 – 1.3
	Foreign consolidated subsidiaries	2.9 – 8.9	2.9 – 8.9
Long-term expected rate of return on plan assets	Domestic consolidated subsidiaries	0.0 – 1.5	0.0 – 1.5
	Foreign consolidated subsidiaries	8.9	8.9

3. Defined contribution plans

Contributions paid to the defined contribution pension plan by consolidated subsidiaries amounts to 9,832 million yen for the fiscal year ended March 31, 2022 and amounts to 10,657 million yen for the fiscal year ended March 31, 2023.

Stock Options

1. Recorded amount and account which includes stock option expense

None.

2. Recorded amount on profit resulting from forfeiture of stock options

None.

3. Contents, size and its changes of stock options

(1) Contents of stock options

Stock options granted by the Company are as follows.

15th and 16th issue of stock acquisition rights of the Company are stock options transferred from former Sompo Japan Insurance Inc. ("former Sompo Japan") to the Company and 17th to 22nd issue of stock acquisition rights of the Company are stock options transferred from former NIPPONKOA Insurance Company, Limited ("former NIPPONKOA") to the Company on the date of establishment of the Company, April 1, 2010.

The Company decided to introduce the "Board Benefit Trust (BBT)," a performance-linked stock compensation plan at the 6th general meeting of shareholders held on June 27, 2016, and not to grant new stock options thereafter.

(a) Stock options transferred from former Sampo Japan and granted by the Company

	15th issue	16th issue
Resolution date	Extraordinary general meeting of shareholders of former Sampo Japan held on December 22, 2009 and extraordinary general meeting of shareholders of former NIPPONKOA held on December 30, 2009	Extraordinary general meeting of shareholders of former Sampo Japan held on December 22, 2009 and extraordinary general meeting of shareholders of former NIPPONKOA held on December 30, 2009
Title and number of grantees	Directors and senior vice presidents of former Sampo Japan: 27 Others (Note 1): 1	Directors and senior vice presidents of former Sampo Japan: 41 Others (Note 1): 1
Number of stock options granted by types of shares	Common stock: 74,325 stocks (Note 2)	Common stock: 186,775 stocks (Note 2)
Grant date	April 1, 2010	April 1, 2010
Conditions for the vesting	Stock options are vested on the grant date.	Stock options are vested on the grant date.
Requisite service period	—	—
Exercise period	April 1, 2010 to August 11, 2033	April 1, 2010 to August 10, 2034
Number of stock acquisition rights*	197 stock acquisition rights (Note 3)	342 stock acquisition rights (Note 3)
Type, description and number of the shares underlying the stock acquisition rights*	Common stock: 4,925 stocks (Notes 3, 4)	Common stock: 8,550 stocks (Notes 3, 4)
Payment price upon exercise of a stock acquisition right (yen)*	1	1
Issue price and the amount of capital incorporation of the shares issued upon exercise of the stock acquisition rights (yen)*	Issue price: 3,761 Amount of capital incorporation (Note 5)	Issue price: 2,493 Amount of capital incorporation (Note 5)
Conditions for exercising the stock acquisition rights*	(Note 6)	(Note 6)
Matters related to the transfer of stock acquisition rights*	Subject to the approval of the Board of Directors.	Subject to the approval of the Board of Directors.
Matters related to the delivery of the stock acquisition rights associated with the corporate reorganization*	(Note 7)	(Note 7)

* The above figures represents the status as of the end of the current fiscal year (March 31, 2023).
Notes)

- "Others" in the column "Title and number of grantees" represents grantees at the time of grant by former Sampo Japan but who already retired or resigned the position by the grant date by the Company.
- Number of stock options in the column "Number of stock options granted by types of shares" is indicated by converting to number of shares. The numbers of shares are calculated as a reverse split of stocks to combine common stocks at a ratio of four shares to one share on October 1, 2011.
- The number of shares underlying each stock acquisition right is 25.
- In the event that the Company conducts a split of stocks or a reverse split of stocks of the common stock of the Company, the number of shares subject to such split of stocks or reverse split of stocks shall be adjusted by the following formula. However, such adjustment is restricted to the number of shares underlying the stock acquisition rights yet to be exercised at such time, where any fraction less than one share resulting from the adjustment shall be rounded down.
Number of shares after the adjustment = Number of shares before the adjustment × stock split or reverse split ratio
- Matters related to the increases in common stock and capital reserves arising from the issuance of shares due to the exercise of stock acquisition rights are as follows.
 - When new shares are issued due to the exercise of the stock acquisition rights, common stock will be increased by an amount equivalent to one-half the maximum increase in common stock, etc. calculated in accordance with Article 17, Paragraph 1 of the Corporate Accounting Regulations, with any fractions of a yen rounded up.
 - When new shares are issued due to the exercise of the stock acquisition rights, the amount of the increase in capital reserves will be the amount remaining after the amount of the increase in common stock as provided above is deducted from the amount of the maximum increase in common stock, etc. as stated in (1) above.
- Conditions for exercising the stock acquisition rights are as follows:
 - Stock acquisition right holders are allowed to exercise their stock acquisition rights only within a period of 10 days from the day immediately following the day on which the holders lose their status as a director and senior vice president of Sampo Japan Insurance Inc.
 - Stock acquisition right holders must exercise the stock acquisition rights that they have been granted in their entirety, and they may not exercise only a portion of such rights.

- Matters related to the delivery of the stock acquisition rights associated with corporate reorganization are as follows.
If the Company executes a merger (but only in those cases in which the Company ceases to exist because of the merger), an absorption-type demerger, an incorporation-type demerger, a stock swap or stock transfer (hereinafter collectively referred to as a "corporate reorganization"), stock acquisition rights of the relevant company as prescribed in Article 236, Paragraph 1, Item (viii) (a) through (e) of the Companies Act (the "reorganized company") will be delivered to the stock acquisition right holders possessing stock acquisition rights outstanding ("outstanding stock acquisition rights") at the effective date of the corporate reorganization. Under such circumstances, the outstanding stock acquisition rights will be extinguished, and new stock acquisition rights will be issued for the reorganized company. Provided, however, that this applies only in cases in which such delivery of stock acquisition rights for the reorganized company is stipulated, in accordance with the conditions presented below, in the absorption-type merger agreement, the incorporation-type merger agreement, the absorption-type demerger agreement, the incorporation-type demerger plan, the stock swap agreement, or the stock transfer plan.
 - Number of reorganized company stock acquisition rights to be delivered
The number of reorganized company stock acquisition rights to be delivered is the equal to the number of stock acquisition rights held by the outstanding stock acquisition rights holder.
 - Type of reorganized company shares underlying the stock acquisition rights
Common stock of the reorganized company
 - Number of reorganized company shares underlying the stock acquisition rights
Number of reorganized company shares underlying the stock acquisition rights shall be determined in accordance with Note 4 above, taking into consideration the conditions of the corporate reorganization.
 - Value of assets contributed when exercising stock acquisition rights
The value of assets to be contributed upon exercise of each stock acquisition right shall be the amount of payment price of one share delivered by exercising the stock acquisition rights, which is 1 yen, multiplied by the number of shares underlying one stock acquisition right.
 - Exercise period of the stock acquisition rights
Beginning on the first day of the period that the stock acquisition rights may be exercised or on the effective date of the corporate reorganization, whichever is later, and ending on the last day of the period that the stock acquisition rights may be exercised.
 - Increase in common stock and capital reserves arising from the issuance of shares upon the exercise of stock acquisition rights
Determined in accordance with Note 5 above.
 - Limitations on transfers of stock acquisition rights
The approval of the reorganized company's Board of Directors is required for any transfers of stock acquisition rights.
 - Terms and conditions for Company retrieval of stock acquisition rights
This shall be decided based on the following procedure:
If any of the resolutions enumerated below in this section are approved by the shareholders (or, in the event that shareholder approval is not required, if approved by the Board of Directors of the Company), the Company may retrieve the stock acquisition rights without compensation on a date to be separately specified by the Board of Directors.
 - A proposal approving a merger agreement in which the Company is the disappearing entity;
 - A proposal approving a demerger agreement or a demerger plan in which the Company becomes the demerged company;
 - A proposal approving a stock swap agreement or a stock transfer plan in which the Company becomes a wholly owned subsidiary;
 - A proposal approving an amendment to the Articles of Incorporation that establishes a provision to the effect that the approval of the Company is required for an acquisition of shares through a transfer encompassing all of the outstanding shares of the Company; or
 - A proposal approving an amendment to the Articles of Incorporation that establishes a provision to the effect that the approval of the Company is required for an acquisition of shares through a transfer that encompasses the shares underlying the stock acquisition rights or this class of shares will be acquired in its entirety with the approval of the shareholders of the Company.
 - Other conditions for exercising the stock acquisition rights
Determined in accordance with Note 6 above.

(b) Stock options transferred from former NIPPONKOA and granted by the Company

	17th issue	18th issue
Resolution date	Extraordinary general meeting of shareholders of former Sampo Japan held on December 22, 2009 and extraordinary general meeting of shareholders of former NIPPONKOA held on December 30, 2009	Extraordinary general meeting of shareholders of former Sampo Japan held on December 22, 2009 and extraordinary general meeting of shareholders of former NIPPONKOA held on December 30, 2009
Title and number of grantees	Directors and senior vice presidents of former NIPPONKOA: 5 Others (Note 1): 7	Directors and senior vice presidents of former NIPPONKOA: 7 Others (Note 1): 11
Number of stock options granted by types of shares	Common stock: 35,775 stocks (Note 2)	Common stock: 50,400 stocks (Note 2)
Grant date	April 1, 2010	April 1, 2010
Conditions for the vesting	Stock options are vested on the grant date.	Stock options are vested on the grant date.
Requisite service period	—	—
Exercise period	April 1, 2010 to June 29, 2024	April 1, 2010 to June 29, 2025
Number of stock acquisition rights*	14 stock acquisition rights (Note 3)	13 stock acquisition rights (Note 3)
Type, description and number of the shares underlying the stock acquisition rights*	Common stock: 3,150 stocks (Notes 3, 4)	Common stock: 2,925 stocks (Notes 3, 4)
Payment price upon exercise of a stock acquisition right (yen)*	1	1
Issue price and the amount of capital incorporation of the shares issued upon exercise of the stock acquisition rights (yen)*	Issue price: 2,385 Amount of capital incorporation (Note 5)	Issue price: 2,385 Amount of capital incorporation (Note 5)
Conditions for exercising the stock acquisition rights*	(Note 6)	(Note 6)
Matters related to the transfer of stock acquisition rights*	Subject to the approval of the Board of Directors.	Subject to the approval of the Board of Directors.
Matters related to the delivery of the stock acquisition rights associated with the corporate reorganization*	(Note 7)	(Note 7)

* The above figures represents the status as of the end of the current fiscal year (March 31, 2023).
Notes

- "Others" in the column "Title and number of grantees" represents grantees at the time of grant by former NIPPONKOA but who already retired or resigned the position by the grant date by the Company.
- Number of stock options in the column "Number of stock options granted by types of shares" is indicated by converting to number of shares. The numbers of shares are calculated as a reverse split of stocks to combine common stocks at a ratio of four shares to one share on October 1, 2011.
- The number of shares underlying each stock acquisition right is 225.
- In the event that the Company conducts a split of stocks or a reverse split of stocks of the common stock of the Company, the number of shares subject to such split of stocks or reverse split of stocks shall be adjusted by the following formula. However, such adjustment is restricted to the number of shares underlying the stock acquisition rights yet to be exercised at such time, where any fraction less than one share resulting from the adjustment shall be rounded down.
Number of shares after the adjustment = Number of shares before the adjustment × stock split or reverse split ratio
- Matters related to the increases in common stock and capital reserves arising from the issuance of shares due to the exercise of stock acquisition rights are as follows.
 - When new shares are issued due to the exercise of the stock acquisition rights, common stock will be increased by an amount equivalent to one-half the maximum increase in common stock, etc. calculated in accordance with Article 17, Paragraph 1 of the Corporate Accounting Regulations, with any fractions of a yen rounded up.
 - When new shares are issued due to the exercise of the stock acquisition rights, the amount of the increase in capital reserves will be the amount remaining after the amount of the increase in common stock as provided above is deducted from the amount of the maximum increase in common stock, etc. as stated in (1) above.
- Conditions for exercising the stock acquisition rights are as follows:
 - Stock acquisition right holders are allowed to exercise their stock acquisition rights only within a period beginning on the day a year after the day immediately following the date of the loss of their status as a director and senior vice president of Sampo Japan Insurance Inc. (hereinafter the "exercise commencement date"), and ending on the day 7 years after the exercise commencement date or the last day of the exercise period, whichever earlier.
 - Stock acquisition right holders must exercise the stock acquisition rights that they have been granted in their entirety, and they may not exercise only a portion of such rights.
- Matters related to the delivery of the stock acquisition rights associated with corporate reorganization are as follows.
If the Company executes a merger (but only in those cases in which the Company ceases to exist because of the merger), an absorption-type demerger, an incorporation-type demerger, a stock swap or stock transfer (hereinafter collectively referred to as a "corporate reorganization"), stock acquisition rights of the relevant company as prescribed in Article 236, Paragraph 1, Item (viii) (a) through (e) of the Companies Act (the "reorganized company") will be delivered to the stock acquisition right holders possessing stock acquisition rights outstanding ("outstanding stock acquisition rights") at the effective date of the corporate reorganization. Under such circumstances, the outstanding stock acquisition rights will be extinguished, and new stock acquisition rights will be issued for the reorganized company. Provided, however, that this applies only in cases in which such delivery of stock acquisition rights for the reorganized company is stipulated, in accordance with the conditions presented below, in the absorption-type merger agreement, the incorporation-type merger agreement, the absorption-type demerger agreement, the incorporation-type demerger plan, the stock swap agreement, or the stock transfer plan.

- Number of reorganized company stock acquisition rights to be delivered
The number of reorganized company stock acquisition rights to be delivered is the equal to the number of stock acquisition rights held by the outstanding stock acquisition rights holder.
- Type of reorganized company shares underlying the stock acquisition rights
Common stock of the reorganized company
- Number of reorganized company shares underlying the stock acquisition rights
Number of reorganized company shares underlying the stock acquisition rights shall be determined in accordance with Note 4 above, taking into consideration the conditions of the corporate reorganization.
- Value of assets contributed when exercising stock acquisition rights
The value of assets to be contributed upon exercise of each stock acquisition right shall be the amount of payment price of one share delivered by exercising the stock acquisition rights, which is 1 yen, multiplied by the number of shares underlying one stock acquisition right.
- Exercise period of the stock acquisition rights
Beginning on the first day of the period that the stock acquisition rights may be exercised or on the effective date of the corporate reorganization, whichever is later, and ending on the last day of the period that the stock acquisition rights may be exercised.
- Increase in common stock and capital reserves arising from the issuance of shares upon the exercise of stock acquisition rights
Determined in accordance with Note 5 above.
- Limitations on transfers of stock acquisition rights
The approval of the reorganized company's Board of Directors is required for any transfers of stock acquisition rights.
- Terms and conditions for Company retrieval of stock acquisition rights
This shall be decided based on the following procedure:
If any of the resolutions enumerated below in this section are approved by the shareholders (or, in the event that shareholder approval is not required, if approved by the Board of Directors of the Company), the Company may retrieve the stock acquisition rights without compensation on a date to be separately specified by the Board of Directors.
 - A proposal approving a merger agreement in which the Company is the disappearing entity;
 - A proposal approving a demerger agreement or a demerger plan in which the Company becomes the demerged company;
 - A proposal approving a stock swap agreement or a stock transfer plan in which the Company becomes a wholly owned subsidiary;
 - A proposal approving an amendment to the Articles of Incorporation that establishes a provision to the effect that the approval of the Company is required for an acquisition of shares through a transfer encompassing all of the outstanding shares of the Company; or
 - A proposal approving an amendment to the Articles of Incorporation that establishes a provision to the effect that the approval of the Company is required for an acquisition of shares through a transfer that encompasses the shares underlying the stock acquisition rights or this class of shares will be acquired in its entirety with the approval of the shareholders of the Company.
- Other conditions for exercising the stock acquisition rights
Determined in accordance with Note 6 above.

	19th issue	20th issue
Resolution date	Extraordinary general meeting of shareholders of former Sampo Japan held on December 22, 2009 and extraordinary general meeting of shareholders of former NIPPONKOA held on December 30, 2009	Extraordinary general meeting of shareholders of former Sampo Japan held on December 22, 2009 and extraordinary general meeting of shareholders of former NIPPONKOA held on December 30, 2009
Title and number of grantees	Directors and senior vice presidents of former NIPPONKOA: 12 Others (Note 1): 2	Directors and senior vice presidents of former NIPPONKOA: 12 Others (Note 1): 2
Number of stock options granted by types of shares	Common stock: 27,675 stocks (Note 2)	Common stock: 30,375 stocks (Note 2)
Grant date	April 1, 2010	April 1, 2010
Conditions for the vesting	Stock options are vested on the grant date.	Stock options are vested on the grant date.
Requisite service period	—	—
Exercise period	April 1, 2010 to March 27, 2027	April 1, 2010 to March 17, 2028
Number of stock acquisition rights*	0 stock acquisition rights (Note 3)	0 stock acquisition rights (Note 3)
Type, description and number of the shares underlying the stock acquisition rights*	Common stock: 0 stocks (Notes 3, 4)	Common stock: 0 stocks (Notes 3, 4)
Payment price upon exercise of a stock acquisition right (yen)*	1	1
Issue price and the amount of capital incorporation of the shares issued upon exercise of the stock acquisition rights (yen)*	Issue price: 2,441 Amount of capital incorporation (Note 5)	Issue price: 2,441 Amount of capital incorporation (Note 5)
Conditions for exercising the stock acquisition rights*	(Note 6)	(Note 6)
Matters related to the transfer of stock acquisition rights*	Subject to the approval of the Board of Directors.	Subject to the approval of the Board of Directors.
Matters related to the delivery of the stock acquisition rights associated with the corporate reorganization*	(Note 7)	(Note 7)

	21st issue	22nd issue
Resolution date	Extraordinary general meeting of shareholders of former Sompo Japan held on December 22, 2009 and extraordinary general meeting of shareholders of former NIPPONKOA held on December 30, 2009	Extraordinary general meeting of shareholders of former Sompo Japan held on December 22, 2009 and extraordinary general meeting of shareholders of former NIPPONKOA held on December 30, 2009
Title and number of grantees	Directors and senior vice presidents of former NIPPONKOA: 16 Others (Note 1): 3	Directors and senior vice presidents of former NIPPONKOA: 21 Others (Note 1): 3
Number of stock options granted by types of shares	Common stock: 61,875 stocks (Note 2)	Common stock: 88,425 stocks (Note 2)
Grant date	April 1, 2010	April 1, 2010
Conditions for the vesting	Stock options are vested on the grant date.	Stock options are vested on the grant date.
Requisite service period	—	—
Exercise period	April 1, 2010 to March 16, 2029	April 1, 2010 to October 7, 2029
Number of stock acquisition rights*	0 stock acquisition rights (Note 3)	0 stock acquisition rights (Note 3)
Type, description and number of the shares underlying the stock acquisition rights*	Common stock: 0 stocks (Notes 3, 4)	Common stock: 0 stocks (Notes 3, 4)
Payment price upon exercise of a stock acquisition right (yen)*	1	1
Issue price and the amount of capital incorporation of the shares issued upon exercise of the stock acquisition rights (yen)*	Issue price: 2,441 Amount of capital incorporation (Note 5)	Issue price: 2,441 Amount of capital incorporation (Note 5)
Conditions for exercising the stock acquisition rights*	(Note 6)	(Note 6)
Matters related to the transfer of stock acquisition rights*	Subject to the approval of the Board of Directors.	Subject to the approval of the Board of Directors.
Matters related to the delivery of the stock acquisition rights associated with the corporate reorganization*	(Note 7)	(Note 7)

* The above figures represents the status as of the end of the current fiscal year (March 31, 2023).
Notes)

- "Others" in the column "Title and number of grantees" represents grantees at the time of grant by former NIPPONKOA but who already retired or resigned the position by the grant date by the Company.
- Number of stock options in the column "Number of stock options granted by types of shares" is indicated by converting to number of shares. The numbers of shares are calculated as a reverse split of stocks to combine common stocks at a ratio of four shares to one share on October 1, 2011.
- The number of shares underlying each stock acquisition right is 225.
- In the event that the Company conducts a split of stocks or a reverse split of stocks of the common stock of the Company, the number of shares subject to such split of stocks or reverse split of stocks shall be adjusted by the following formula. However, such adjustment is restricted to the number of shares underlying the stock acquisition rights yet to be exercised at such time, where any fraction less than one share resulting from the adjustment shall be rounded down.
Number of shares after the adjustment = Number of shares before the adjustment × stock split or reverse split ratio
- Matters related to the increases in common stock and capital reserves arising from the issuance of shares due to the exercise of stock acquisition rights are as follows.
 - When new shares are issued due to the exercise of the stock acquisition rights, common stock will be increased by an amount equivalent to one-half the maximum increase in common stock, etc. calculated in accordance with Article 17, Paragraph 1 of the Corporate Accounting Regulations, with any fractions of a yen rounded up.
 - When new shares are issued due to the exercise of the stock acquisition rights, the amount of the increase in capital reserves will be the amount remaining after the amount of the increase in common stock as provided above is deducted from the amount of the maximum increase in common stock, etc. as stated in (1) above.
- Conditions for exercising the stock acquisition rights are as follows:
 - Stock acquisition right holders are allowed to exercise their stock acquisition rights only within a period beginning on the date of the loss of their status as a director and senior vice president of Sompo Japan Insurance Inc. (hereinafter the "exercise commencement date"), and ending on the day 10 days after the following date of the exercise commencement date (and before the end of the exercise period of the stock acquisition rights (hereinafter the "exercise period")).
 - Stock acquisition right holders must exercise the stock acquisition rights that they have been granted in their entirety, and they may not exercise only a portion of such rights.
- Matters related to the delivery of the stock acquisition rights associated with corporate reorganization are as follows.
If the Company executes a merger (but only in those cases in which the Company ceases to exist because of the merger), an absorption-type demerger, an incorporation-type demerger, a stock swap or stock transfer (hereinafter collectively referred to as a "corporate reorganization"), stock acquisition rights of the relevant company as prescribed in Article 236, Paragraph 1, Item (viii) (a) through (e) of the Companies Act (the "reorganized company") will be delivered to the stock acquisition right holders possessing stock acquisition rights outstanding ("outstanding stock acquisition rights") at the effective date of the corporate reorganization. Under such circumstances, the outstanding stock acquisition rights will be extinguished, and new stock acquisition rights will be issued for the reorganized company. Provided, however, that this applies only in cases in which such delivery of stock acquisition rights for the reorganized company is stipulated, in accordance with the conditions presented below, in the absorption-type merger agreement, the incorporation-type merger agreement, the absorption-type demerger agreement, the incorporation-type demerger plan, the stock swap agreement, or the stock transfer plan.

- Number of reorganized company stock acquisition rights to be delivered
The number of reorganized company stock acquisition rights to be delivered is the equal to the number of stock acquisition rights held by the outstanding stock acquisition rights holder.
- Type of reorganized company shares underlying the stock acquisition rights
Common stock of the reorganized company
- Number of reorganized company shares underlying the stock acquisition rights
Number of reorganized company shares underlying the stock acquisition rights shall be determined in accordance with Note 4 above, taking into consideration the conditions of the corporate reorganization.
- Value of assets contributed when exercising stock acquisition rights
The value of assets to be contributed upon exercise of each stock acquisition right shall be the amount of payment price of one share delivered by exercising the stock acquisition rights, which is 1 yen, multiplied by the number of shares underlying one stock acquisition right.
- Exercise period of the stock acquisition rights
Beginning on the first day of the period that the stock acquisition rights may be exercised or on the effective date of the corporate reorganization, whichever is later, and ending on the last day of the period that the stock acquisition rights may be exercised.
- Increase in common stock and capital reserves arising from the issuance of shares upon the exercise of stock acquisition rights
Determined in accordance with Note 5 above.
- Limitations on transfers of stock acquisition rights
The approval of the reorganized company's Board of Directors is required for any transfers of stock acquisition rights.
- Terms and conditions for Company retrieval of stock acquisition rights
This shall be decided based on the following procedure:
If any of the resolutions enumerated below in this section are approved by the shareholders (or, in the event that shareholder approval is not required, if approved by the Board of Directors of the Company), the Company may retrieve the stock acquisition rights without compensation on a date to be separately specified by the Board of Directors.
 - A proposal approving a merger agreement in which the Company is the disappearing entity;
 - A proposal approving a demerger agreement or a demerger plan in which the Company becomes the demerged company;
 - A proposal approving a stock swap agreement or a stock transfer plan in which the Company becomes a wholly owned subsidiary;
 - A proposal approving an amendment to the Articles of Incorporation that establishes a provision to the effect that the approval of the Company is required for an acquisition of shares through a transfer encompassing all of the outstanding shares of the Company; or
 - A proposal approving an amendment to the Articles of Incorporation that establishes a provision to the effect that the approval of the Company is required for an acquisition of shares through a transfer that encompasses the shares underlying the stock acquisition rights or this class of shares will be acquired in its entirety with the approval of the shareholders of the Company.
- Other conditions for exercising the stock acquisition rights
Determined in accordance with Note 6 above.

(c) Stock options granted by the Company

	23rd issue	24th issue
Resolution date	Meeting of the Board of Directors held on July 30, 2010	Meeting of the Board of Directors held on October 14, 2011
Title and number of grantees	Directors and senior vice presidents of the Company: 7 Directors and senior vice presidents of subsidiaries of the Company: 66 The actual number of persons: 69 (Notes 1, 2)	Directors and senior vice presidents of the Company: 8 Directors and senior vice presidents of subsidiaries of the Company: 82 The actual number of persons: 86 (Notes 1, 2)
Number of stock options granted by types of shares	Common stock: 349,450 stocks (Note 3)	Common stock: 372,300 stocks (Note 3)
Grant date	August 16, 2010	November 1, 2011
Conditions for the vesting	Stock options are vested on the grant date.	Stock options are vested on the grant date.
Requisite service period	—	—
Exercise period	August 17, 2010 to August 16, 2035	November 1, 2011 to October 31, 2036
Number of stock acquisition rights*	826 stock acquisition rights (Note 4)	194 stock acquisition rights (Note 4)
Type, description and number of the shares underlying the stock acquisition rights*	Common stock: 20,650 stocks (Notes 4, 5)	Common stock: 19,400 stocks (Notes 4, 5)
Payment price upon exercise of a stock acquisition right (yen)*	1	1
Issue price and the amount of capital incorporation of the shares issued upon exercise of the stock acquisition rights (yen)*	Issue price: 1,809 Amount of capital incorporation (Note 6)	Issue price: 1,373 Amount of capital incorporation (Note 6)
Conditions for exercising the stock acquisition rights*	(Note 7)	(Note 7)
Matters related to the transfer of stock acquisition rights*	Subject to the approval of the Board of Directors.	Subject to the approval of the Board of Directors.
Matters related to the delivery of the stock acquisition rights associated with the corporate reorganization*	(Note 8)	(Note 8)

	25th issue	26th issue
Resolution date	Meeting of the Board of Directors held on July 27, 2012	Meeting of the Board of Directors held on July 26, 2013
Title and number of grantees	Directors and senior vice presidents of the Company: 7 Directors and senior vice presidents of subsidiaries of the Company: 87 The actual number of persons 90 (Notes 1, 2)	Directors and senior vice presidents of the Company: 9 Directors and senior vice presidents of subsidiaries of the Company: 136 The actual number of persons 79 (Notes 1, 2)
Number of stock options granted by types of shares	Common stock: 391,100 stocks (Note 3)	Common stock: 195,000 stocks (Note 3)
Grant date	August 14, 2012	August 13, 2013
Conditions for the vesting	Stock options are vested on the grant date.	Stock options are vested on the grant date.
Requisite service period	—	—
Exercise period	August 14, 2012 to August 13, 2037	August 13, 2013 to August 12, 2038
Number of stock acquisition rights*	201 stock acquisition rights (Note 4)	130 stock acquisition rights (Note 4)
Type, description and number of the shares underlying the stock acquisition rights*	Common stock: 20,100 stocks (Notes 4, 5)	Common stock: 13,000 stocks (Notes 4, 5)
Payment price upon exercise of a stock acquisition right (yen)*	1	1
Issue price and the amount of capital incorporation of the shares issued upon exercise of the stock acquisition rights (yen)*	Issue price: 1,329 Amount of capital incorporation (Note 6)	Issue price: 2,297 Amount of capital incorporation (Note 6)
Conditions for exercising the stock acquisition rights*	(Note 7)	(Note 7)
Matters related to the transfer of stock acquisition rights*	Subject to the approval of the Board of Directors.	Subject to the approval of the Board of Directors.
Matters related to the delivery of the stock acquisition rights associated with the corporate reorganization*	(Note 8)	(Note 8)

	27th issue	28th issue
Resolution date	Meeting of the Board of Directors held on July 30, 2014	Meeting of the Board of Directors held on July 30, 2015
Title and number of grantees	Directors and senior vice presidents of the Company: 11 Directors and senior vice presidents of subsidiaries of the Company: 117 The actual number of persons 69 (Notes 1, 2)	Directors and senior vice presidents of the Company: 16 Directors and senior vice presidents of subsidiaries of the Company: 61 The actual number of persons 63 (Notes 1, 2)
Number of stock options granted by types of shares	Common stock: 172,900 stocks (Note 3)	Common stock: 100,700 stocks (Note 3)
Grant date	August 15, 2014	August 17, 2015
Conditions for the vesting	Stock options are vested on the grant date.	Stock options are vested on the grant date.
Requisite service period	—	—
Exercise period	August 15, 2014 to August 14, 2039	August 17, 2015 to August 16, 2040
Number of stock acquisition rights*	157 stock acquisition rights (Note 4)	137 stock acquisition rights (Note 4)
Type, description and number of the shares underlying the stock acquisition rights*	Common stock: 15,700 stocks (Notes 4, 5)	Common stock: 13,700 stocks (Notes 4, 5)
Payment price upon exercise of a stock acquisition right (yen)*	1	1
Issue price and the amount of capital incorporation of the shares issued upon exercise of the stock acquisition rights (yen)*	Issue price: 2,404 Amount of capital incorporation (Note 6)	Issue price: 4,153 Amount of capital incorporation (Note 6)
Conditions for exercising the stock acquisition rights*	(Note 7)	(Note 7)
Matters related to the transfer of stock acquisition rights*	Subject to the approval of the Board of Directors.	Subject to the approval of the Board of Directors.
Matters related to the delivery of the stock acquisition rights associated with the corporate reorganization*	(Note 8)	(Note 8)

* The above figures represents the status as of the end of the current fiscal year (March 31, 2023).

Notes)

- "Directors" in the column "Title and number of grantees" excludes outside directors and non-full time directors.
- Since several directors and senior vice presidents of the Company have concurrently served as director/senior vice president of the Company or as director/senior vice president (shikkouyakuin) of its subsidiaries, the actual number of the persons to whom the stock acquisition rights of the Company are granted is shown in the table, respectively.
- Number of stock options in the column "Number of stock options granted by types of shares" is indicated by converting to number of shares. The numbers of shares concerning the 23rd issue of stock acquisition rights of the Company are calculated as a reverse split of stocks to combine common stocks at a ratio of four shares to one share on October 1, 2011.
- The number of shares underlying each stock acquisition right is 25 for the 23rd issue of stock acquisition rights and 100 for the 24th to the 28th issue of stock acquisition rights.
- In the event that the Company conducts a split of stocks or a reverse split of stocks of the common stock of the Company, the number of shares subject to such split of stocks or reverse split of stocks shall be adjusted by the following formula. However, such adjustment is restricted to the number of shares underlying the stock acquisition rights yet to be exercised at such time, where any fraction less than one share resulting from the adjustment shall be rounded down.
Number of shares after the adjustment = Number of shares before the adjustment × stock split or reverse split ratio
- Matters related to the increases in common stock and capital reserves arising from the issuance of shares due to the exercise of stock acquisition rights are as follows.
 - When new shares are issued due to the exercise of the stock acquisition rights, common stock will be increased by an amount equivalent to one-half the maximum increase in common stock, etc. calculated in accordance with Article 17, Paragraph 1 of the Corporate Accounting Regulations, with any fractions of a yen rounded up.
 - When new shares are issued due to the exercise of the stock acquisition rights, the amount of the increase in capital reserves will be the amount remaining after the amount of the increase in common stock as provided above is deducted from the amount of the maximum increase in common stock, etc. as stated in (1) above.
- Conditions for exercising the stock acquisition rights are as follows:
 - Stock acquisition right holders are allowed to exercise their stock acquisition rights only within a period of 10 days from the day immediately following the day on which the holders lose their status as a director and senior vice president of the Company and as a director and senior vice president (shikkouyakuin) of its subsidiaries.
 - Stock acquisition right holders must exercise the stock acquisition rights that they have been granted in their entirety, and they may not exercise only a portion of such rights.

8. Matters related to the delivery of the stock acquisition rights associated with corporate reorganization are as follows.
If the Company executes a merger (but only in those cases in which the Company ceases to exist because of the merger), an absorption-type demerger, an incorporation-type demerger, a stock swap or stock transfer (hereinafter collectively referred to as a "corporate reorganization"), stock acquisition rights of the relevant company as prescribed in Article 236, Paragraph 1, Item (viii) (a) through (e) of the Companies Act (the "reorganized company") will be delivered to the stock acquisition right holders possessing stock acquisition rights outstanding ("outstanding stock acquisition rights") at the effective date of the corporate reorganization. Under such circumstances, the outstanding stock acquisition rights will be extinguished, and new stock acquisition rights will be issued for the reorganized company. Provided, however, that this applies only in cases in which such delivery of stock acquisition rights for the reorganized company is stipulated, in accordance with the conditions presented below, in the absorption-type merger agreement, the incorporation-type merger agreement, the absorption-type demerger agreement, the incorporation-type demerger plan, the stock swap agreement, or the stock transfer plan.
- (1) Number of reorganized company stock acquisition rights to be delivered
The number of reorganized company stock acquisition rights to be delivered is the equal to the number of stock acquisition rights held by the outstanding stock acquisition rights holder.
 - (2) Type of reorganized company shares underlying the stock acquisition rights
Common stock of the reorganized company
 - (3) Number of reorganized company shares underlying the stock acquisition rights
Number of reorganized company shares underlying the stock acquisition rights shall be determined in accordance with Note 5 above, taking into consideration the conditions of the corporate reorganization.
 - (4) Value of assets contributed when exercising stock acquisition rights
The value of assets to be contributed upon exercise of each stock acquisition right shall be the amount of payment price of one share delivered by exercising the stock acquisition rights, which is 1 yen, multiplied by the number of shares underlying one stock acquisition right.
 - (5) Exercise period of the stock acquisition rights
Beginning on the first day of the period that the stock acquisition rights may be exercised or on the effective date of the corporate reorganization, whichever is later, and ending on the last day of the period that the stock acquisition rights may be exercised.
 - (6) Increase in common stock and capital reserves arising from the issuance of shares upon the exercise of stock acquisition rights
Determined in accordance with Note 6 above.
 - (7) Limitations on transfers of stock acquisition rights
The approval of the reorganized company's Board of Directors is required for any transfers of stock acquisition rights.
 - (8) Terms and conditions for Company retrieval of stock acquisition rights
This shall be decided based on the following procedure:
If any of the resolutions enumerated below in this section are approved by the shareholders (or, in the event that shareholder approval is not required, if approved by the Board of Directors of the Company), the Company may retrieve the stock acquisition rights without compensation on a date to be separately specified by the Board of Directors.
 - (i) A proposal approving a merger agreement in which the Company is the disappearing entity;
 - (ii) A proposal approving a demerger agreement or a demerger plan in which the Company becomes the demerged company;
 - (iii) A proposal approving a stock swap agreement or a stock transfer plan in which the Company becomes a wholly owned subsidiary;
 - (iv) A proposal approving an amendment to the Articles of Incorporation that establishes a provision to the effect that the approval of the Company is required for an acquisition of shares through a transfer encompassing all of the outstanding shares of the Company; or
 - (v) A proposal approving an amendment to the Articles of Incorporation that establishes a provision to the effect that the approval of the Company is required for an acquisition of shares through a transfer that encompasses the shares underlying the stock acquisition rights or this class of shares will be acquired in its entirety with the approval of the shareholders of the Company.
 - (9) Other conditions for exercising the stock acquisition rights
Determined in accordance with Note 7 above.

(2) Size and its changes of stock options

Number of stock options existing for the fiscal year ended March 31, 2022 is indicated by converting to number of shares.

(a) Number of stock options

As all stock options are vested at the time that they are granted, items of stock options before vested are not shown.

<Stock options after vested>

(Stocks)

	March 31, 2022	Vested	Exercised	Forfeited	March 31, 2023
15th issue of stock acquisition rights of the Company	4,925	—	—	—	4,925
16th issue	8,550	—	—	—	8,550
17th issue	3,150	—	—	—	3,150
18th issue	2,925	—	—	—	2,925
19th issue	2,250	—	2,250	—	0
20th issue	2,700	—	2,700	—	0
21st issue	4,275	—	4,275	—	0
22nd issue	5,175	—	5,175	—	0
23rd issue	27,350	—	6,700	—	20,650
24th issue	37,200	—	17,800	—	19,400
25th issue	34,900	—	14,800	—	20,100
26th issue	21,000	—	8,000	—	13,000
27th issue	26,600	—	10,900	—	15,700
28th issue	23,700	—	10,000	—	13,700

(b) Unit value information

(Stocks)

	Exercise price (yen)	Average stock price at the time of exercise during the fiscal year ended March 31, 2023 (yen)	Fair value per share on the grant date (yen)
15th issue of stock acquisition rights of the Company	1	—	3,760 (Notes 1, 2)
16th issue	1	—	2,492 (Notes 1, 2)
17th issue	1	—	2,384 (Note 1)
18th issue	1	—	2,384 (Note 1)
19th issue	1	5,356	2,440 (Note 1)
20th issue	1	5,356	2,440 (Note 1)
21st issue	1	5,356	2,440 (Note 1)
22nd issue	1	5,356	2,440 (Note 1)
23rd issue	1	5,356	1,808 (Note 1)
24th issue	1	5,551	1,372
25th issue	1	5,682	1,328
26th issue	1	5,669	2,296
27th issue	1	5,669	2,403
28th issue	1	5,570	4,152

Notes)

1. The Company carried out a reverse split of stocks to combine common stocks at a ratio of four shares to one share on October 1, 2011. The amounts represent exercise price and fair value per share on the grant date after the execution of the reverse split of stocks.
2. Fair value per share at the time of grant by former Sampo Japan is shown in the table.

4. Method for estimating the fair value per share of stock options

There is no stock option granted for the fiscal year ended March 31, 2023.

The Company does not make a new estimation for the fair value per share of stock acquisition rights transferred from former Sampo Japan to the Company (15th and 16th issue of stock acquisition rights of the Company).

The Company also does not make a new estimation for the fair value per share of stock acquisition rights transferred from former NIPPONKOA to the Company (17th to 22nd issue of stock acquisition rights of the Company) because those are revalued under the purchase method.

5. Method for estimating the number of rights of stock options vested

As all stock options are vested at the time that they are granted, this item is not applicable.

Tax Effect Accounting

1. Main components of deferred tax assets and deferred tax liabilities

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Deferred tax assets:		
Underwriting reserves	218,547	222,460
Reserve for outstanding losses and claims	47,320	48,822
Intangible fixed assets of tax accounting	40,535	41,481
Impairment losses on securities and real estate	34,004	33,376
Reserve for price fluctuation	29,413	30,940
Others	93,840	114,720
Deferred tax assets subtotal	463,661	491,800
Valuation allowance	(61,856)	(51,473)
Total deferred tax assets	401,804	440,327
Deferred tax liabilities:		
Unrealized gains and losses on securities available for sale	(343,160)	(300,221)
Unrealized gains and losses on consolidated subsidiaries	(8,191)	(8,175)
Others	(24,136)	(38,398)
Total deferred tax liabilities	(375,488)	(346,796)
Net deferred tax assets (liabilities)	26,316	93,530

2. Reconciliation of the significant difference between the statutory income tax rate and the effective tax rate after the application of tax effect accounting

(%)

	As of March 31, 2022	As of March 31, 2023
Japanese statutory income tax rate	30.6	30.6
(Reconciliation)		
Tax rate differences in subsidiaries	(6.7)	(11.4)
Amortization of goodwill	2.6	7.5
Non-taxable revenue such as dividends received	(1.8)	(5.2)
Non-deductible expenses such as entertainment expenses	0.9	1.4
Corporate inhabitant tax on a per capita basis, etc.	0.3	0.6
Others	2.9	1.1
Effective tax rate after the application of tax effect accounting	28.7	24.7

3. Accounting treatment of corporate and local income taxes, and tax effect accounting associated therewith

The Company and certain domestic consolidated subsidiaries have transitioned from the consolidated taxation system to the group tax sharing system starting from the fiscal year ended March 31, 2023. In addition, the Company has complied with "Practical Solution on the Accounting and Disclosure under the Group Tax Sharing System" (ASBJ Practical Issue Task Force No. 42, August 12, 2021) for the accounting treatment of corporate and local income taxes, or accounting treatment and disclosure of tax effect accounting regarding these taxes.

Segment information, etc.

Segment information

1. Summary of reportable segments

The reportable segment of the Company is the component of SOMPO HOLDINGS, for which discrete financial information is available and whose operating results are periodically reviewed by the Board of Directors to make decisions about resources to be allocated to the segment and assess its performance.

The respective group companies of the Company determine their comprehensive strategies for their operations as independent management unit and roll out their operations under the group-wide management policy of the Company.

Therefore, the Company is composed of business segments, which consist of the respective group companies as a minimum component. "Domestic P&C insurance business," "Overseas insurance business," "Domestic life insurance business" and "Nursing care & seniors business" are determined as the reportable segments. The businesses not covered by the reportable segments, such as the Company, extended warranty business, digital-related business, asset management business, etc., are included in "Others."

"Domestic P&C insurance business" consists mainly of underwriting of property and casualty insurance, investment, and related activities in Japan. "Overseas insurance business" consists mainly of underwriting of property and casualty insurance and investment activities overseas. "Domestic life insurance business" consists mainly of underwriting of life insurance and investment activities in Japan, and "Nursing care & seniors business" consists mainly of providing nursing care and nursing care-related services.

2. Calculation methods for the amount of sales, income or loss, assets and other items by each reportable segment

The accounting methods of reportable business segments are those mentioned in "Significant Accounting Policies for the Preparation of the Consolidated Financial Statements." Income or loss attributable to the reportable segments is the amounts based on net income attributable to shareholders of the parent in the consolidated statement of income.

Income from internal transactions among segments is based on the price of transactions among third parties and others.

(Application of "Implementation Guidance on Accounting Standard for Fair Value Measurement," etc.)

As described in "Changes in Accounting Policies," the Company applied "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No.31, June 17, 2021), from the beginning of the fiscal year ended March 31, 2023.

The effect of this change on segment income (loss) for the fiscal year ended March 31, 2023 is immaterial.

3. Information related to the amount of sales, income or loss, assets and other items by each reportable segment

Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(Millions of yen)

	Reportable segments					Others (Note 2)	Total	Adjustments (Note 3)	Amount on the consolidated financial statements (Note 4)
	Domestic P&C insurance business	Overseas insurance business	Domestic life insurance business	Nursing care & seniors business	Total				
Sales (Note 1):									
Sales from transactions with external customers	2,217,148	1,005,247	318,501	136,661	3,677,558	89,999	3,767,558	399,938	4,167,496
Sales from internal transactions or transfers among segments	—	—	—	1	1	16,559	16,560	(16,560)	—
Total	2,217,148	1,005,247	318,501	136,663	3,677,560	106,558	3,784,118	383,377	4,167,496
Segment income	138,288	42,168	15,949	1,367	197,773	27,069	224,842	—	224,842
Segment assets	6,385,083	3,232,407	3,716,323	163,731	13,497,544	290,290	13,787,835	—	13,787,835
Other items:									
Depreciation	25,889	21,402	497	5,134	52,923	1,009	53,932	—	53,932
Amortization of goodwill	11	21,716	—	4,807	26,536	—	26,536	—	26,536
Interest and dividend income	117,041	49,601	49,447	96	216,187	402	216,589	(804)	215,785
Interest paid	7,022	5,676	59	2,203	14,961	0	14,962	(2)	14,960
Investment gains (losses) on the equity method	73	888	—	—	961	(6,637)	(5,675)	—	(5,675)
Extraordinary gains (Note 5)	15,149	213	0	—	15,364	0	15,364	—	15,364
Extraordinary losses (Note 6)	11,307	937	956	7	13,209	34	13,243	—	13,243
Impairment losses	1,650	745	—	—	2,396	—	2,396	—	2,396
Income tax expenses	45,902	18,871	6,414	3,364	74,554	16,468	91,022	—	91,022
Investment in affiliates accounted for under the equity method	1,484	9,919	—	—	11,403	13,106	24,509	—	24,509
Increase in tangible and intangible fixed assets	55,199	8,035	2,440	4,362	70,036	988	71,025	—	71,025

Note)

- Sales amounts represent the following:

Domestic P&C insurance business:	Net premiums written
Overseas insurance business:	Net premiums written and life insurance premiums written
Domestic life insurance business:	Life insurance premiums written
Nursing care & seniors business:	Ordinary income
"Others" and amount on the consolidated financial statements:	Ordinary income
- "Others" is business segments which are not included in reportable segments. It includes the Company (insurance holding company), extended warranty business, asset management business, defined-contribution pension business, etc.
- Adjustments of sales are as follows.

Ordinary income related to domestic P&C insurance business, overseas insurance business and domestic life insurance business excluding net premiums written and life insurance premiums written:	399,938 million yen
Elimination of internal transactions among segments:	(16,560) million yen
- Segment income is adjusted to net income attributable to shareholders of the parent in the consolidated statement of income.
- Extraordinary gains for domestic P&C insurance business are 15,149 million yen of gains on disposal of fixed assets.
- Extraordinary losses for domestic P&C insurance business include 5,404 million yen of losses on disposal of fixed assets and 4,251 million yen of provision for reserve for price fluctuation.

Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable segments					Others (Note 2)	Total	Adjustments (Note 3)	Amount on the consolidated financial statements (Note 4)
	Domestic P&C insurance business	Overseas insurance business	Domestic life insurance business	Nursing care & seniors business	Total				
Sales (Note 1):									
Sales from transactions with external customers	2,290,596	1,386,039	310,834	151,646	4,139,117	36,801	4,175,919	431,215	4,607,134
Sales from internal transactions or transfers among segments	—	—	—	36	36	18,374	18,411	(18,411)	—
Total	2,290,596	1,386,039	310,834	151,683	4,139,154	55,176	4,194,330	412,804	4,607,134
Segment income (loss)	55,084	48,032	1,006	793	104,916	(13,759)	91,156	—	91,156
Segment assets	5,899,190	4,047,692	3,925,327	265,241	14,137,450	322,781	14,460,232	—	14,460,232
Other items:									
Depreciation	26,367	18,143	654	5,498	50,663	927	51,591	—	51,591
Amortization of goodwill	—	25,003	—	5,274	30,277	—	30,277	—	30,277
Interest and dividend income	117,484	68,533	55,068	93	241,180	1,312	242,492	(1,016)	241,475
Interest paid	7,592	6,112	150	2,117	15,973	1	15,975	(8)	15,966
Investment gains (losses) on the equity method	83	877	—	—	960	(2,805)	(1,844)	—	(1,844)
Extraordinary gains (Note 5)	5,854	3,099	3	—	8,957	—	8,957	—	8,957
Extraordinary losses (Note 6)	6,228	610	1,004	198	8,043	35	8,078	—	8,078
Impairment losses	148	—	—	—	148	—	148	—	148
Income tax expenses	15,728	14,473	591	2,226	33,020	(2,542)	30,477	—	30,477
Investment in affiliates accounted for under the equity method	1,564	16,598	—	—	18,163	21,915	40,079	—	40,079
Increase in tangible and intangible fixed assets	67,009	7,443	2,586	94,422	171,460	1,366	172,827	—	172,827

Note)

- Sales amounts represent the following:

Domestic P&C insurance business:	Net premiums written
Overseas insurance business:	Net premiums written and life insurance premiums written
Domestic life insurance business:	Life insurance premiums written
Nursing care & seniors business:	Ordinary income
"Others" and amount on the consolidated financial statements:	Ordinary income
- "Others" is business segments which are not included in reportable segments. It includes the Company (insurance holding company), extended warranty business, digital-related business, asset management business, etc.
- Adjustments of sales are as follows.

Ordinary income related to domestic P&C insurance business, overseas insurance business and domestic life insurance business excluding net premiums written and life insurance premiums written:	431,215 million yen
Elimination of internal transactions among segments:	(18,411) million yen
- Segment income (loss) is adjusted to net income attributable to shareholders of the parent in the consolidated statement of income.
- Extraordinary gains for domestic P&C insurance business are 5,854 million yen of gains on disposal of fixed assets. In addition, extraordinary gains for overseas insurance business are 3,099 million yen of gains on disposal of fixed assets.
- Extraordinary losses for domestic P&C insurance business include 4,480 million yen of provision for reserve for price fluctuation.

Related information

Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

1. Information by products and services

(Millions of yen)

	Fire and allied insurance	Marine insurance	Personal accident insurance	Voluntary automobile insurance	Compulsory automobile liability insurance	Others	Total
Net premiums written	524,266	92,493	156,850	1,217,232	217,261	1,007,609	3,215,713

(Millions of yen)

	Individual insurance	Individual annuities	Group insurance	Group annuities	Total
Life insurance premiums written	304,713	4,150	16,319	—	325,183

2. Information by geographic area

(1) Sales

(Millions of yen)

Japan	United States	Others	Total
2,624,841	604,567	448,149	3,677,558

Notes)

- Sales represent amounts of net premiums written, life insurance premiums written and ordinary income of nursing care & seniors business.
- Geographic area is classified into country or region in line with the classification used for management purpose mainly based on locations of customers.

(2) Tangible fixed assets

(Millions of yen)

Japan	Overseas	Total
318,849	34,588	353,438

3. Information by major customers

None.

Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

1. Information by products and services

(Millions of yen)

	Fire and allied insurance	Marine insurance	Personal accident insurance	Voluntary automobile insurance	Compulsory automobile liability insurance	Others	Total
Net premiums written	627,013	117,017	159,745	1,263,943	211,113	1,291,883	3,670,717

(Millions of yen)

	Individual insurance	Individual annuities	Group insurance	Group annuities	Total
Life insurance premiums written	297,639	3,740	15,372	—	316,752

2. Information by geographic area

(1) Sales

(Millions of yen)

Japan	United States	Others	Total
2,692,663	827,396	619,057	4,139,117

Notes)

- Sales represent amounts of net premiums written, life insurance premiums written and ordinary income of nursing care & seniors business.
- Geographic area is classified into country or region in line with the classification used for management purpose mainly based on locations of customers.

(2) Tangible fixed assets

(Millions of yen)

Japan	Overseas	Total
323,965	36,917	360,882

3. Information by major customers

None.

Information related to impairment losses on fixed assets by reportable segments

Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(Millions of yen)

	Reportable segments					Others	Unallocated amounts and eliminations	Total
	Domestic P&C insurance business	Overseas insurance business	Domestic life insurance business	Nursing care & seniors business	Total			
Impairment losses	1,650	745	—	—	2,396	—	—	2,396

Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable segments					Others	Unallocated amounts and eliminations	Total
	Domestic P&C insurance business	Overseas insurance business	Domestic life insurance business	Nursing care & seniors business	Total			
Impairment losses	148	—	—	—	148	—	—	148

Information related to amortization of goodwill and balance of goodwill by reportable segments

Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(Millions of yen)

	Reportable segments					Others	Unallocated amounts and eliminations	Total
	Domestic P&C insurance business	Overseas insurance business	Domestic life insurance business	Nursing care & seniors business	Total			
Amortization for the fiscal year ended March 31, 2022	11	21,716	—	4,807	26,536	—	—	26,536
Balance as of March 31, 2022	—	124,645	—	26,366	151,012	—	—	151,012

Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable segments					Others	Unallocated amounts and eliminations	Total
	Domestic P&C insurance business	Overseas insurance business	Domestic life insurance business	Nursing care & seniors business	Total			
Amortization for the fiscal year ended March 31, 2023	—	25,003	—	5,274	30,277	—	—	30,277
Balance as of March 31, 2023	—	118,746	—	78,983	197,729	—	—	197,729

Information related to gains on negative goodwill by reportable segments

None.

Related-Party Transactions

There is no significant related-party transaction to be represented.

Per Share Information

	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)
Net assets per share	5,919.73 yen	5,566.64 yen
Net income per share	644.24 yen	270.64 yen
Diluted net income per share	643.86 yen	270.53 yen

Notes)

1. Calculation of net income per share and diluted net income per share are based on the following figures.

(Millions of yen)

	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)
Net income per share		
Net income attributable to shareholders of the parent	224,842	91,156
Amount not attributable to common stockholders	—	—
Net income attributable to shareholders of the parent to common stocks	224,842	91,156
Average number of common stocks outstanding	348,999 thousand shares	336,818 thousand shares
Diluted net income per share		
Adjustment of net income attributable to shareholders of the parent	—	—
Increase of common stocks:		
Stock acquisition rights	209 thousand shares	128 thousand shares
Outline of dilutive shares which are not included in the calculation of diluted net income per share because they do not have dilutive effect	—	—

2. Calculation of net assets per share is based on the following figures.

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Total net assets	2,040,789	1,868,902
Amount to be deducted from total net assets:		
Stock acquisition rights	446	269
Non-controlling interests	12,224	14,475
Net assets attributable to common stocks	2,028,118	1,854,157
Number of common stocks used for calculation of net assets per share	342,602 thousand shares	333,083 thousand shares

3. In the calculation of net income per share and diluted net income per share, the Company shares outstanding in "Board Benefit Trust (BBT)" which are recognized as treasury stock in shareholders' equity are included in treasury stock deducted from the average number of shares outstanding. In addition, in the calculation of net assets per share, such shares are included in treasury stock deducted from the number of total shares outstanding.

The average number of the treasury stock deducted above mentioned is 963 thousand for the fiscal year ended March 31, 2022 and is 866 thousand for the fiscal year ended March 31, 2023. The number of the treasury stock deducted above mentioned is 961 thousand as of March 31, 2022 and is 853 thousand as of March 31, 2023.

Significant Subsequent Events

1. The Issuance of a Domestic Unsecured Straight Bond (Social Bond)

On April 27, 2023, the Company issued a domestic unsecured straight bond (social bond) as follows.

1 Issuer	Sompo Holdings, Inc.
2 Name of Bonds	1st series of unsecured straight bond with inter-bond pari passu clause (social bond)
3 Aggregate principal amount	JPY 70 billion
4 Denomination	JPY 100 million
5 Issue price	JPY 100 per amount of JPY 100 of each bond
6 Redemption price	JPY 100 per amount of JPY 100 of each bond
7 Maturity dates	April 27, 2028 (5-year bonds)
8 Interest rates	0.479% per annum
9 Offering period	April 21, 2023
10 Payment date	April 27, 2023
11 Interest payment dates	April 27 and October 27 of each year
12 Use of funds	Repayment of short-term borrowings (bridge loan) procured to acquire shares of ND Software
13 Third-party evaluation	Third-party evaluation obtained from Japan Credit Rating Agency, Ltd.
14 Joint lead managers	Mizuho Securities Co., Ltd. Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. Daiwa Securities Co. Ltd. Nomura Securities Co., Ltd. SMBC Nikko Securities Inc. BofA Securities Japan Co., Ltd.
15 Structuring agent	Mizuho Securities Co., Ltd.
16 Fiscal agent	Mizuho Bank, Ltd.
17 Credit rating	AA+ (Japan Credit Rating Agency, Ltd.)
18 Securities depository	Japan Securities Depository Center, Incorporated

2. Acquisition of treasury stock

The Company passed a resolution setting out details of the Company's stock buybacks to be conducted in accordance with Article 156 of the Companies Act applied pursuant to Article 165, paragraph 3, of that Act at the Company's Board of Directors meeting on May 19, 2023.

(1) Reason for stock buybacks

While maintaining financial soundness and improving capital efficiency by investing on growing fields, etc., the Company has a policy to provide with basic return (50% of adjusted consolidated profit) and supplementary return based on its performance trends, market conditions and its capital conditions, etc., with the option of stock buybacks depending on capital conditions other than paying dividends regarding shareholder return. In accordance with this policy, the Company will conduct stock buybacks as a part of the shareholder return (supplementary return) for the financial results of fiscal year ended March 31, 2023.

(2) Details of stock buybacks

(a) Class of shares	Common stock of the Company
(b) Potential total number	7,000,000 shares (upper limit)
(c) Total price	25,000,000,000 yen (upper limit)
(d) Period	June 1, 2023 — November 16, 2023

Overview of Business Results of Principal Consolidated Subsidiaries

(Unaudited)

Sompo Japan Insurance Inc. (Non-consolidated)

Balance Sheet

	(Millions of yen)		
	As of March 31, 2022	As of March 31, 2023	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits:	477,918	474,287	(3,630)
Cash	9	7	(1)
Deposits	477,909	474,280	(3,628)
Receivables under resale agreements	73,999	69,999	(4,000)
Monetary receivables bought	20,104	20,366	261
Money trusts	20,683	21,105	421
Securities:	5,259,488	5,085,990	(173,498)
Government bonds	678,580	512,262	(166,318)
Municipal bonds	5,720	5,545	(175)
Corporate bonds	625,139	490,450	(134,688)
Domestic stocks	1,308,357	1,312,035	3,678
Foreign securities	2,426,435	2,539,168	112,732
Other securities	215,255	226,528	11,273
Loans:	519,703	563,994	44,290
Policy loans	3,978	2,897	(1,081)
Ordinary loans	515,724	561,096	45,372
Tangible fixed assets:	227,274	232,078	4,803
Land	84,917	82,690	(2,227)
Buildings	104,824	104,503	(320)
Leased assets	2,371	5,526	3,155
Construction in progress	9,675	14,711	5,036
Other tangible fixed assets	25,486	24,646	(839)
Intangible fixed assets:	209,721	235,489	25,767
Software	94,972	83,412	(11,560)
Other intangible fixed assets	114,749	152,076	37,327
Other assets:	543,748	531,253	(12,495)
Premiums receivable	1,630	3,053	1,423
Agency accounts receivable	190,101	189,583	(518)
Foreign agency accounts receivable	13,682	14,041	358
Coinsurance accounts receivable	14,105	10,351	(3,753)
Reinsurance accounts receivable	71,448	68,738	(2,710)
Foreign reinsurance accounts receivable	36,890	38,482	1,591
Proxy service receivable	49	62	13
Accounts receivable	69,667	104,377	34,710
Accrued income	8,145	6,192	(1,952)
Advance deposits	14,952	13,860	(1,091)
Earthquake insurance deposits	2,842	1,432	(1,409)
Suspense payments	64,901	67,550	2,648
Deposits paid for future transactions	8,034	7,985	(48)
Derivative assets	5,113	4,767	(346)
Cash collateral paid for financial instruments	42,174	764	(41,410)
Other assets	7	7	—
Deferred tax assets	22,481	40,035	17,553
Allowance for possible credit losses	(2,751)	(2,751)	0
Allowance for possible investment losses	(5,689)	(5,180)	509
Total assets	7,366,684	7,266,668	(100,016)

	(Millions of yen)		
	As of March 31, 2022	As of March 31, 2023	Increase (Decrease)
	Amount	Amount	
Liabilities:			
Underwriting funds:	4,557,431	4,547,526	(9,905)
Reserve for outstanding losses and claims	900,122	960,373	60,251
Underwriting reserves	3,657,309	3,587,152	(70,156)
Corporate bonds	433,560	527,000	93,440
Other liabilities:	700,176	589,464	(110,711)
Coinsurance accounts payable	5,800	6,256	455
Reinsurance accounts payable	70,308	72,058	1,749
Foreign reinsurance accounts payable	22,539	26,148	3,609
Payables under securities lending transactions	156,505	177,859	21,353
Borrowings	15,358	77	(15,280)
Income taxes payable	8,535	5,679	(2,855)
Deposits received	2,796	2,787	(9)
Unearned income	297	316	18
Accounts payable	230,272	186,409	(43,862)
Suspense receipts	94,315	85,662	(8,653)
Derivative liabilities	49,831	7,878	(41,952)
Cash collateral received for financial instruments	38,702	9,976	(28,725)
Lease obligations	2,745	6,142	3,396
Asset retirement obligations	2,165	2,211	45
Reserve for retirement benefits	85,576	78,879	(6,697)
Reserve for bonus payments	15,719	15,240	(478)
Reserve for bonus payments to directors	117	87	(29)
Reserves under the special laws:	95,331	99,792	4,461
Reserve for price fluctuation	95,331	99,792	4,461
Total liabilities	5,887,913	5,857,992	(29,920)
Net assets:			
Shareholders' equity:			
Common stock	70,000	70,000	—
Capital surplus:	70,000	70,000	—
Capital reserves	70,000	70,000	—
Retained earnings:	529,398	508,480	(20,918)
Other retained earnings:	529,398	508,480	(20,918)
Reserve for advanced depreciation	10,590	11,867	1,276
Reserve for promoting open innovation	—	270	270
General reserve	83,300	83,300	—
Retained earnings carried forward	435,508	413,043	(22,465)
Total shareholders' equity	669,398	648,480	(20,918)
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	805,943	757,782	(48,160)
Deferred gains and losses on hedges	3,429	2,412	(1,016)
Total valuation and translation adjustments	809,372	760,194	(49,177)
Total net assets	1,478,770	1,408,675	(70,095)
Total liabilities and net assets	7,366,684	7,266,668	(100,016)

Sompo Japan Insurance Inc. (Non-consolidated)
Statement of Income

(Millions of yen)

	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)	Increase (Decrease)	Rate of change
	Amount	Amount		
Ordinary income:	2,490,458	2,623,349	132,891	5.3%
Underwriting income:	2,300,385	2,399,389	99,003	4.3
Net premiums written	2,158,791	2,225,531	66,740	3.1
Deposits of premiums by policyholders	81,009	70,773	(10,235)	(12.6)
Interest and dividend income on deposits of premiums, etc.	30,895	30,102	(793)	(2.6)
Reversal of underwriting reserves	28,053	70,156	42,103	150.1
Foreign exchange gains	893	2,218	1,325	148.3
Other underwriting income	742	606	(135)	(18.3)
Investment income:	175,824	210,057	34,233	19.5
Interest and dividend income	147,980	166,250	18,270	12.3
Investment gains on money trusts	1,353	3,105	1,752	129.6
Gains on sales of securities	42,554	53,878	11,324	26.6
Gains on redemption of securities	4,580	2,389	(2,191)	(47.8)
Foreign exchange gains	9,990	13,369	3,378	33.8
Other investment income	261	1,166	905	346.7
Transfer of interest and dividend income on deposits of premiums, etc.	(30,895)	(30,102)	793	—
Other ordinary income	14,248	13,902	(345)	(2.4)
Ordinary expenses:	2,279,648	2,498,423	218,774	9.6
Underwriting expenses:	1,933,287	2,109,098	175,810	9.1
Net claims paid	1,175,024	1,311,226	136,201	11.6
Loss adjustment expenses	115,456	115,369	(87)	(0.1)
Net commissions and brokerage fees	423,007	439,225	16,218	3.8
Maturity refunds to policyholders	190,527	181,722	(8,805)	(4.6)
Dividends to policyholders	28	7	(21)	(75.2)
Provision for reserve for outstanding losses and claims	27,657	60,251	32,594	117.9
Other underwriting expenses	1,585	1,295	(289)	(18.3)
Investment expenses:	12,523	51,543	39,019	311.6
Investment losses on money trusts	45	2	(42)	(94.6)
Losses on sales of securities	4,390	22,936	18,546	422.5
Impairment losses on securities	1,805	1,954	149	8.3
Losses on derivatives	2,476	13,362	10,885	439.5
Other investment expenses	3,806	13,286	9,480	249.1
Operating, general and administrative expenses	323,947	325,566	1,618	0.5
Other ordinary expenses:	9,889	12,215	2,325	23.5
Interest paid	7,016	7,587	571	8.1
Provision for allowance for possible credit losses	—	48	48	—
Losses on bad debt	19	31	11	59.1
Other ordinary expenses	2,854	4,548	1,694	59.4
Ordinary profit	210,810	124,926	(85,883)	(40.7)

(Millions of yen)

	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)	Increase (Decrease)	Rate of change
	Amount	Amount		
Extraordinary gains:	16,336	5,854	(10,481)	(64.2)%
Gains on disposal of fixed assets	16,336	5,854	(10,481)	(64.2)
Extraordinary losses:	14,906	6,206	(8,699)	(58.4)
Losses on disposal of fixed assets	6,097	1,596	(4,500)	(73.8)
Impairment losses	4,575	148	(4,426)	(96.8)
Provision for reserves under the special laws:	4,233	4,461	227	5.4
Provision for reserve for price fluctuation	4,233	4,461	227	5.4
Net income before income taxes	212,239	124,573	(87,665)	(41.3)
Income taxes	71,889	14,435	(57,453)	(79.9)
Deferred income taxes	(25,857)	2,096	27,953	—
Total income taxes	46,031	16,531	(29,499)	(64.1)
Net income	166,207	108,041	(58,165)	(35.0)
Underwriting result:				
Net premiums written	(+) 2,158,791	2,225,531	66,740	3.1
Net claims paid	(-) 1,175,024	1,311,226	136,201	11.6
Loss adjustment expenses	(-) 115,456	115,369	(87)	(0.1)
Net operating expenses:	(-) 728,559	745,649	17,089	2.3
Net commissions and brokerage fees	423,007	439,225	16,218	3.8
Operating, general and administrative expenses related to underwriting	305,552	306,424	871	0.3
Underwriting result	139,749	53,286	(86,463)	(61.9)
Underwriting profit (loss)	63,053	(19,833)	(82,886)	(131.5)
Ratios:				
Net loss ratio	(%) 59.8	64.1	4.3	
Net operating expenses ratio	(%) 33.7	33.5	(0.2)	
Combined ratio	(%) 93.5	97.6	4.1	

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

	(Millions of yen)		
	As of March 31, 2022	As of March 31, 2023	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits:	20,757	17,032	(3,725)
Cash	0	0	(0)
Deposits	20,757	17,032	(3,725)
Securities:	46,865	50,419	3,554
Municipal bonds	6,699	7,156	457
Corporate bonds	21,218	24,099	2,881
Domestic stocks	38	38	0
Foreign securities	7,927	6,796	(1,131)
Other securities	10,981	12,328	1,346
Tangible fixed assets:	403	351	(52)
Buildings	105	95	(10)
Leased assets	243	189	(54)
Other tangible fixed assets	54	67	12
Intangible fixed assets:	5,715	7,594	1,879
Software	5,712	7,591	1,879
Other intangible fixed assets	2	2	—
Other assets:	5,943	6,853	910
Premiums receivable	1,830	1,943	113
Agency accounts receivable	103	125	22
Coinsurance accounts receivable	9	13	4
Reinsurance accounts receivable	90	87	(3)
Foreign reinsurance accounts receivable	23	10	(13)
Accounts receivable	936	1,076	140
Accrued income	38	54	15
Advance deposits	481	495	13
Suspense payments	2,428	3,046	617
Deferred tax assets	1,744	1,862	118
Allowance for possible credit losses	(0)	(2)	(2)
Total assets	81,430	84,112	2,682

	(Millions of yen)		
	As of March 31, 2022	As of March 31, 2023	Increase (Decrease)
	Amount	Amount	
Liabilities:			
Underwriting funds:	57,382	62,687	5,305
Reserve for outstanding losses and claims	22,115	25,005	2,890
Underwriting reserves	35,266	37,682	2,415
Other liabilities:	5,641	5,641	0
Coinsurance accounts payable	36	36	0
Reinsurance accounts payable	214	209	(5)
Foreign reinsurance accounts payable	74	64	(9)
Income taxes payable	406	198	(208)
Deposits received	32	37	4
Accounts payable	1,798	1,853	55
Suspense receipts	2,826	3,040	214
Lease obligations	252	200	(51)
Reserve for retirement benefits to directors	9	15	5
Reserve for bonus payments	410	395	(14)
Reserve for bonus payments to directors	15	17	1
Reserves under the special laws:	87	107	19
Reserve for price fluctuation	87	107	19
Total liabilities	63,547	68,865	5,317
Net assets:			
Shareholders' equity:			
Common stock	32,260	32,260	—
Capital surplus:	40,692	40,692	—
Capital reserves	30,497	30,497	—
Other capital surplus	10,194	10,194	—
Retained earnings:	(55,321)	(56,242)	(921)
Other retained earnings:	(55,321)	(56,242)	(921)
Retained earnings carried forward	(55,321)	(56,242)	(921)
Total shareholders' equity	17,631	16,709	(921)
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	250	(1,462)	(1,713)
Total valuation and translation adjustments	250	(1,462)	(1,713)
Total net assets	17,882	15,247	(2,635)
Total liabilities and net assets	81,430	84,112	2,682

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

(Millions of yen)

	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)	Increase (Decrease)	Rate of change
	Amount	Amount		
Ordinary income:	58,636	65,192	6,555	11.2%
Underwriting income:	58,234	64,503	6,268	10.8
Net premiums written	58,185	64,446	6,260	10.8
Interest and dividend income on deposits of premiums, etc.	48	56	8	16.6
Foreign exchange gains	—	0	0	—
Investment income:	271	624	352	129.7
Interest and dividend income	283	341	57	20.2
Gains on sales of securities	23	340	316	1,329.7
Other investment income	12	—	(12)	(100.0)
Transfer of interest and dividend income on deposits of premiums, etc.	(48)	(56)	(8)	—
Other ordinary income	130	64	(66)	(50.6)
Ordinary expenses:	56,215	66,067	9,852	17.5
Underwriting expenses:	41,114	49,520	8,406	20.4
Net claims paid	33,260	38,536	5,276	15.9
Loss adjustment expenses	4,239	4,415	176	4.2
Net commissions and brokerage fees	1,189	1,255	65	5.5
Provision for reserve for outstanding losses and claims	1,085	2,890	1,804	166.3
Provision for underwriting reserves	1,331	2,415	1,083	81.4
Foreign exchange losses	0	—	(0)	(100.0)
Other underwriting expenses	8	7	(1)	(13.6)
Investment expenses:	0	337	336	55,523.8
Losses on sales of securities	0	336	335	55,314.8
Impairment losses on securities	—	1	1	—
Operating, general and administrative expenses	15,008	16,096	1,088	7.2
Other ordinary expenses:	91	112	21	23.0
Interest paid	5	4	(1)	(17.9)
Provision for allowance for possible credit losses	—	2	2	—
Other ordinary expenses	85	105	19	23.2
Ordinary profit (loss)	2,421	(875)	(3,296)	(136.2)

(Millions of yen)

	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)	Increase (Decrease)	Rate of change	
	Amount	Amount			
Extraordinary losses:	33	24	(9)	(27.8)%	
Losses on disposal of fixed assets	15	0	(14)	(99.1)	
Impairment losses	0	4	4	926.0	
Provision for reserves under the special laws:	18	19	1	7.1	
Provision for reserve for price fluctuation	18	19	1	7.1	
Net income (loss) before income taxes	2,387	(899)	(3,287)	(137.7)	
Income taxes	296	15	(280)	(94.7)	
Deferred income taxes	(341)	6	347	—	
Total income taxes	(45)	22	67	—	
Net income (loss)	2,433	(921)	(3,355)	(137.9)	
Underwriting result:					
Net premiums written	(+)	58,185	64,446	6,260	10.8
Net claims paid	(-)	33,260	38,536	5,276	15.9
Loss adjustment expenses	(-)	4,239	4,415	176	4.2
Net operating expenses:	(-)	16,160	17,217	1,057	6.5
Net commissions and brokerage fees		1,189	1,255	65	5.5
Operating, general and administrative expenses related to underwriting		14,970	15,962	992	6.6
Underwriting result		4,526	4,276	(249)	(5.5)
Underwriting profit (loss)		2,168	(959)	(3,128)	(144.3)
Ratios:					
Net loss ratio	(%)	64.4	66.6	2.2	
Net operating expenses ratio	(%)	27.8	26.7	(1.1)	
Combined ratio	(%)	92.2	93.4	1.1	

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

	(Millions of yen)		
	As of March 31, 2022	As of March 31, 2023	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits:	137,951	79,308	(58,643)
Deposits	137,951	79,308	(58,643)
Securities:	3,476,978	3,735,314	258,336
Government bonds	2,371,793	2,693,598	321,805
Municipal bonds	57,515	56,732	(783)
Corporate bonds	420,802	380,019	(40,783)
Domestic stocks	9,858	10,424	565
Foreign securities	611,887	587,130	(24,757)
Other securities	5,120	7,409	2,288
Loans:	41,428	42,150	721
Policy loans	41,425	42,148	722
Ordinary loans	3	2	(0)
Tangible fixed assets:	2,219	1,750	(468)
Buildings	432	433	1
Leased assets	1,389	1,005	(384)
Construction in progress	—	3	3
Other tangible fixed assets	396	307	(89)
Intangible fixed assets:	1,234	3,620	2,386
Other intangible fixed assets	1,234	3,620	2,386
Agency accounts receivable	99	119	20
Reinsurance accounts receivable	1,599	1,650	50
Other assets:	54,377	59,467	5,089
Accounts receivable	35,899	40,994	5,095
Prepaid expenses	3,672	4,525	853
Accrued income	9,276	9,672	396
Advance deposits	2,462	2,645	183
Derivative assets	18	948	930
Cash collateral paid for financial instruments	2,310	20	(2,290)
Suspense payments	655	572	(82)
Other assets	85	87	2
Deferred tax assets	22,434	39,503	17,068
Allowance for possible credit losses	(76)	(51)	24
Total assets	3,738,246	3,962,833	224,586

	(Millions of yen)		
	As of March 31, 2022	As of March 31, 2023	Increase (Decrease)
	Amount	Amount	
Liabilities:			
Policy reserves:	3,290,913	3,423,777	132,864
Reserve for outstanding claims	40,896	40,758	(137)
Policy reserves	3,245,593	3,378,531	132,937
Reserve for dividends to policyholders	4,423	4,488	64
Agency accounts payable	5,663	5,134	(528)
Reinsurance accounts payable	990	1,075	85
Other liabilities:	280,038	414,812	134,773
Payables under securities lending transactions	228,854	397,672	168,818
Income taxes payable	109	41	(67)
Accounts payable	17,493	602	(16,890)
Accrued expenses	7,747	7,655	(91)
Unearned income	—	0	0
Deposits received	125	130	5
Derivative liabilities	23,578	6,523	(17,054)
Cash collateral received for financial instruments	—	130	130
Lease obligations	1,577	1,154	(423)
Suspense receipts	553	544	(9)
Other liabilities	—	357	357
Reserve for bonus payments to directors	38	25	(12)
Reserve for retirement benefits	4,971	5,316	344
Reserve for possible reimbursement of prescribed claims	936	542	(393)
Reserves under the special laws:	9,969	10,958	988
Reserve for price fluctuation	9,969	10,958	988
Total liabilities	3,593,521	3,861,642	268,121
Net assets:			
Shareholders' equity:			
Common stock	17,250	17,250	—
Capital surplus:	13,333	13,333	—
Capital reserves	13,333	13,333	—
Retained earnings:	95,477	96,422	945
Legal reserve	3,916	3,916	—
Other retained earnings:	91,560	92,505	945
Reserve under Article 10 of the Supplementary Provisions of Ordinance for Enforcement of the Insurance Business Act	325	325	—
Retained earnings carried forward	91,235	92,180	945
Total shareholders' equity	126,060	127,005	945
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	18,664	(25,815)	(44,479)
Total valuation and translation adjustments	18,664	(25,815)	(44,479)
Total net assets	144,725	101,190	(43,534)
Total liabilities and net assets	3,738,246	3,962,833	224,586

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

(Millions of yen)

	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)	Increase (Decrease)	Rate of change
	Amount	Amount		
Ordinary income:	493,056	518,504	25,448	5.2%
Insurance premiums and other:	436,893	434,473	(2,420)	(0.6)
Insurance premiums	433,472	430,164	(3,307)	(0.8)
Reinsurance income	3,421	4,308	887	25.9
Investment income:	53,709	82,038	28,329	52.7
Interest and dividend income and other:	49,413	54,982	5,569	11.3
Interest and dividends on securities	48,027	53,471	5,444	11.3
Interest on loans	1,248	1,270	21	1.8
Other interest and dividends	137	240	102	74.8
Gains on sales of securities	1,653	18,732	17,078	1,032.7
Gains on redemption of securities	255	—	(255)	(100.0)
Gains on derivatives	464	—	(464)	(100.0)
Foreign exchange gains	153	6,890	6,736	4,386.0
Reversal of allowance for possible credit losses	—	2	2	—
Other investment income	2	0	(1)	(66.1)
Investment gains on special account	1,767	1,430	(337)	(19.1)
Other ordinary income:	2,453	1,992	(461)	(18.8)
Fund receipt for annuity rider	935	434	(501)	(53.6)
Fund receipt for claim deposit payments	1,509	1,257	(251)	(16.7)
Reversal of reserve for outstanding claims	—	137	137	—
Other ordinary income	8	162	154	1,855.1
Ordinary expenses:	466,611	512,173	45,562	9.8
Insurance claims and other:	215,929	253,947	38,017	17.6
Insurance claims	39,023	42,542	3,519	9.0
Annuity payments	11,834	12,144	310	2.6
Insurance benefits	50,100	79,929	29,828	59.5
Surrender benefits	107,023	111,098	4,075	3.8
Other refunds	4,254	4,145	(109)	(2.6)
Reinsurance premiums	3,693	4,086	393	10.6
Provision for policy reserves and other:	147,345	132,937	(14,407)	(9.8)
Provision for reserve for outstanding claims	1,602	—	(1,602)	(100.0)
Provision for policy reserves	145,742	132,937	(12,805)	(8.8)
Provision for interest portion of reserve for dividends to policyholders	0	0	(0)	(3.4)
Investment expenses:	3,461	21,717	18,256	527.5
Interest paid	59	150	91	153.2
Losses on sales of securities	3,261	16,637	13,375	410.1
Losses on derivatives	—	4,773	4,773	—
Provision for allowance for possible credit losses	0	—	(0)	(100.0)
Other investment expenses	139	155	16	11.7
Operating expenses	94,804	99,017	4,212	4.4

(Millions of yen)

	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)	Increase (Decrease)	Rate of change
	Amount	Amount		
Other ordinary expenses:	5,070	4,553	(516)	(10.2)%
Claim deposit payments	1,379	1,522	142	10.3
Taxes	2,015	1,994	(20)	(1.0)
Depreciation	497	654	157	31.6
Provision for reserve for retirement benefits	389	344	(44)	(11.5)
Other ordinary expenses	788	37	(750)	(95.2)
Ordinary profit	26,444	6,330	(20,114)	(76.1)
Extraordinary gains:	0	3	2	308.3
Gains on disposal of fixed assets and other	0	3	2	308.3
Extraordinary losses:	956	1,449	492	51.5
Losses on disposal of fixed assets and other	32	16	(15)	(49.0)
Provision for reserves under the special laws:	924	988	63	6.9
Provision for reserve for price fluctuation	924	988	63	6.9
Other extraordinary losses	—	444	444	—
Provision for reserve for dividends to policyholders	3,158	3,371	212	6.7
Net income before income taxes	22,329	1,512	(20,816)	(93.2)
Income taxes	5,717	338	(5,379)	(94.1)
Deferred income taxes	687	229	(458)	(66.7)
Total income taxes	6,405	567	(5,837)	(91.1)
Net income	15,924	945	(14,979)	(94.1)

Solvency Margin Ratio of Sampo Holdings, Inc. on a Consolidated Basis (Unaudited)

Consolidated Solvency Margin Ratio

- The Company calculates the consolidated solvency margin ratio based on the provisions of Articles 210-11-3 and 210-11-4 of the Ordinance for Enforcement of the Insurance Business Act and Public Notice No. 23 of the Financial Service Agency (2011).
- In addition to reserves to cover payments for claims, benefits and maturity refunds, etc., it is necessary for an insurance company group to maintain sufficient solvency in order to cover against risks which exceed their normal estimates, e.g. occurrence of major catastrophes and a big decline in value of assets held by insurance companies.
- (C) Consolidated Solvency Margin Ratio, which is calculated in accordance with the Insurance Business Act, etc. is the ratio of the “solvency margin of insurance company group by means of its capital, reserves, etc.” ((A) Total Consolidated Solvency Margin) to “risks which will exceed its normal estimates” ((B) Total Consolidated Risks).
- Although the scope of entities for the consolidated solvency margin ratio calculation shall match with the treatment of consolidated financial statements, subsidiaries defined under the Insurance Business Act (i.e. over 50 percent of voting rights acquired by the Company) are generally included in the calculation.
- Solvency margin ratio is one of the objective indicators for the regulatory authorities to monitor the financial soundness of an insurance company group. A solvency margin ratio exceeding 200 percent would indicate adequate capability to meet payments of possible insurance claims and others.
- The consolidated solvency margin ratio of the Company for the current fiscal year decreased by 183.3 points from the previous fiscal year to 589.7 percent.

Sampo Holdings, Inc. (Consolidated) Consolidated Solvency Margin Ratio

	(Millions of yen)	
	As of March 31, 2022	As of March 31, 2023
(A) Total Consolidated Solvency Margin	3,697,989	3,284,055
Capital and funds, etc.	1,033,111	931,664
Reserve for price fluctuation	105,389	110,858
Contingency reserve	35,949	37,938
Catastrophic loss reserve	558,190	545,598
General allowance for possible credit losses	5,474	8,150
Unrealized gains and losses on securities, deferred gains and losses on hedges (before tax effect deductions)	1,037,412	752,515
Unrealized gains and losses on land	114,601	112,041
Total of unrecognized actual difference and unrecognized prior service costs (before tax effect deductions)	23,088	28,591
Surplus such as premium fund	161,014	145,353
Subordinated debt, etc.	433,560	427,000
Excess amount of surplus such as premium fund and subordinated debt, etc. which are excluded from total solvency margin	—	—
Total solvency margin related to small amount and short term insurance companies	7	25
Deductions	57,743	54,970
Others	247,933	239,288
(B) Total Consolidated Risks	956,727	1,113,737
$\sqrt{(R_1^2+R_2^2+R_3+R_4)^2+(R_5+R_6+R_7)^2+R_8+R_9}$		
Underwriting risk for property and casualty insurance business (R ₁)	339,295	413,736
Underwriting risk for life insurance business (R ₂)	15,226	14,810
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R ₃)	11,935	13,089
Underwriting risk related to small amount and short term insurance companies (R ₄)	27	97
Guaranteed interest rate risk (R ₅)	22,389	20,729
Guaranteed minimum benefit risk for life insurance policies (R ₆)	400	401
Investment risk (R ₇)	560,798	632,507
Business management risk (R ₈)	24,522	28,570
Major catastrophe risk for property and casualty insurance policies (R ₉)	250,884	304,310
(C) Consolidated Solvency Margin Ratio	773.0%	589.7%
$[(A) / \{(B) \times 1/2\}] \times 100$		

Note) The above amounts and figures are calculated based on the provisions of Articles 210-11-3 and 210-11-4 of the Ordinance for Enforcement of the Insurance Business Act and Public Notice No. 23 of the Financial Service Agency (2011).

Solvency Margin Ratios of Principal Consolidated Subsidiaries (Unaudited)

Non-consolidated Solvency Margin Ratio

- Domestic insurance companies calculate the non-consolidated solvency margin ratio based on the 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).
- 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 a 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 the "solvency margin of insurance companies by means of their capital, reserves, etc." ((A) Total Non-consolidated Solvency Margin) to "risks which will exceed their normal estimates" ((B) Total Non-consolidated Risks).
- Solvency margin ratio is one of the objective indicators for the regulatory authorities to monitor the financial soundness of insurance companies. A solvency margin ratio exceeding 200 percent would indicate adequate capability to meet payments of possible insurance claims and others.
- Non-consolidated solvency margin ratios of the domestic insurance subsidiaries at the end of the current fiscal year are as follows.

Sompo Japan Insurance Inc. (Non-consolidated)

	(Millions of yen)	
	As of March 31, 2022	As of March 31, 2023
(A) Total Non-consolidated Solvency Margin	3,042,067	2,952,779
Capital and funds, etc.	669,398	648,480
Reserve for price fluctuation	95,331	99,792
Contingency reserve	2,475	3,624
Catastrophic loss reserve	554,520	541,683
General allowance for possible credit losses	132	172
Unrealized gains and losses on securities, deferred gains and losses on hedges (before tax effect deductions)	988,227	935,188
Unrealized gains and losses on land	132,656	129,929
Excess amount of reserve for maturity refunds	—	—
Subordinated debt, etc.	433,560	427,000
Excess amount of reserve for maturity refunds and subordinated debt, etc. which are excluded from total solvency margin	—	—
Deductions	46,381	36,213
Others	212,146	203,119
(B) Total Non-consolidated Risks	872,214	947,373
$\sqrt{(R_1+R_2)^2+(R_3+R_4)^2+R_5+R_6}$		
Underwriting risk (R ₁)	196,903	202,217
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R ₂)	—	—
Guaranteed interest rate risk (R ₃)	13,946	12,362
Investment risk (R ₄)	623,096	692,323
Business management risk (R ₅)	20,380	21,983
Major catastrophe risk (R ₆)	185,055	192,263
(C) Non-consolidated Solvency Margin Ratio [(A) / ((B) × 1/2)] × 100	697.5%	623.3%

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).

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

	(Millions of yen)	
	As of March 31, 2022	As of March 31, 2023
(A) Total Non-consolidated Solvency Margin	21,775	19,323
Capital and funds, etc.	17,631	16,709
Reserve for price fluctuation	87	107
Contingency reserve	11	11
Catastrophic loss reserve	3,669	3,915
General allowance for possible credit losses	—	0
Unrealized gains and losses on securities, deferred gains and losses on hedges (before tax effect deductions)	374	(1,421)
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	8,841	9,442
$\sqrt{(R_1+R_2)^2+(R_3+R_4)^2+R_5+R_6}$		
Underwriting risk (R ₁)	7,011	7,612
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R ₂)	—	—
Guaranteed interest rate risk (R ₃)	15	13
Investment risk (R ₄)	1,763	1,747
Business management risk (R ₅)	302	320
Major catastrophe risk (R ₆)	1,304	1,309
(C) Non-consolidated Solvency Margin Ratio [(A) / ((B) × 1/2)] × 100	492.5%	409.2%

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).

Corporate Data

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

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
(A) Total Non-consolidated Solvency Margin	389,628	309,186
Capital, etc.	126,060	127,005
Reserve for price fluctuation	9,969	10,958
Contingency reserve	33,462	34,301
General allowance for possible credit losses	2	1
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)	23,330	(35,854)
Unrealized gains and losses on land (85% of gain or 100% of loss)	—	—
Excess amount of continued Zillmerized reserve	161,014	145,353
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	35,787	36,168
(B) Total Non-consolidated Risks	57,302	58,712
$\sqrt{(R_1+R_3)^2+(R_2+R_3+R_7)^2+R_4}$		
Underwriting risk (R ₁)	14,226	13,924
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R ₃)	11,935	13,089
Guaranteed interest rate risk (R ₂)	8,427	8,354
Guaranteed minimum benefit risk (R ₇)	400	401
Investment risk (R ₃)	40,451	41,622
Business management risk (R ₄)	1,508	1,547
(C) Non-consolidated Solvency Margin Ratio [(A) / { (B) × 1/2 }] × 100	1,359.8%	1,053.2%

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.

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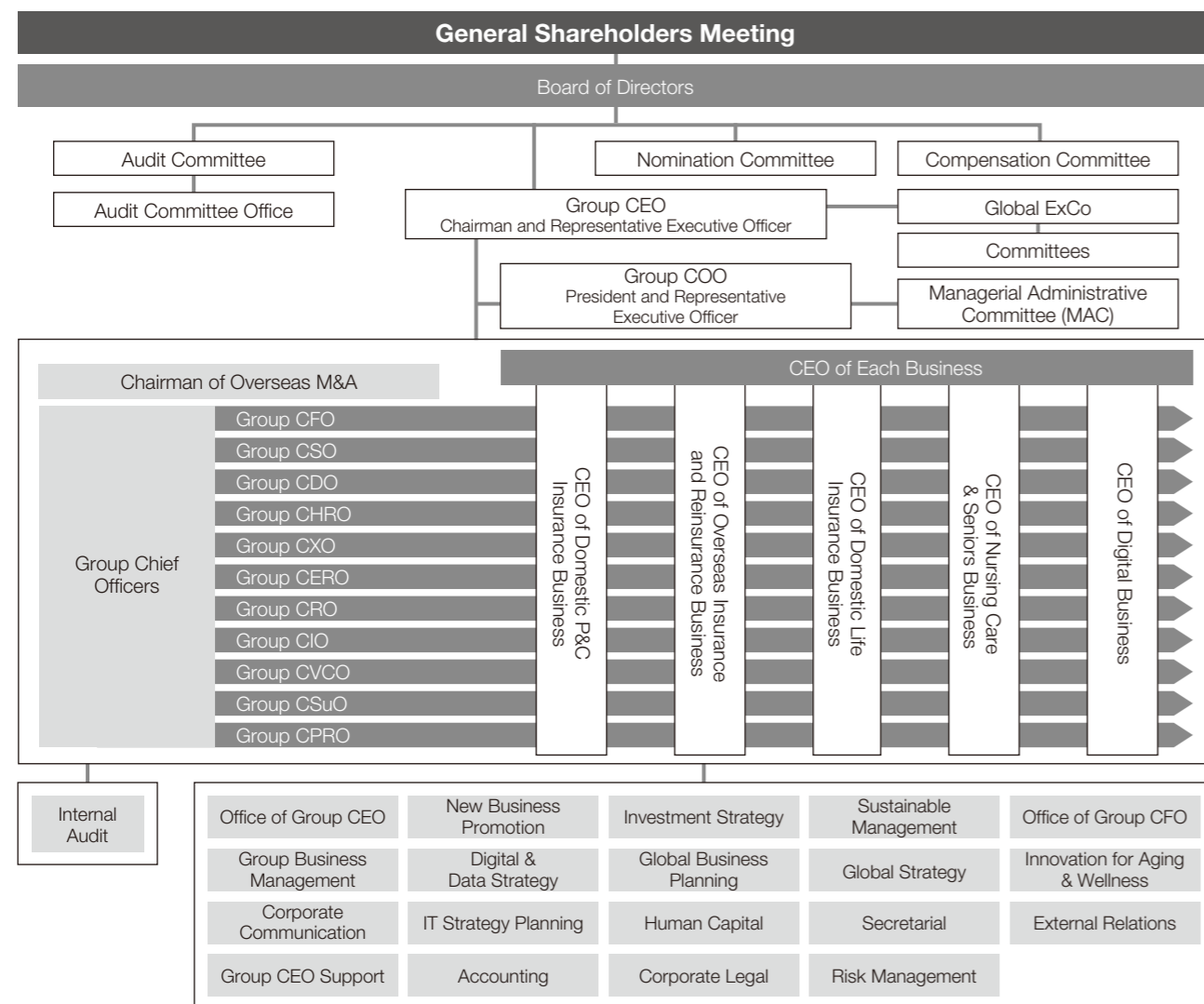
Corporate Overview

Company name: Sampo Holdings, Inc.
 Date of establishment: April 1, 2010
 Capital: ¥100 billion
 Head office: 26-1, Nishi-Shinjuku 1-chome, Shinjuku-ku, Tokyo 160-8338, Japan
 Group CEO, Director, Chairman and Representative Executive Officer: Kengo Sakurada
 Employees: 506*
 Business activities: Management of P&C insurance companies, life insurance companies, and other companies controlled as subsidiaries pursuant to the Insurance Business Law, and other related operations
 Exchange listing: Tokyo Stock Exchange (Prime Market)
 URL: <https://www.sampo-hd.com/en/>

* As of March 31, 2023

Organization Chart

(As of August 1, 2023)



Group CEO and other abbreviated titles represent the following positions:
 Global ExCo: Global Executive Committee / MAC: Managerial Administrative Committee / Group CEO: Group Chief Executive Officer / Group COO: Group Chief Operating Officer / Group CFO: Group Chief Financial Officer / Group CSO: Group Chief Strategy Officer / Group CDO: Group Chief Digital Officer / Group CHRO: Group Chief Human Resource Officer / Group CXO: Group Chief Transformation Officer / Group CERO: Group Chief External Relations Officer / Group CRO: Group Chief Risk Officer / Group CIO: Group Chief Information Officer / Group CVCO: Group Chief Value Communication Officer / Group CSuO: Group Chief Sustainability Officer / Group CPRO: Group Chief Public Relations Officer

Share and Shareholder Information

Share Information

- Fiscal year:** April 1 of each year through March 31 of the following year
- Annual General Meeting of Shareholders:** Held within 3 months of the end of each fiscal year
- Record date for year-end dividends and voting rights:** March 31
 Note: Record date for interim dividends: September 30
- Share-trading lot size:** 100
- Shareholder registry administrator:** Mizuho Trust & Banking Co., Ltd.
- Public notices:** Sampo Holdings issues public notices electronically. (<https://www.sampo-hd.com/publication/>)
 Note: If a public notice cannot be issued electronically, it will be published in the *Nikkei* (newspaper).
- Exchange listing:** Tokyo Stock Exchange (Prime Market)

Matters for the General Meeting of Shareholders

The 13th General Meeting of Shareholders was held on June 26, 2023. The matters to be reported and the matters to be resolved were as follows:

Matters to Be Reported

- The business report, the consolidated financial statements, and the audit reports on the consolidated financial statements by the accounting auditors and the Audit Committee for fiscal 2022 (April 1, 2022 to March 31, 2023)
- The financial statements for fiscal 2022 (April 1, 2022 to March 31, 2023)

Matters to Be Resolved

- Proposal No. 1: Disposition of Retained Earnings
 - Proposal No. 2: Appointment of 12 Directors
- The proposals were approved as initially proposed.

Distribution and Shares

1. Equity Shares

(1) Type of shares	Common shares
(2) Total number of authorized shares	1,200,000,000
(3) Total number of shares outstanding	347,698,689 (Including treasury stock)
(4) Total number of shareholders	60,169

2. Types of Shareholders

(As of March 31, 2023)

Category	Number of Shareholders	Number of Shares Held (Thousands) ¹	Portion of Shares Outstanding (%) ²
National and Regional Governmental Organizations	2	8	0.00
Financial Institutions	151	119,672	34.42
Securities Companies	56	24,859	7.15
Other Corporations	1,111	23,993	6.90
Foreign Investors	944	125,598	36.12
Individuals and Others	57,905	53,566	15.41
Total	60,169	347,698	100.00

Note: ¹ Numbers of shares held are truncated to the unit displayed.
² Portions of shares outstanding are rounded to the unit displayed.

Top 10 Shareholders

(As of March 31, 2023)

Name of Shareholder	Number of Shares Held (Thousands)	Percentage of Shares Outstanding (Excluding Treasury Stock) (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	60,103	18.00
Custody Bank of Japan, Ltd. (Trust account)	22,401	6.71
JP MORGAN CHASE BANK 380055	11,100	3.32
GOVERNMENT OF NORWAY	8,727	2.61
Sompo Holdings Employee Shareholders Association	8,591	2.57
JPMorgan Securities Japan Co., Ltd.	7,829	2.34
STATE STREET BANK WEST CLIENT - TREATY 505234	6,026	1.80
JP MORGAN CHASE BANK 385781	4,126	1.24
NIPPON EXPRESS HOLDINGS, INC.	3,901	1.17
Naigai Kisen Co., Ltd.	3,419	1.02

Note: 1. In addition to the above, the Company holds 13,761 thousand shares of treasury stock. This number of treasury stock does not include 853 thousand shares of the Company's stock held by Mizuho Trust & Banking Co., Ltd. (Re-entrusted entity: Custody Bank of Japan, Ltd. (Trust E account) established for the "Board Benefit Trust (BBT)" plan.).
 2. The percentage of shares outstanding has been calculated by deducting treasury stock (13,761 thousand shares).

The Sompo Group consists of 97 subsidiaries and 20 affiliates. The Group is engaged in Domestic P&C Insurance, Overseas Insurance, Domestic Life Insurance, and Nursing care & Seniors. Major Group companies are as follows.

Domestic P&C Insurance

- ◎ Sompo Japan Insurance Inc.
- ◎ SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED
- ◎ Sompo Japan Partners Inc.
- ◎ Mysurance Inc.
- ★ Capital Insurance Corporation

Overseas Insurance and Reinsurance

- ◎ Sompo International Holdings Ltd. <Bermuda, British Overseas Territory>
- ◎ Endurance Specialty Insurance Ltd. <Bermuda, British Overseas Territory>
- ◎ Endurance Assurance Corporation <U.S.A.>
- ◎ Endurance Worldwide Insurance Limited <U.K.>
- ◎ SI Insurance (Europe), SA <Luxembourg>
- ◎ Sompo Sigorta Anonim Sirketi <Turkey>
- ◎ Sompo Holdings (Asia) Pte. Ltd. <Singapore>
- ◎ Berjaya Sompo Insurance Berhad <Malaysia>
- ◎ Sompo Seguros S.A. <Brazil>
- ★ Universal Sompo General Insurance Company Limited <India>

Domestic Life Insurance

- ◎ Sompo Himawari Life Insurance, Inc.

Nursing Care & Seniors

- ◎ Sompo Care Inc.
- ◎ ND Software Co., Ltd.

Others

- ◎ Sompo Warranty Inc. (Extended warranty)
- ◎ SOMPO Light Vortex Inc. (Digital-related)
- ◎ Sompo Asset Management Co., Ltd. (Asset management)
- ◎ Sompo Japan DC Securities Inc. (Defined contribution pension plan)
- ◎ Sompo Risk Management Inc. (Risk management)
- ◎ Sompo Health Support Inc. (Healthcare)
- ★ Palantir Technologies Japan K.K. (Software sales)
- ★ Tier IV, Inc. (Autonomous driving platform development)
- ★ DeNA SOMPO Mobility Co., Ltd. (Consumer-to-consumer car sharing)
- ★ ABEJA, Inc. (AI-related)
- ★ DeNA SOMPO Carlife Co., Ltd. (Private car leasing)
- ★ akippa Inc. (Parking space sharing)

Note: The meanings of each symbol are as follows. ◎: Consolidated subsidiary ★: Affiliate accounted for under the equity method

Sompo Holdings, Inc.

Subsidiaries and Affiliates

Consolidated Subsidiaries

Company Name	Location of Head Office	Date of Establishment	Capital	Main Business	Proportion of Voting Rights Held by the Holding Company (%) ¹	Proportion of Voting Rights Held by Subsidiaries or Affiliates of the Holding Company (%) ¹
Sompo Japan Insurance Inc.	Shinjuku-ku, Tokyo	February 12, 1944	70,000 million Japanese yen	Domestic P&C Insurance	100.0	—
SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED	Toshima-ku, Tokyo	September 22, 1982	32,260 million Japanese yen	Domestic P&C Insurance	—	99.9
Sompo Japan Partners Inc.	Shinjuku-ku, Tokyo	February 28, 1989	100 million Japanese yen	Domestic P&C Insurance	—	100.0
Mysurance Inc.	Shinjuku-ku, Tokyo	July 17, 2018	2,075 million Japanese yen	Domestic P&C Insurance	—	100.0
Sompo International Holdings Ltd.	Pembroke (Bermuda, British Overseas Territory)	March 24, 2017	0 thousand U.S. dollars	Overseas Insurance and Reinsurance	—	100.0
Endurance Specialty Insurance Ltd.	Pembroke (Bermuda, British Overseas Territory)	November 30, 2001	12,000 thousand U.S. dollars	Overseas Insurance and Reinsurance	—	100.0
Endurance Assurance Corporation	New York, Purchase (U.S.A.)	September 5, 2002	5,000 thousand U.S. dollars	Overseas Insurance and Reinsurance	—	100.0
Endurance Worldwide Insurance Limited	London (U.K.)	April 10, 2002	215,967 thousand British pounds	Overseas Insurance and Reinsurance	—	100.0
SI Insurance (Europe), SA	Luxembourg (Luxembourg)	January 12, 2018	30 thousand euros	Overseas Insurance and Reinsurance	—	100.0
Sompo Sigorta Anonim Sirketi	Istanbul (Turkey)	March 30, 2001	195,498 thousand Turkish liras	Overseas Insurance and Reinsurance	—	100.0
Sompo Holdings (Asia) Pte. Ltd.	Singapore (Singapore)	August 1, 2008	790,761 thousand Singaporean dollars	Overseas Insurance and Reinsurance	—	100.0
Berjaya Sompo Insurance Berhad	Kuala Lumpur (Malaysia)	September 22, 1980	118,000 thousand Malaysian ringgits	Overseas Insurance and Reinsurance	—	70.0
Sompo Seguros S.A.	Sao Paulo (Brazil)	October 8, 1943	1,872,498 thousand Brazilian reals	Overseas Insurance and Reinsurance	—	99.9
Sompo Himawari Life Insurance Inc.	Shinjuku-ku, Tokyo	July 7, 1981	17,250 million Japanese yen	Domestic Life Insurance	100.0	—
Sompo Care Inc.	Shinagawa-ku, Tokyo	May 26, 1997	3,925 million Japanese yen	Nursing Care & Seniors	100.0	—
ND Software Co., Ltd.	Nanyo-shi, Yamagata	December 20, 2018	100 million Japanese yen	Nursing Care & Seniors	100.0	—
Sompo Warranty Inc.	Chiyoda-ku, Tokyo	August 20, 2009	95 million Japanese yen	Other (Extended warranty)	100.0	—
SOMPO Light Vortex, Inc.	Shinjuku-ku, Tokyo	July 1, 2021	12,198 million Japanese yen	Other (Digital-related)	100.0	—

Company Name	Location of Head Office	Date of Establishment	Capital	Main Business	Proportion of Voting Rights Held by the Holding Company (%) ¹	Proportion of Voting Rights Held by Subsidiaries or Affiliates of the Holding Company (%) ¹
Sompo Asset Management Co., Ltd.	Chuo-ku, Tokyo	February 25, 1986	1,550 million Japanese yen	Other (Asset management)	100.0	—
Sompo Japan DC Securities Inc.	Shinjuku-ku, Tokyo	May 10, 1999	3,000 million Japanese yen	Other (Defined contribution pension plan)	—	100.0
Sompo Risk Management Inc.	Shinjuku-ku, Tokyo	November 19, 1997	30 million Japanese yen	Other (Risk management)	100.0	—
Sompo Health Support Inc.	Chiyoda-ku, Tokyo	October 1, 2018	10 million Japanese yen	Other (Healthcare)	100.0	—
52 other companies						

Equity-Method Affiliates

Company Name	Location of Head Office	Date of Establishment	Capital	Main Business	Proportion of Voting Rights Held by the Holding Company (%) ¹	Proportion of Voting Rights Held by Subsidiaries or Affiliates of the Holding Company (%) ¹
Capital Insurance Corporation	Chiyoda-ku, Tokyo	June 21, 1994	6,200 million Japanese yen	Domestic P&C Insurance	—	20.6
Universal Sompo General Insurance Company Limited	Mumbai (India)	January 5, 2007	3,681,818 thousand Indian rupees	Overseas Insurance and Reinsurance	—	34.6
Palantir Technologies Japan K.K.	Shibuya-ku, Tokyo	October 15, 2019	5,432 million Japanese yen	Other (Software sales)	50.0	—
Tier IV, Inc.	Nakamura-ku, Nagoya city, Aichi	December 1, 2015	104 million Japanese yen	Other (Autonomous driving platform development)	27.7	—
DeNA SOMPO Mobility Co., Ltd.	Shibuya-ku, Tokyo	March 1, 2019	100 million Japanese yen	Other (Consumer-to-consumer car sharing)	50.0	—
ABEJA, Inc.	Minato-ku, Tokyo	September 10, 2012	100 million Japanese yen	Other (AI-related)	—	22.0
DeNA SOMPO Carlife Co., Ltd.	Shibuya-ku, Tokyo	March 25, 2019	100 million Japanese yen	Other (Private car leasing)	39.0	—
akippa Inc.	Naniwa-ku, Osaka city, Osaka	February 2, 2009	100 million Japanese yen	Other (Parking space sharing)	33.5	—
4 other companies						

Note: "Subsidiaries and affiliates" includes subsidiaries and affiliates as specified in the Insurance Business Act and the Order for Enforcement of the Insurance Business Act.
¹ Figures in proportion of voting rights are rounded to the indicated decimal place.

Sompo Holdings, Inc.

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URL: <https://www.sompo-hd.com/en/>