
Sompo Holdings, Inc.

Integrated Annual Report

2024

Financial and Corporate Data Section

Financial Highlights	1
Consolidated Business Overview	3
Summary of Accounting	12
Corporate Data	92

Financial Highlights

Consolidated Financial Indicators for Sampo Holdings

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2023 (USD base)
Key Figures (Millions of Yen, Millions of U.S. dollars)						
Ordinary Income	3,760,366	3,846,323	4,167,496	4,525,869	4,933,646	32,584
Net Premiums Written (P&C Insurance)	2,825,482	2,923,547	3,215,713	3,670,717	3,690,419	24,373
Life Insurance Premiums	356,064	346,177	325,183	316,752	311,850	2,059
Ordinary Profit	192,451	215,097	315,512	49,504	488,034	3,223
Net income attributable to shareholders of the parent	122,515	142,482	224,842	26,413	416,054	2,747
Comprehensive Income	(77,806)	512,417	143,823	29,346	1,061,846	7,013
Per Share Information (Yen, U.S. dollars)						
Net Income	111.37	132.46	214.74	26.14	419.83	2.77
Diluted Net Income	111.29	132.38	214.62	26.13	419.69	2.77
Dividend per share (Yen, U.S. dollars)						
Annual dividends	150.00	170.00	210.00	260.00	300.00	1.98
(Of which, Interim)	75.00	80.00	105.00	130.00	150.00	0.99
Financial Condition (Millions of Yen, Millions of U.S. dollars)						
Total Net Assets	1,612,584	2,031,168	2,040,789	1,919,140	2,868,258	18,943
Total Assets	11,977,836	13,118,656	13,787,835	13,351,277	14,832,778	97,964
Equity Ratio (%)	13.33	15.39	14.71	14.25	19.23	—
Consolidated Solvency Margin Ratio (%)	856.1	871.8	773.0	584.0	697.6	—
Stock Information (Thousand shares)						
Number of Shares Outstanding	373,330	373,330	347,698	347,698	330,160	—
Adjusted Financial Indicators (Billions of Yen, Millions of U.S. dollars)						
Adjusted Consolidated Profit	150.8	202.1	261.3	152.2	291.0	1,922
Adjusted Consolidated ROE (%)	6.4	8.0	9.4	5.5	9.2	—

Notes

- The shares of the Company remaining in the "Board Benefit Trust (BBT)" are included in treasury stock as a deduction in the calculation of the average number of shares outstanding during the period for the purpose of calculating net income per share and diluted net income per share.
- On April 1, 2024, the 3-for-1 stock split of common stock was executed; net income per share and diluted net income per share are calculated on the assumption that the stock split was executed at the beginning of fiscal 2019.
- Overseas consolidated subsidiaries that have adopted International Financial Reporting Standards (IFRS) have applied IFRS 17 "Insurance Contracts" and IFRS 9 "Financial Instruments" from the beginning of fiscal 2023. Accordingly, figures for fiscal 2022 have been retrospectively applied. The cumulative effect of the change for fiscal 2021 and earlier is reflected in the net asset amount at the beginning of fiscal 2022.
- U.S. dollar amounts are translated from yen at the rate of ¥151.41 = U.S. \$1.00, the approximate rate prevailing at March 31, 2024.

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.

Definition of Adjusted Consolidated Profit, Adjusted Consolidated ROE, etc.

	FY2021 to FY2023	FY2024 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)	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.	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)	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	—	Net income
	Digital & Others	—	Net income – Gains/losses on sales and impairment losses related to investment (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	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}	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.)	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)	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	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)

Consolidated 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, 2023 (April 1, 2022 to March 31, 2023)			Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)		
	Amount	% of total amount	% of year-on-year change	Amount	% of total amount	% of year-on-year change
Fire and allied insurance	553,594	20.93%	10.56%	519,814	20.06%	(6.10)%
Marine insurance	59,117	2.24	20.49	57,889	2.23	(2.08)
Personal accident insurance	234,121	8.85	(0.99)	224,519	8.67	(4.10)
Voluntary automobile insurance	1,149,439	43.46	0.17	1,153,538	44.52	0.36
Compulsory automobile liability insurance	225,489	8.53	2.21	195,079	7.53	(13.49)
Others	422,948	15.99	3.79	440,047	16.98	4.04
Total	2,644,710	100.00	3.23	2,590,889	100.00	(2.04)
Deposits of premiums by policyholders	70,773	2.68	(12.64)	62,530	2.41	(11.65)

Notes)

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

2. 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, 2023 (April 1, 2022 to March 31, 2023)			Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)		
	Amount	% of total amount	% of year-on-year change	Amount	% of total amount	% of year-on-year change
Fire and allied insurance	385,476	16.83%	17.51%	342,580	15.24%	(11.13)%
Marine insurance	54,947	2.40	17.30	53,663	2.39	(2.34)
Personal accident insurance	155,352	6.78	1.21	154,992	6.89	(0.23)
Voluntary automobile insurance	1,143,902	49.94	0.17	1,147,958	51.07	0.35
Compulsory automobile liability insurance	211,113	9.22	(2.83)	195,761	8.71	(7.27)
Others	339,804	14.83	3.12	352,970	15.70	3.87
Total	2,290,596	100.00	3.31	2,247,927	100.00	(1.86)

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

3. Net claims paid

(Millions of yen)

	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)			Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)		
	Amount	% of total amount	% of year-on-year change	Amount	% of total amount	% of year-on-year change
Fire and allied insurance	286,787	21.25%	32.49%	263,538	18.99%	(8.11)%
Marine insurance	22,956	1.70	(0.19)	28,924	2.08	26.00
Personal accident insurance	87,443	6.48	24.25	77,331	5.57	(11.56)
Voluntary automobile insurance	617,608	45.77	8.84	676,736	48.76	9.57
Compulsory automobile liability insurance	144,986	10.74	(8.94)	148,191	10.68	2.21
Others	189,706	14.06	10.65	193,283	13.93	1.89
Total	1,349,489	100.00	11.72	1,388,006	100.00	2.85

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

4. Investment assets

(Millions of yen)

	As of March 31, 2023		As of March 31, 2024	
	Amount	% of total amount	Amount	% of total amount
Deposits	495,820	8.40%	429,271	6.65%
Receivables under resale agreements	69,999	1.19	14,999	0.23
Monetary receivables bought	20,366	0.35	18,927	0.29
Money trusts	21,105	0.36	4,712	0.07
Securities	3,874,601	65.68	4,579,723	70.94
Loans	441,994	7.49	408,708	6.33
Land & buildings	207,941	3.52	223,388	3.46
Total investment assets	5,131,828	86.99	5,679,731	87.98
Total net assets	5,899,190	100.00	6,455,389	100.00

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

5. Securities

(Millions of yen)

	As of March 31, 2023		As of March 31, 2024	
	Amount	% of total amount	Amount	% of total amount
Government bonds	512,262	13.22%	530,397	11.58%
Municipal bonds	12,701	0.33	12,524	0.27
Corporate bonds	514,550	13.28	495,208	10.81
Domestic stocks	1,276,277	32.94	1,694,930	37.01
Foreign securities	1,319,952	34.07	1,546,794	33.77
Others	238,856	6.16	299,867	6.55
Total	3,874,601	100.00	4,579,723	100.00

Notes)

- Figures are amounts after the elimination of internal transactions between segments.
- As of March 31, 2023, others primarily comprised security investment trust beneficiary securities amounting to 222,247 million yen.
As of March 31, 2024, others primarily comprised security investment trust beneficiary securities amounting to 275,345 million yen.

6. Yield

(1) Income yield

(Millions of yen)

	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)			Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)		
	Income amount	Average amount under management	Annualized yield	Income amount	Average amount under management	Annualized yield
Deposits	19	493,775	0.00%	23	475,971	0.00%
Receivables under resale agreements	3	71,653	0.00	2	57,340	0.00
Monetary receivables bought	151	20,389	0.74	154	20,376	0.76
Money trusts	602	16,172	3.73	405	10,042	4.03
Securities	108,761	3,114,015	3.49	113,974	2,983,134	3.82
Loans	4,401	467,601	0.94	4,320	425,191	1.02
Land & buildings	2,768	210,937	1.31	2,760	214,382	1.29
Subtotal	116,707	4,394,544	2.66	121,642	4,186,439	2.91
Others	363	—	—	873	—	—
Total	117,070	—	—	122,515	—	—

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, 2023 (April 1, 2022 to March 31, 2023)			Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)		
	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	3,628	493,775	0.73%	5,650	475,971	1.19%
Receivables under resale agreements	3	71,653	0.00	2	57,340	0.00
Monetary receivables bought	151	20,389	0.74	154	20,376	0.76
Money trusts	3,103	16,172	19.19	5,787	10,042	57.63
Securities	132,540	3,114,015	4.26	142,201	2,983,134	4.77
Loans	5,193	467,601	1.11	4,020	425,191	0.95
Land & buildings	2,768	210,937	1.31	2,760	214,382	1.29
Derivatives	(13,460)	—	—	(18,277)	—	—
Others	818	—	—	3,043	—	—
Total	134,746	4,394,544	3.07	145,343	4,186,439	3.47

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, 2023		As of March 31, 2024	
	Amount	% of total amount	Amount	% of total amount
Foreign currency denominated securities				
Foreign bonds	343,103	24.23%	399,116	24.15%
Foreign stocks	45,404	3.21	54,971	3.33
Others	790,698	55.84	1,034,040	62.56
Subtotal	1,179,206	83.27	1,488,127	90.03
Yen-denominated securities				
Foreign bonds	22,794	1.61	23,900	1.45
Others	214,103	15.12	140,952	8.53
Subtotal	236,898	16.73	164,853	9.97
Total	1,416,104	100.00	1,652,981	100.00
Yield on foreign investments				
Income yield		3.64%		3.92%
Realized yield		2.91		3.10

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, 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. As of March 31, 2024, others in foreign currency denominated securities primarily comprised security investment trust beneficiary securities amounting to 963,327 million yen, and others in yen-denominated securities primarily comprised security investment trust beneficiary securities amounting to 122,904 million yen.

Overseas Insurance Business

(Millions of yen)

	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)		Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)	
	Amount	% of year-on-year change	Amount	% of year-on-year change
Net premiums written	1,380,120	38.21%	1,442,491	4.52%

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, 2023		As of March 31, 2024	
	Amount	% of year-on-year change	Amount	% of year-on-year change
Individual insurance	22,858,745	(1.90)%	22,447,315	(1.80)%
Individual annuities	208,801	(3.36)	200,329	(4.06)
Group insurance	2,659,037	(1.52)	2,539,728	(4.49)
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, 2023 (April 1, 2022 to March 31, 2023)			Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)		
	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	1,724,168	1,724,168	—	1,748,842	1,748,842	—
Individual annuities	—	—	—	—	—	—
Group insurance	93,951	93,951	—	50,581	50,581	—
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, 2023		As of March 31, 2024	
	Amount	% of total amount	Amount	% of total amount
Deposits	79,308	2.02%	115,961	2.79%
Securities	3,734,465	95.14	3,935,480	94.65
Loans	42,150	1.07	42,953	1.03
Land & buildings	433	0.01	471	0.01
Total investment assets	3,856,357	98.24	4,094,866	98.48
Total net assets	3,925,327	100.00	4,157,923	100.00

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

4. Securities

(Millions of yen)

	As of March 31, 2023		As of March 31, 2024	
	Amount	% of total amount	Amount	% of total amount
Government bonds	2,692,301	72.09%	2,967,113	75.39%
Municipal bonds	56,882	1.52	59,545	1.51
Corporate bonds	380,316	10.18	382,583	9.72
Domestic stocks	10,424	0.28	13,780	0.35
Foreign securities	587,130	15.72	497,295	12.64
Other securities	7,409	0.20	15,160	0.39
Total	3,734,465	100.00	3,935,480	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, 2023 (April 1, 2022 to March 31, 2023)			Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)		
	Income amount	Average amount under management	Annualized yield	Income amount	Average amount under management	Annualized yield
Deposits	—	76,004	—%	—	127,688	—%
Securities	53,797	3,601,588	1.49	58,718	3,762,904	1.56
Loans	1,270	41,788	3.04	1,304	42,774	3.05
Land & buildings	—	438	—	—	537	—
Subtotal	55,068	3,719,820	1.48	60,023	3,933,904	1.53
Others	—	—	—	—	—	—
Total	55,068	—	—	60,023	—	—

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, 2023 (April 1, 2022 to March 31, 2023)			Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)		
	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	—	76,004	—%	—	127,688	—%
Securities	62,628	3,601,588	1.74	55,059	3,762,904	1.46
Loans	1,270	41,788	3.04	1,304	42,774	3.05
Land & buildings	—	438	—	—	537	—
Derivatives	(4,773)	—	—	(7,972)	—	—
Total	59,125	3,719,820	1.59	48,392	3,933,904	1.23

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, 2023		As of March 31, 2024	
	Amount	% of total amount	Amount	% of total amount
Foreign currency denominated securities				
Foreign bonds	543,789	93.94%	432,506	88.40%
Others	12,989	2.24	9,894	2.02
Subtotal	556,779	96.18	442,400	90.42
Yen-denominated securities				
Foreign bonds	8,604	1.49	12,677	2.59
Others	13,496	2.33	34,180	6.99
Subtotal	22,100	3.82	46,857	9.58
Total	578,879	100.00	489,258	100.00
Yield on foreign investments				
Income yield		2.28%		3.02%
Realized yield		1.54		1.66

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, 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. As of March 31, 2024, others in foreign currency denominated securities primarily comprised security investment trust beneficiary securities amounting to 6,866 million yen, and others in yen-denominated securities is entirely attributable to security investment trust beneficiary securities.

Nursing Care & Seniors Business

Ordinary income increased by 25.5 billion yen, to 177.2 billion yen, compared with the fiscal year ended March 31, 2023. Net income attributable to shareholders of the parent decreased by 1.0 billion yen from the fiscal year ended March 31, 2023, and resulted in a net loss of 0.2 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, 2023 (April 1, 2022 to March 31, 2023)			Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)		
	Amount	% of total amount	% of year-on-year change	Amount	% of total amount	% of year-on-year change
Fire and allied insurance	811,188	19.89%	16.18%	816,442	20.02%	0.65%
Marine insurance	134,251	3.29	27.99	139,409	3.42	3.84
Personal accident insurance	238,659	5.85	(0.52)	228,999	5.61	(4.05)
Voluntary automobile insurance	1,263,857	31.00	3.82	1,271,390	31.17	0.60
Compulsory automobile liability insurance	225,489	5.53	2.21	195,079	4.78	(13.49)
Others	1,404,014	34.43	20.69	1,427,358	35.00	1.66
Total	4,077,460	100.00	11.88	4,078,679	100.00	0.03
Deposits of premiums by policyholders	70,773	1.74	(12.64)	62,530	1.53	(11.65)

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, 2023 (April 1, 2022 to March 31, 2023)			Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)		
	Amount	% of total amount	% of year-on-year change	Amount	% of total amount	% of year-on-year change
Fire and allied insurance	627,013	17.08%	19.60%	639,487	17.33%	1.99%
Marine insurance	117,017	3.19	26.51	132,078	3.58	12.87
Personal accident insurance	159,745	4.35	1.85	159,216	4.31	(0.33)
Voluntary automobile insurance	1,263,943	34.43	3.84	1,281,294	34.72	1.37
Compulsory automobile liability insurance	211,113	5.75	(2.83)	195,761	5.30	(7.27)
Others	1,291,883	35.19	28.21	1,282,580	34.75	(0.72)
Total	3,670,717	100.00	14.15	3,690,419	100.00	0.54

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

3. Net claims paid

(Millions of yen)

	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)			Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)		
	Amount	% of total amount	% of year-on-year change	Amount	% of total amount	% of year-on-year change
Fire and allied insurance	401,364	20.61%	28.93%	394,234	19.52%	(1.78)%
Marine insurance	48,789	2.51	6.37	66,153	3.27	35.59
Personal accident insurance	88,314	4.53	24.10	78,188	3.87	(11.47)
Voluntary automobile insurance	678,374	34.83	10.73	742,638	36.76	9.47
Compulsory automobile liability insurance	144,986	7.44	(8.94)	148,191	7.34	2.21
Others	585,818	30.08	52.48	590,687	29.24	0.83
Total	1,947,647	100.00	22.93	2,020,095	100.00	3.72

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

UNOFFICIAL TRANSLATION

This document is an unofficial English translation of the Japanese original.

Independent Auditor's ReportThe Board of Directors
Sompo Holdings, Inc.**The Audit of the Consolidated Financial Statements****Opinion**

We have audited the accompanying consolidated financial statements of Sompo Holdings, Inc. and its consolidated subsidiaries (the Group), which comprise the consolidated balance sheet as at March 31, 2024, 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, 2024, 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.

Emphasis of Matter

We draw attention to Note "Changes in Accounting Policies" to the consolidated financial statements, which describes overseas consolidated subsidiaries that have applied the International Financial Reporting Standards (IFRS) have applied IFRS 17 "Insurance Contracts" and IFRS 9 "Financial Instruments" from the beginning of the fiscal year ended March 31, 2024. Our opinion is not modified in respect of this matter.

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.

Please note that the information referred to in "Other Information" and "Fee-related Information" in this audit report is information related to the annual report (Yukashoken Hokokusho), and this audit report is merely a translation of the Independent Auditor's Report as required by the Financial Instruments and Exchange Act of Japan.
Ernst & Young ShinNihon LLC

UNOFFICIAL TRANSLATION

This document is an unofficial English translation of the Japanese original.

Assessment of goodwill related to the overseas insurance business	
Description of Key Audit Matter	Auditor's Response
<p>The goodwill of ¥170,645 million recorded in the consolidated balance sheet of the Group as of March 31, 2024 includes ¥100,212 million of goodwill related to the overseas insurance business. The related notes are the 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 Sompo International Holdings Ltd. (SIH) as the core company, includes the direct insurance and reinsurance business in the commercial segment mainly for specialty</p>	<p>Our audit procedures performed to assess goodwill included the following, among others:</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, uncertainty over the international situation caused by a war in Ukraine and Israel and other matters by referring to the available external information.

Please note that the information referred to in "Other Information" and "Fee-related Information" in this audit report is information related to the annual report (Yukashoken Hokokusho), and this audit report is merely a translation of the Independent Auditor's Report as required by the Financial Instruments and Exchange Act of Japan.
Ernst & Young ShinNihon LLC

UNOFFICIAL TRANSLATION

This document is an unofficial English translation of the Japanese original.

<p>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 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 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. In FY 2023, the Group sold its consumer business in Brazil as part of its business selection and concentration strategy, given the intense competitive environment. 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, uncertainty over the international situation caused by the war in Ukraine and Israel, natural catastrophic losses such as hurricanes,</p>	<ul style="list-style-type: none"> 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. 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.
---	--

Please note that the information referred to in "Other Information" and "Fee-related Information" in this audit report is information related to the annual report (Yukashoken Hokokusho), and this audit report is merely a translation of the Independent Auditor's Report as required by the Financial Instruments and Exchange Act of Japan.
Ernst & Young ShinNihon LLC

UNOFFICIAL TRANSLATION

This document is an unofficial English translation of the Japanese original.

<p>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 affect the underwriting 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 underwriting 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>	
---	--

Please note that the information referred to in "Other Information" and "Fee-related Information" in this audit report is information related to the annual report (Yukashoken Hokokusho), and this audit report is merely a translation of the Independent Auditor's Report as required by the Financial Instruments and Exchange Act of Japan.
Ernst & Young ShinNihon LLC

UNOFFICIAL TRANSLATION

This document is an unofficial English translation of the Japanese original.

Estimate method to statistical IBNR reserve	
Description of Key Audit Matter	Auditor's Response
<p>The Group recorded ¥ 2,723,561 million of "Reserve for outstanding losses and claims" in the consolidated balance sheet as of March 31, 2024. 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>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.

Please note that the information referred to in "Other Information" and "Fee-related Information" in this audit report is information related to the annual report (Yukashoken Hokokusho), and this audit report is merely a translation of the Independent Auditor's Report as required by the Financial Instruments and Exchange Act of Japan.
Ernst & Young ShinNihon LLC

UNOFFICIAL TRANSLATION

This document is an unofficial English translation of the Japanese original.

Based on the above, given that the estimate method to statistical IBNR reserve requires a high 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.

- 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.
- 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.

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.

Please note that the information referred to in "Other Information" and "Fee-related Information" in this audit report is information related to the annual report (Yukashoken Hokokusho), and this audit report is merely a translation of the Independent Auditor's Report as required by the Financial Instruments and Exchange Act of Japan.
Ernst & Young ShinNihon LLC

UNOFFICIAL TRANSLATION

This document is an unofficial English translation of the Japanese original.

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.

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.

Please note that the information referred to in "Other Information" and "Fee-related Information" in this audit report is information related to the annual report (Yukashoken Hokokusho), and this audit report is merely a translation of the Independent Auditor's Report as required by the Financial Instruments and Exchange Act of Japan.
Ernst & Young ShinNihon LLC

UNOFFICIAL TRANSLATION

This document is an unofficial English translation of the Japanese original.

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, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

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.

Fee-related Information

The fees for the audits of the financial statements of Sampo Holdings, Inc. and its subsidiaries and other services provided by us and other EY member firms for the year ended March 31, 2024 are presented in paragraph (3) titled "Audit" in Section "Corporate Governance" included in Item "Information about Reporting Company" in Part 1 of the annual report for the year ended March 31, 2024 of the Group.

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.

Please note that the information referred to in "Other Information" and "Fee-related Information" in this audit report is information related to the annual report (Yukashoken Hokokusho), and this audit report is merely a translation of the Independent Auditor's Report as required by the Financial Instruments and Exchange Act of Japan.
Ernst & Young ShinNihon LLC

UNOFFICIAL TRANSLATION

This document is an unofficial English translation of the Japanese original.

Ernst & Young ShinNihon LLC
Tokyo, Japan

June 21, 2024

Noboru Miura
Designated Engagement Partner
Certified Public Accountant

Norio Hashiba
Designated Engagement Partner
Certified Public Accountant

Hiroyuki Kobayashi
Designated Engagement Partner
Certified Public Accountant

Please note that the information referred to in "Other Information" and "Fee-related Information" in this audit report is information related to the annual report (Yukashoken Hokokusho), and this audit report is merely a translation of the Independent Auditor's Report as required by the Financial Instruments and Exchange Act of Japan.
Ernst & Young ShinNihon LLC

Consolidated Financial Statements

Consolidated Balance Sheet

Sompo Holdings, Inc.

	Notes No.	As of March 31, 2023		As of March 31, 2024		Increase (Decrease)
		Amount	Composition ratio	Amount	Composition ratio	
		(Millions of yen)				
Assets:						
Cash and deposits	*5	1,246,638	9.34%	1,231,345	8.30%	(15,293)
Receivables under resale agreements		69,999	0.52	14,999	0.10	(55,000)
Monetary receivables bought		21,915	0.16	21,686	0.15	(229)
Money trusts		21,236	0.16	4,843	0.03	(16,393)
Securities	*3, *4, *5, *6	9,808,182	73.46	11,424,810	77.02	1,616,628
Loans	*4	484,145	3.63	451,662	3.05	(32,483)
Tangible fixed assets:	*1, *2, *5	360,882	2.70	371,583	2.51	10,700
Land		112,957		112,814		(143)
Buildings		137,542		157,999		20,456
Leased assets		64,935		65,297		361
Construction in progress		15,875		5,486		(10,388)
Other tangible fixed assets		29,571		29,985		413
Intangible fixed assets:		543,122	4.07	518,922	3.50	(24,200)
Software		99,161		210,523		111,362
Goodwill		197,729		170,645		(27,083)
Other intangible fixed assets		246,232		137,752		(108,479)
Other assets	*4	707,418	5.30	710,294	4.79	2,876
Net defined benefit asset		230	0.00	433	0.00	203
Deferred tax assets		90,499	0.68	85,110	0.57	(5,388)
Allowance for possible credit losses		(2,995)	(0.02)	(2,913)	(0.02)	81
Total assets		13,351,277	100.00	14,832,778	100.00	1,481,500

Consolidated Balance Sheet (Continued)

Sompo Holdings, Inc.

	Notes No.	As of March 31, 2023		As of March 31, 2024		Increase (Decrease)
		Amount	Composition ratio	Amount	Composition ratio	
		(Millions of yen)				
Liabilities:						
Underwriting funds:		9,475,679	70.97%	9,810,421	66.14%	334,742
Reserve for outstanding losses and claims		2,332,903		2,723,561		390,658
Underwriting reserves		7,142,775		7,086,859		(55,916)
Corporate bonds		609,051	4.56	682,349	4.60	73,297
Other liabilities	*5	1,127,008	8.44	1,111,287	7.49	(15,720)
Net defined benefit liability		59,235	0.44	21,654	0.15	(37,580)
Reserve for retirement benefits to directors		16	0.00	16	0.00	(0)
Reserve for bonus payments		42,488	0.32	57,500	0.39	15,011
Reserve for bonus payments to directors		487	0.00	443	0.00	(43)
Reserve for stocks payments		2,669	0.02	2,535	0.02	(134)
Reserves under the special laws:		110,858	0.83	116,413	0.78	5,555
Reserve for price fluctuation		110,858		116,413		5,555
Deferred tax liabilities		4,642	0.03	161,895	1.09	157,253
Total liabilities		11,432,136	85.63	11,964,519	80.66	532,382
Net assets:						
Shareholders' equity:						
Common stock		100,045	0.75	100,045	0.67	—
Capital surplus		134,708	1.01	32,096	0.22	(102,612)
Retained earnings		961,838	7.20	1,291,783	8.71	329,945
Treasury stock		(82,145)	(0.62)	(4,125)	(0.03)	78,019
Total shareholders' equity		1,114,447	8.35	1,419,799	9.57	305,351
Accumulated other comprehensive income:						
Unrealized gains and losses on securities available for sale		708,578	5.31	1,247,127	8.41	538,549
Deferred gains and losses on hedges		2,412	0.02	1,696	0.01	(716)
Foreign currency translation adjustments		57,053	0.43	142,391	0.96	85,338
Remeasurements of defined benefit plans		20,555	0.15	40,885	0.28	20,329
Total accumulated other comprehensive income		788,599	5.91	1,432,100	9.65	643,500
Stock acquisition rights		269	0.00	235	0.00	(33)
Non-controlling interests		15,824	0.12	16,123	0.11	298
Total net assets		1,919,140	14.37	2,868,258	19.34	949,118
Total liabilities and net assets		13,351,277	100.00	14,832,778	100.00	1,481,500

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, 2023 (April 1, 2022 to March 31, 2023)		Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)		Increase (Decrease)
		Amount	% of ordinary income	Amount	% of ordinary income	
Ordinary income:		4,525,869	100.00%	4,933,646	100.00%	407,777
Underwriting income:		4,090,702	90.38	4,099,489	83.09	8,786
Net premiums written		3,670,717		3,690,419		19,701
Deposits of premiums by policyholders		70,773		62,530		(8,242)
Interest and dividend income on deposits of premiums, etc.		30,159		30,434		275
Life insurance premiums written		316,752		311,850		(4,902)
Other underwriting income		2,299		4,254		1,954
Investment income:		244,445	5.40	592,545	12.01	348,099
Interest and dividend income		173,582		183,660		10,078
Investment gains on money trusts		3,105		5,787		2,681
Investment gains on trading securities		—		224,358		224,358
Gains on sales of securities		72,651		174,815		102,164
Gains on redemption of securities		2,389		2,101		(287)
Investment gains on special account		1,430		6,984		5,554
Other investment income		21,445		25,272		3,826
Transfer of interest and dividend income on deposits of premiums, etc.		(30,159)		(30,434)		(275)
Other ordinary income:		190,720	4.21	241,611	4.90	50,890
Investment gains on the equity method		—		1,109		1,109
Other ordinary income		190,720		240,502		49,781
Ordinary expenses:		4,476,364	98.91	4,445,611	90.11	(30,752)
Underwriting expenses:		3,516,244	77.69	3,495,132	70.84	(21,112)
Net claims paid		1,947,647		2,020,095		72,447
Loss adjustment expenses	*1	135,859		140,454		4,595
Net commissions and brokerage fees	*1	703,159		754,170		51,011
Maturity refunds to policyholders		181,722		167,755		(13,966)
Dividends to policyholders		7		9		2
Life insurance claims paid and other payments		132,543		105,732		(26,811)
Provision for reserve for outstanding losses and claims		247,428		246,044		(1,383)
Provision for underwriting reserves		157,679		58,264		(99,414)
Other underwriting expenses		10,197		2,605		(7,592)
Investment expenses:		187,284	4.14	108,014	2.19	(79,270)
Investment losses on money trusts		2		—		(2)
Investment losses on trading securities		93,318		—		(93,318)
Losses on sales of securities		39,937		57,357		17,419
Impairment losses on securities		11,226		3,787		(7,438)
Losses on redemption of securities		—		1		1
Losses on derivatives		28,121		20,844		(7,277)
Other investment expenses		14,678		26,023		11,345
Operating, general and administrative expenses	*1	598,472	13.22	658,750	13.35	60,278
Other ordinary expenses:		174,363	3.85	183,714	3.72	9,351
Interest paid		15,966		13,750		(2,216)
Provision for allowance for possible credit losses		4,852		—		(4,852)
Losses on bad debt		77		71		(6)
Investment losses on the equity method		1,844		—		(1,844)
Other ordinary expenses		151,622		169,893		18,271
Ordinary profit		49,504	1.09	488,034	9.89	438,530

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, 2023 (April 1, 2022 to March 31, 2023)		Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)		Increase (Decrease)
		Amount	% of ordinary income	Amount	% of ordinary income	
Extraordinary gains:		8,957	0.20%	1,129	0.02%	(7,827)
Gains on disposal of fixed assets		8,957		969		(7,987)
Gains on negative goodwill		—		159		159
Extraordinary losses:		8,078	0.18	9,583	0.19	1,504
Losses on disposal of fixed assets		2,371		1,102		(1,269)
Impairment losses		148		1,636		1,487
Provision for reserves under the special laws:		5,469		5,555		86
Provision for reserve for price fluctuation		5,469		5,555		86
Losses on reduction of real estate		88		—		(88)
Other extraordinary losses	*2	—		1,288		1,288
Net income before income taxes		50,383	1.11	479,581	9.72	429,197
Income taxes		32,237	0.71	113,002	2.29	80,765
Deferred income taxes		(10,014)	(0.22)	(51,488)	(1.04)	(41,473)
Total income taxes		22,222	0.49	61,514	1.25	39,291
Net income		28,160	0.62	418,066	8.47	389,905
Net income attributable to non-controlling interests		1,746	0.04	2,012	0.04	265
Net income attributable to shareholders of the parent		26,413	0.58	416,054	8.43	389,640

Consolidated Statement of Comprehensive Income

Sompo Holdings, Inc.

(Millions of yen)

	Notes No.	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)
		Amount	Amount
Net income		28,160	418,066
Other comprehensive income:			
Unrealized gains and losses on securities available for sale		(122,829)	538,779
Deferred gains and losses on hedges		(1,016)	(716)
Foreign currency translation adjustments		121,108	84,679
Remeasurements of defined benefit plans		3,971	20,303
Share of other comprehensive income of affiliates accounted for under the equity method		(47)	733
Total other comprehensive income	*1	1,186	643,779
Comprehensive income		29,346	1,061,846
(Comprehensive income attributable to)			
Comprehensive income attributable to shareholders of the parent		28,789	1,059,555
Comprehensive income attributable to non-controlling interests		557	2,291

Consolidated Statement of Changes in Net Assets

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
Cumulative effects of changes in accounting policies			(9,191)		(9,191)
Effect of hyperinflation			(4,225)		(4,225)
Adjusted beginning balance	100,045	134,962	1,014,692	(24,965)	1,224,735
Changes during the period:					
Dividends			(79,816)		(79,816)
Net income attributable to shareholders of the parent			26,413		26,413
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)	(52,854)	(57,179)	(110,288)
Balance at the end of the period	100,045	134,708	961,838	(82,145)	1,114,447

	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
Cumulative effects of changes in accounting policies	(7,578)		3,190		(4,387)		1,168	(12,409)
Effect of hyperinflation								(4,225)
Adjusted beginning balance	831,265	3,429	(65,721)	16,605	785,578	446	13,393	2,024,154
Changes during the period:								
Dividends								(79,816)
Net income attributable to shareholders of the parent								26,413
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	(122,687)	(1,016)	122,775	3,950	3,021	(177)	2,430	5,275
Total changes during the period	(122,687)	(1,016)	122,775	3,950	3,021	(177)	2,430	(105,013)
Balance at the end of the period	708,578	2,412	57,053	20,555	788,599	269	15,824	1,919,140

Consolidated Statement of Changes in Net Assets (Continued)

Sompo Holdings, Inc.

Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(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	134,708	961,838	(82,145)	1,114,447
Effect of hyperinflation			4,059		4,059
Adjusted beginning balance	100,045	134,708	965,897	(82,145)	1,118,506
Changes during the period:					
Dividends			(92,903)		(92,903)
Net income attributable to shareholders of the parent			416,054		416,054
Acquisition of treasury stock				(25,043)	(25,043)
Disposal of treasury stock		(32)		488	455
Cancellation of treasury stock		(102,573)		102,573	—
Changes in the scope of consolidation			2,734		2,734
Changes in interest of the parent related to transactions with non-controlling shareholders		(6)			(6)
Net changes in items other than shareholders' equity					
Total changes during the period	—	(102,612)	325,885	78,019	301,292
Balance at the end of the period	100,045	32,096	1,291,783	(4,125)	1,419,799

	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	708,578	2,412	57,053	20,555	788,599	269	15,824	1,919,140
Effect of hyperinflation								4,059
Adjusted beginning balance	708,578	2,412	57,053	20,555	788,599	269	15,824	1,923,200
Changes during the period:								
Dividends								(92,903)
Net income attributable to shareholders of the parent								416,054
Acquisition of treasury stock								(25,043)
Disposal of treasury stock								455
Cancellation of treasury stock								—
Changes in the scope of consolidation								2,734
Changes in interest of the parent related to transactions with non-controlling shareholders								(6)
Net changes in items other than shareholders' equity	538,549	(716)	85,338	20,329	643,500	(33)	298	643,766
Total changes during the period	538,549	(716)	85,338	20,329	643,500	(33)	298	945,058
Balance at the end of the period	1,247,127	1,696	142,391	40,885	1,432,100	235	16,123	2,868,258

Consolidated Statement of Cash Flows

Sompo Holdings, Inc.

(Millions of yen)

	Notes No.	Fiscal year ended	Fiscal year ended	Increase (Decrease)
		March 31, 2023 (April 1, 2022 to March 31, 2023)	March 31, 2024 (April 1, 2023 to March 31, 2024)	
		Amount	Amount	Amount
Cash flows from operating activities:				
Net income before income taxes		50,383	479,581	429,197
Depreciation		51,591	58,774	7,183
Impairment losses		148	1,636	1,487
Amortization of goodwill		30,277	35,350	5,072
Gains on negative goodwill		—	(159)	(159)
Increase (decrease) in reserve for outstanding losses and claims		244,805	313,800	68,995
Increase (decrease) in underwriting reserves		(429,983)	(58,419)	371,564
Increase (decrease) in allowance for possible credit losses		1,591	(84)	(1,675)
Increase (decrease) in net defined benefit liability		(5,931)	(8,794)	(2,863)
Increase (decrease) in reserve for retirement benefits to directors		6	(0)	(6)
Increase (decrease) in reserve for bonus payments		(3,792)	13,787	17,580
Increase (decrease) in reserve for bonus payments to directors		(302)	(43)	258
Increase (decrease) in reserve for stocks payments		796	399	(396)
Increase (decrease) in reserve for price fluctuation		5,469	5,555	86
Interest and dividend income		(173,582)	(183,660)	(10,078)
Losses (gains) on investment in securities		(23,873)	(115,770)	(91,896)
Interest expenses		15,966	13,750	(2,216)
Foreign exchange losses (gains)		(20,223)	(23,177)	(2,953)
Losses (gains) related to tangible fixed assets		(6,496)	(24)	6,472
Losses (gains) related to loans		743	1	(741)
Investment losses (gains) on the equity method		1,844	(1,109)	(2,953)
Decrease (increase) in other assets (other than investing and financing activities)		1,082,877	(26,787)	(1,109,664)
Increase (decrease) in other liabilities (other than investing and financing activities)		(596,538)	8,266	604,805
Others		128,267	(194,226)	(322,494)
Subtotal		354,043	318,646	(35,396)
Interest and dividend received		163,437	178,554	15,117
Interest paid		(16,372)	(14,311)	2,060
Income taxes paid		(120,109)	(9,752)	110,356
Cash flows from operating activities		380,999	473,137	92,138

Consolidated Statement of Cash Flows (Continued)

Sompo Holdings, Inc.

(Millions of yen)

	Notes No.	Fiscal year ended	Fiscal year ended	Increase (Decrease)
		March 31, 2023 (April 1, 2022 to March 31, 2023)	March 31, 2024 (April 1, 2023 to March 31, 2024)	
		Amount	Amount	Amount
Cash flows from investing activities:				
Net decrease (increase) in deposits		(9,072)	(3,802)	5,270
Purchase of monetary receivables bought		(2,187)	(1,533)	654
Proceeds from sales and redemption of monetary receivables bought		1,776	1,613	(163)
Increase in money trusts		(3,000)	—	3,000
Decrease in money trusts		3,634	18,520	14,885
Purchase of securities		(2,157,767)	(2,819,053)	(661,285)
Proceeds from sales and redemption of securities		1,921,583	2,326,442	404,858
Loans made		(127,178)	(131,696)	(4,518)
Collection of loans		173,989	158,367	(15,622)
Net increase (decrease) in receivables under securities borrowing transactions and payables under securities lending transactions		168,818	(25,722)	(194,540)
Others		(83,586)	27,358	110,945
Total of investment transactions		(112,989)	(449,505)	(336,516)
Total of operating activities and investment transactions as above		268,009	23,631	(244,377)
Acquisition of tangible fixed assets		(24,142)	(30,984)	(6,841)
Proceeds from sales of tangible fixed assets		13,365	2,417	(10,948)
Acquisition of stocks of subsidiaries resulting in changes in the scope of consolidation		(64,931)	(81)	64,850
Sales of stocks of subsidiaries resulting in changes in the scope of consolidation		3,329	30,217	26,887
Payments for sales of stocks of subsidiaries resulting in changes in the scope of consolidation		(19,538)	—	19,538
Others		(51,835)	(49,049)	2,785
Cash flows from investing activities		(256,741)	(496,986)	(240,244)
Cash flows from financing activities:				
Proceeds from borrowings		—	3,361	3,361
Repayments of borrowings		(16,288)	(4,786)	11,501
Issuance of corporate bonds		227,000	70,000	(157,000)
Redemption of corporate bonds		(173,370)	(1,662)	171,707
Net increase (decrease) in payables under securities lending transactions		21,353	(22,780)	(44,134)
Proceeds from sales of treasury stock		115	139	24
Acquisition of treasury stock		(58,026)	(25,043)	32,983
Dividends paid		(79,718)	(92,797)	(13,079)
Dividends paid to non-controlling shareholders		(1,081)	(1,939)	(858)
Others		(12,348)	(12,103)	244
Cash flows from financing activities		(92,364)	(87,612)	4,751
Effect of exchange rate changes on cash and cash equivalents		30,764	38,988	8,223
Increase (decrease) in cash and cash equivalents		62,657	(72,473)	(135,131)
Cash and cash equivalents at the beginning of the period		1,207,306	1,271,040	63,733
Increase in cash and cash equivalents resulting from newly consolidated subsidiaries		1,075	—	(1,075)
Cash and cash equivalents at the end of the period	*1	1,271,040	1,198,566	(72,473)

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: 68 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.

(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 benefits

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

The consolidated subsidiaries apply the deferred hedge accounting method 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. 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.

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, 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, 2024

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Goodwill	197,729	170,645

(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, 2025

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, 2024

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Reserve for outstanding losses and claims	2,332,903	2,723,561

(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, 2025

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)

(International Financial Reporting Standards (IFRS) 17 "Insurance Contracts")

Overseas consolidated subsidiaries that have applied the International Financial Reporting Standards (IFRS) have applied IFRS 17 "Insurance Contracts" from the beginning of the fiscal year ended March 31, 2024. As a result of this application, underwriting funds are measured to reflect the effects of the time value of money, the financial risks of cash flows from insurance contracts, and the uncertainty of cash flows from insurance contracts. These changes in accounting policies have been applied retrospectively. Accordingly, the consolidated financial statements for the fiscal year ended March 31, 2023, have reflected the retrospective application. As a result, for the fiscal year ended March 31, 2023, ordinary expenses have decreased by 81,743 million yen, and ordinary profit and net income before income taxes have increased by 81,743 million yen, respectively, compared to those prior to the retrospective application. In addition, for the fiscal year ended March 31, 2023, other assets have decreased by 1,109,401 million yen, other liabilities have decreased by 515,938 million yen, and underwriting funds have decreased by 643,254 million yen. The cumulative impact of these changes has been reflected in the balance of net assets at the beginning of the fiscal year ended March 31, 2023. As a result, the balance of retained earnings at the beginning of the fiscal year ended March 31, 2023 has decreased by 16,769 million yen.

(International Financial Reporting Standards (IFRS) 9 “Financial Instruments”)

Overseas consolidated subsidiaries that have applied the International Financial Reporting Standards (IFRS) have applied IFRS 9 “Financial Instruments” from the beginning of the fiscal year ended March 31, 2024. As a result of this application, the methods for classification and measurement of financial instruments have changed.

These changes in accounting policies have been applied retrospectively. Accordingly, the consolidated financial statements for the fiscal year ended March 31, 2023, have reflected the retrospective application. As a result, for the fiscal year ended March 31, 2023, ordinary income has decreased by 81,265 million yen, ordinary expenses have increased by 73,503 million yen, and ordinary profit and net income before income taxes have decreased by 154,768 million yen, respectively, compared to those prior to the retrospective application. In addition, the cumulative impact of these changes has been reflected in the balance of net assets at the beginning of the fiscal year ended March 31, 2023. As a result, the balance of retained earnings at the beginning of the fiscal year ended March 31, 2023 has increased by 7,578 million yen, and the balance of unrealized gains and losses on securities available for sale at the beginning of the fiscal year ended March 31, 2023 has decreased by 7,578 million yen.

(Additional information)

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 3,280 million yen and its number of shares is 853,700 shares at the end of the fiscal year ended March 31, 2023, while its carrying amount is 2,858 million yen and its number of shares is 744,000 shares at the end of the fiscal year ended March 31, 2024.

Note) The Company implemented a 3-for-1 common stock split on April 1, 2024, but the number of shares shown above is presented in the figure before the stock split.

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, 2023	As of March 31, 2024
420,172	443,915

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

(Millions of yen)	
As of March 31, 2023	As of March 31, 2024
12,325	12,320

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, 2023	As of March 31, 2024
Securities (stocks)	49,111	53,033
Investments in jointly controlled companies	1,980	1,666
Securities (equity interests)	13,281	15,645

*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, 2023	As of March 31, 2024
Bankrupt or de facto bankrupt loans	30	17
Doubtful loans	18	15
Loans overdue for three months or more	34	26
Restructured loans	—	—
Total	83	59

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, 2023	As of March 31, 2024
Deposits	30,610	32,839
Securities	788,282	894,020
Tangible fixed assets	928	887
Total	819,821	927,746

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, 2023	As of March 31, 2024
Other liabilities (payables under securities lending transactions)	575,531	527,028
Other liabilities (borrowings)	134	84
Total	575,666	527,113

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, 2023	As of March 31, 2024
518,569	512,134

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

(Millions of yen)

As of March 31, 2023	As of March 31, 2024
669,649	684,556

Notes to the Consolidated Statement of Income

*1 Main components of operating expenses are as follows.

(Millions of yen)

	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)
Agency commissions, etc.	627,049	640,380
Salaries	257,195	270,439

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.

*2 Other extraordinary losses are as follows.

(Millions of yen)

	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)
Expenses associated with the head office relocation of a domestic consolidated life insurance subsidiary	—	1,288

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, 2023 (April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)
Unrealized gains and losses on securities available for sale		
The amount occurred during the period	(148,151)	871,686
Reclassification adjustments	(24,060)	(122,547)
Before tax effects adjustments	(172,211)	749,138
Tax effects	49,382	(210,358)
Unrealized gains and losses on securities available for sale	(122,829)	538,779
Deferred gains and losses on hedges		
The amount occurred during the period	3,662	(107)
Reclassification adjustments	(1,060)	(886)
Adjustments of asset acquisition cost	(4,012)	—
Before tax effects adjustments	(1,409)	(993)
Tax effects	393	277
Deferred gains and losses on hedges	(1,016)	(716)
Foreign currency translation adjustments		
The amount occurred during the period	121,108	84,679
Remeasurements of defined benefit plans		
The amount occurred during the period	6,217	29,670
Reclassification adjustments	(734)	(1,737)
Before tax effects adjustments	5,482	27,933
Tax effects	(1,511)	(7,630)
Remeasurements of defined benefit plans	3,971	20,303
Share of other comprehensive income of affiliates accounted for under the equity method		
The amount occurred during the period	(6)	903
Reclassification adjustments	(41)	(170)
Share of other comprehensive income of affiliates accounted for under the equity method	(47)	733
Total other comprehensive income	1,186	643,779

Notes to the Consolidated Statement of Changes in Net Assets

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 held on June 26, 2023 includes 110 million yen in dividends paid on the shares in the Company held by the BBT.

Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

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	—	17,538	330,160
Total	347,698	—	17,538	330,160
Treasury stock				
Common stock	14,615	4,004	17,659	959
Total	14,615	4,004	17,659	959

Notes)

- Treasury stock of common stock at the beginning and the end of the period includes 853 thousand shares and 744 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 17,538 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 4,004 thousand shares is as follows.
Increase due to acquisition of treasury stock in accordance with approval of the Board of Directors: 3,997 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 17,659 thousand shares is as follows.
Decrease due to cancellation of treasury stock in accordance with approval of the Board of Directors: 17,538 thousand shares
Decrease due to disposal of treasury stock related to exercise of rights of the BBT: 109 thousand shares
Decrease due to disposal of treasury stock related to exercise of stock acquisition rights: 11 thousand shares
Decrease due to sales of shares less than a full trading unit: 0 thousand shares
- The Company implemented a 3-for-1 common stock split on April 1, 2024, but the number of shares shown above is presented in the figure before the stock split.

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	235
Total		235

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 26, 2023	Common stock	43,411	130	March 31, 2023	June 27, 2023
Board of Directors' Meeting held on November 17, 2023	Common stock	49,492	150	September 30, 2023	December 5, 2023

Notes)

- The "total amount of dividends" based on the resolution of the General Shareholders' Meeting held on June 26, 2023 includes 110 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 17, 2023 includes 114 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 24, 2024	Common stock	49,491	Retained earnings	150	March 31, 2024	June 25, 2024

Notes)

- The "total amount of dividends" based on the resolution of the General Shareholders' Meeting held on June 24, 2024 includes 111 million yen in dividends paid on the shares in the Company held by the BBT.
- The Company implemented a 3-for-1 common stock split on April 1, but dividends paid on the basis of the record date of March 31, 2024 are presented in the amount based on the number of shares before the stock split.

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, 2023 (April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)
Cash and deposits	1,246,638	1,231,345
Receivables under resale agreements	69,999	14,999
Monetary receivables bought	21,915	21,686
Securities	9,808,182	11,424,810
Time deposits with original maturities of more than 3 months	(75,860)	(83,257)
Monetary receivables bought other than cash equivalents	(20,366)	(19,207)
Securities other than cash equivalents	(9,779,469)	(11,391,809)
Cash and cash equivalents	1,271,040	1,198,566

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, 2023	As of March 31, 2024
Due within one year	19,197	19,869
Due after one year	168,068	158,998
Total	187,266	178,867

(Lessor)

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Due within one year	278	261
Due after one year	1,129	906
Total	1,407	1,168

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 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.

As stated in Changes in Accounting Policies, overseas consolidated subsidiaries that have applied the International Financial Reporting Standards (IFRS) have applied IFRS 17 "Insurance Contracts" and IFRS 9 "Financial Instruments."

These changes in accounting policies have been applied retrospectively, and the figures for the fiscal year ended March 31, 2023 have reflected the retrospective application.

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

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	408,551	1,442,504	82,792	1,933,848
Securities available for sale				
Domestic bonds	742,025	801,862	—	1,543,888
Domestic stocks	1,233,564	—	—	1,233,564
Foreign securities	739,975	579,408	615,018	1,934,401
Others	69,189	2,242	160,308	231,741
Total assets	3,207,587	2,870,564	858,119	6,936,271
Derivative transactions ^(*) ⁽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)

(*) 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 parentheses ().

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

As of March 31, 2024

(Millions of yen)

	Carrying amount			
	Level 1	Level 2	Level 3	Total
Monetary receivables bought	—	21,686	—	21,686
Money trusts	—	4,843	—	4,843
Securities:				
Trading securities				
Domestic bonds	4,475	1,693	—	6,169
Domestic stocks	12,609	—	—	12,609
Foreign securities	149,069	2,316,401	112,674	2,578,145
Others	—	70	2,427	2,498
Securities available for sale				
Domestic bonds	1,306,620	858,691	—	2,165,312
Domestic stocks	1,654,547	—	—	1,654,547
Foreign securities	930,325	471,091	708,983	2,110,401
Others	60,245	1,832	227,917	289,995
Total assets	4,117,892	3,676,311	1,052,003	8,846,207
Derivative transactions ^(*) ⁽²⁾ :				
Currency-related	—	(12,759)	—	(12,759)
Interest-related	—	2,352	—	2,352
Stock-related	—	(440)	—	(440)
Others	—	(28)	(584)	(613)
Total derivative transactions	—	(10,875)	(584)	(11,460)

(*) 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 parentheses ().

(2) Among the derivative transactions, the carrying amount of transactions to which hedge accounting is applied is (8,831) 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, 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
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	2,481,446	174,431	492,119	3,147,996	3,103,158	44,838
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.

As of March 31, 2024

(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	254,250	68,936	—	323,187	328,082	(4,895)
Policy reserve matching bonds						
Domestic bonds	1,661,267	12,174	—	1,673,441	1,947,810	(274,368)
Loans ^(*)	—	—	457,822	457,822	451,644	6,177
Total assets	1,915,518	81,110	457,822	2,454,451	2,727,537	(273,085)
Corporate bonds	—	682,798	—	682,798	682,349	449
Total liabilities	—	682,798	—	682,798	682,349	449

(*) This figure represents deductions to loans of 17 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, 2023

(Millions of yen)

	Securities		Derivative transactions
	Trading securities	Securities available for sale	Others
Balance at the beginning of the period	17,882	735,674	264
Profit or loss or other comprehensive income for the period			
Recorded in profit or loss ^(*)	(1,321)	8,896	990
Recorded in other comprehensive income ⁽²⁾	2,748	(15,044)	135
Purchases, sales, issuances and settlements	63,483	45,800	(1,656)
Balance at the end of the period	82,792	775,326	(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 ^(*)	(1,321)	15,353	372

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

(2) 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, 2024

(Millions of yen)

	Securities		Derivative transactions
	Trading securities	Securities available for sale	Others
Balance at the beginning of the period	82,792	775,326	(265)
Profit or loss or other comprehensive income for the period			
Recorded in profit or loss ^(*)	2,577	12,759	1,072
Recorded in other comprehensive income ⁽²⁾	5,696	70,457	25
Purchases, sales, issuances and settlements	24,035	78,357	(1,417)
Balance at the end of the period	115,101	936,901	(584)
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 ^(*)	1,836	13,267	439

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

(2) 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, 2023	As of March 31, 2024
Stocks and others without a quoted market price ^(*)	95,252	98,003
Investments in Partnerships, etc. ⁽²⁾	200,767	230,561

(*) 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).

(2) 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, 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	1,169,550	8,820	—	—
Receivables under resale agreements	69,999	—	—	—
Monetary receivables bought	—	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
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	99,989	436,761	540,945	481,020
Others	247	19,206	25,416	1,170
Loans ^(*)	170,862	227,149	58,494	27,631
Total	1,596,288	1,222,432	937,359	3,737,216

(*) 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.

As of March 31, 2024

	(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	1,141,479	8,540	—	—
Receivables under resale agreements	14,999	—	—	—
Monetary receivables bought	—	—	—	20,139
Securities:				
Bonds held to maturity:				
Government bonds	900	14,129	18,086	222,479
Municipal bonds	—	—	—	5,600
Corporate bonds	300	200	100	67,400
Policy reserve matching bonds:				
Government bonds	—	—	—	2,014,000
Corporate bonds	—	—	—	16,700
Fixed maturity securities available for sale:				
Government bonds	64,904	383,402	235,989	538,818
Municipal bonds	1,000	6,700	8,900	42,000
Corporate bonds	36,751	141,787	87,483	493,260
Foreign securities	65,545	380,182	572,357	598,529
Others	367	42,246	24,131	299
Loans ^(*)	151,182	218,697	60,072	21,702
Total	1,477,430	1,195,885	1,007,120	4,040,928

(*) 4 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, 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

As of March 31, 2024

	(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	—	—	—	88,294	70,000	518,921
Long-term borrowings	1,251	1,224	1,224	1,224	7	14
Lease obligations	11,775	8,194	9,354	8,546	7,220	36,580
Payables under securities lending transactions	527,028	—	—	—	—	—
Total	540,055	9,419	10,579	98,065	77,228	555,516

Securities

As stated in Changes in Accounting Policies, overseas consolidated subsidiaries that have applied the International Financial Reporting Standards (IFRS) have applied IFRS 17 "Insurance Contracts" and IFRS 9 "Financial Instruments."

These changes in accounting policies have been applied retrospectively, and the figures for the fiscal year ended March 31, 2023 have reflected the retrospective application.

1. Trading securities

	(Millions of yen)	
	As of March 31, 2023	As of March 31, 2024
Unrealized gains and losses recognized in the statement of income	(152,133)	85,440

Note) Certificates of deposits classified as cash and deposits and commercial paper classified as monetary receivables bought included in the consolidated balance sheet are stated.

2. Bonds held to maturity

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
Securities whose fair value does not exceed their carrying amount	Domestic bonds	132,414	114,851	(17,563)
Total		1,208,639	1,346,728	138,089

As of March 31, 2024

	(Millions of yen)			
	Carrying amount	Fair value	Unrealized gains and losses	
Securities whose fair value exceeds their carrying amount	Domestic bonds	186,664	205,797	19,133
Securities whose fair value does not exceed their carrying amount	Domestic bonds	141,418	117,389	(24,028)
Total		328,082	323,187	(4,895)

3. Policy reserve matching bonds

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
	Subtotal			
Securities whose fair value does not exceed their carrying amount	Domestic bonds	1,223,159	1,110,309	(112,849)
	Subtotal			
Total		1,410,404	1,309,149	(101,255)

As of March 31, 2024

(Millions of yen)				
		Carrying amount	Fair value	Unrealized gains and losses
Securities whose fair value exceeds their carrying amount	Domestic bonds	38,541	39,762	1,221
	Subtotal			
Securities whose fair value does not exceed their carrying amount	Domestic bonds	1,909,268	1,633,678	(275,589)
	Subtotal			
Total		1,947,810	1,673,441	(274,368)

4. Securities available for sale

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	964,076	772,404	191,672
	Others	185,958	172,607	13,351
	Subtotal	3,098,801	1,995,682	1,103,119
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	970,325	1,061,316	(90,991)
	Others	66,148	71,844	(5,695)
	Subtotal	1,865,159	2,023,582	(158,422)
Total		4,963,961	4,019,264	944,696

Notes)

1. Stocks and others without a quoted market price and Investments in Partnerships are not included in the above table.
2. 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, 2024

(Millions of yen)				
		Carrying amount	Cost	Unrealized gains and losses
Securities whose carrying amount exceeds their cost	Domestic bonds	1,323,557	1,216,186	107,371
	Domestic stocks	1,649,777	364,082	1,285,694
	Foreign securities	1,657,686	1,293,591	364,095
	Others	258,712	221,597	37,114
	Subtotal	4,889,733	3,095,458	1,794,275
Securities whose carrying amount does not exceed their cost	Domestic bonds	841,754	902,067	(60,313)
	Domestic stocks	4,769	5,126	(356)
	Foreign securities	452,715	488,300	(35,585)
	Others	50,210	54,128	(3,917)
	Subtotal	1,349,449	1,449,622	(100,172)
Total		6,239,183	4,545,080	1,694,103

Notes)

1. Stocks and others without a quoted market price and Investments in Partnerships are not included in the above table.
2. Beneficial interests in the loan trusts 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, 2023 and 2024

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

Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(Millions of yen)			
	Proceeds from sales	Gains on sales	Losses on sales
Domestic bonds	9,109	—	788
Total	9,109	—	788

6. Securities available for sale sold during the fiscal years ended March 31, 2023 and 2024

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	336,618	2,739	24,641
Others	404	3,761	11
Total	735,746	68,319	39,860

Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(Millions of yen)			
	Proceeds from sales	Gains on sales	Losses on sales
Domestic bonds	431,004	27,956	33,011
Domestic stocks	81,192	55,407	101
Foreign securities	393,124	88,937	23,328
Others	4,483	2,514	127
Total	909,804	174,815	56,568

7. Securities for which holding purposes were changed

In the fiscal year ended March 31, 2024, the entire amount of bonds held to maturity owned by a domestic consolidated life insurance subsidiary, which had been classified in the category of individual non-participating insurance assets, was changed to securities available for sale (Book value at the time of change: 905,503 million yen; Amount measured at fair value: 1,015,192 million yen). The change was aimed at increasing asset liquidity further in order to appropriately manage fluctuations in the fair value of assets and liabilities due to fluctuations in interest rates and to further promote investment that takes into account the characteristics of liabilities owed by the life insurance company.

8. Securities for which impairment losses are recognized during the fiscal years ended March 31, 2023 and 2024

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 8,739 million yen (domestic stocks: 882 million yen, foreign securities: 7,841 million yen, others: 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).

For the fiscal year ended March 31, 2024, impairment losses on securities available for sale (excluding stocks and others without a quoted market price and Investments in Partnerships) amount to 686 million yen (domestic bonds: 99 million yen, domestic stocks: 519 million yen, foreign securities: 67 million yen), and impairment losses on stocks and others without a quoted market price and Investments in Partnerships amount to 1,663 million yen (domestic stocks: 810 million yen, foreign securities: 853 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, 2023	As of March 31, 2024
Unrealized gains and losses recognized in the statement of income	6	13

2. Money trusts held to maturity

None.

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

As of March 31, 2023

(Millions of yen)

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

As of March 31, 2024

(Millions of yen)

	Carrying amount	Cost	Unrealized gains and losses
Money trusts	4,430	4,431	(1)

4. Money trusts for which impairment losses are recognized during the fiscal years ended March 31, 2023 and 2024

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.

For the fiscal year ended March 31, 2024, there are no impairment losses on securities managed as trust assets in money trust classified as other than trading purposes or held to maturity.

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, 2023

(Millions of yen)

	Notional amount	Due after 1 year		
		Fair value	Unrealized gains and losses	
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)

As of March 31, 2024

(Millions of yen)

	Notional amount	Due after 1 year		
		Fair value	Unrealized gains and losses	
Over-the-counter transactions:				
Forward foreign exchanges:				
Short	73,185	—	(1,969)	(1,969)
Long	12,277	—	393	393
Total	—	—	(1,575)	(1,575)

(2) Interest rate derivatives

As of March 31, 2023

(Millions of yen)

	Notional amount	Due after 1 year		
		Fair value	Unrealized gains and losses	
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)

As of March 31, 2024

None.

(3) Equity derivatives

As of March 31, 2023

(Millions of yen)

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

As of March 31, 2024

(Millions of yen)

	Notional amount		Fair value	Unrealized gains and losses
		Due after 1 year		
Over-the-counter transactions:				
Individual stock options:				
Short	4,449	—	(440)	(440)
Total	—	—	(440)	(440)

(4) Bond derivatives

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)

As of March 31, 2024

None.

(5) Others

As of March 31, 2023

(Millions of yen)

	Notional amount		Fair value	Unrealized gains and losses
		Due after 1 year		
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

As of March 31, 2024

(Millions of yen)

	Notional amount		Fair value	Unrealized gains and losses
		Due after 1 year		
Over-the-counter transactions:				
Weather derivatives:				
Short	4,680	—	(66)	45
Long	1,110	—	12	(10)
Earthquake derivatives:				
Short	86,115	—	(771)	616
Long	34,927	—	241	(212)
Loss development cover:				
Short	3,585	3,585	(28)	(28)
Total	—	—	(613)	411

2. Derivative transactions to which hedge accounting is applied

(1) Currency derivatives

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)
	Long	153,228	—	213	
Total			—	—	(10,227)

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, 2024

(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	535,929	—	(10,915)
	Long	258,199	—	163	
Total			—	—	(11,184)

(2) Interest rate derivatives

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

As of March 31, 2024

(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	37,000	30,500	2,352
Total			—	—	2,352

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, 2023 (April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)
Retirement benefit obligation at the beginning of the period	176,012	166,570
Service cost	11,050	10,424
Interest cost	1,180	1,957
The amount of actuarial difference occurred	(5,424)	(4,525)
Retirement benefit paid	(17,631)	(18,573)
Changes in the scope of consolidation	960	—
Others	423	197
Retirement benefit obligation at the end of the period	166,570	156,050

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, 2023 (April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)
Plan assets at the beginning of the period	106,740	108,066
Expected return on plan assets	388	483
The amount of actuarial difference occurred	1,065	26,713
The amount of employer contributions	1,522	1,976
Retirement benefit paid	(2,042)	(2,134)
Others	392	360
Plan assets at the end of the period	108,066	135,465

(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, 2023	As of March 31, 2024
Funded retirement benefit obligation	157,019	146,097
Plan assets	(108,066)	(135,465)
	48,953	10,631
Unfunded retirement benefit obligation	9,550	9,953
Asset ceiling adjustments	501	636
Net liabilities and assets on the consolidated balance sheet	59,004	21,221
	59,235	21,654
Net defined benefit liability	59,235	21,654
Net defined benefit asset	(230)	(433)
Net liabilities and assets on the consolidated balance sheet	59,004	21,221

(4) Components of retirement benefit expenses

(Millions of yen)

	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)
Service cost	11,050	10,424
Interest cost	1,180	1,957
Expected return on plan assets	(388)	(483)
Amortization of actuarial difference	(744)	(1,706)
Amortization of prior service costs	7	11
Others	(13)	—
Retirement benefit expenses for defined benefit plans	11,091	10,203

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, 2023 (April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)
Prior service costs	(12)	(10)
Actuarial difference	(5,470)	(27,922)
Total	(5,482)	(27,933)

(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, 2023	As of March 31, 2024
Unrecognized prior service costs	12	1
Unrecognized actuarial difference	(28,535)	(56,440)
Total	(28,523)	(56,438)

(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, 2023	As of March 31, 2024
Bonds	22	21
Stocks	66	68
Joint investment assets	1	1
Life insurance general accounts	8	7
Cash and deposits	0	1
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, 2023 (April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)
Discount rate	Domestic consolidated subsidiaries	0.4 – 1.3	0.4 – 1.5
	Foreign consolidated subsidiaries	2.9 – 8.9	3.0 – 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 the Company and consolidated subsidiaries amounts to 10,657 million yen for the fiscal year ended March 31, 2023 and amounts to 12,263 million yen for the fiscal year ended March 31, 2024.

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 Sampo Japan Insurance Inc. ("former Sampo Japan") to the Company and 17th and 18th issues 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 (Notes 2, 7)	Common stock: 186,775 stocks (Notes 2, 7)
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	342 stock acquisition rights
Type, description and number of the shares underlying the stock acquisition rights*	Common stock: 4,925 stocks (25 shares of common stock per stock acquisition right) (Notes 3, 7)	Common stock: 8,550 stocks (25 shares of common stock per stock acquisition right) (Notes 3, 7)
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 (Note 7) Amount of capital incorporation (Notes 4, 7)	Issue price: 2,493 (Note 7) Amount of capital incorporation (Notes 4, 7)
Conditions for exercising the stock acquisition rights*	(Note 5)	(Note 5)
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 6)	(Note 6)

* The above figures represents the status as of the end of the current fiscal year (March 31, 2024).

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.
- 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 x 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 3 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 4 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 5 above.
- The Company implemented a 4-to-1 reverse split of its common stock on October 1, 2011 based on the resolution of the Board of Directors on May 19, 2011, and implemented a 3-for-1 common stock split on April 1, 2024 based on the resolution of the Board of Directors on February 14, 2024. As a result, adjustments were made to "Number of stock options granted by types of shares," "Type, description and number of the shares underlying the stock acquisition rights" and "Issue price and the amount of capital incorporation of the shares issued upon exercise of the stock acquisition rights."

(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 (Notes 2, 7)	Common stock: 50,400 stocks (Notes 2, 7)
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*	0	0
Type, description and number of the shares underlying the stock acquisition rights*	Common stock: 0 stocks (225 shares of common stock per stock acquisition right) (Notes 3, 7)	Common stock: 0 stocks (225 shares of common stock per stock acquisition right) (Notes 3, 7)
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 (Note 7) Amount of capital incorporation (Notes 4, 7)	Issue price: 2,385 (Note 7) Amount of capital incorporation (Notes 4, 7)
Conditions for exercising the stock acquisition rights*	(Note 5)	(Note 5)
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 6)	(Note 6)

* The above figures represents the status as of the end of the current fiscal year (March 31, 2024).
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.
- 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 3 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 4 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 5 above.
- The Company implemented a 4-to-1 reverse split of its common stock on October 1, 2011 based on the resolution of the Board of Directors on May 19, 2011, and implemented a 3-for-1 common stock split on April 1, 2024 based on the resolution of the Board of Directors on February 14, 2024. As a result, adjustments were made to "Number of stock options granted by types of shares," "Type, description and number of the shares underlying the stock acquisition rights" and "Issue price and the amount of capital incorporation of the shares issued upon exercise of the stock acquisition rights."

(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 (Notes 3, 8)	Common stock: 372,300 stocks (Notes 3, 8)
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	194 stock acquisition rights
Type, description and number of the shares underlying the stock acquisition rights*	Common stock: 20,650 stocks (25 shares of common stock per stock acquisition right) (Notes 4, 8)	Common stock: 19,400 stocks (100 shares of common stock per stock acquisition right) (Notes 4, 8)
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 (Note 8) Amount of capital incorporation (Notes 5, 8)	Issue price: 1,373 (Note 8) Amount of capital incorporation (Notes 5, 8)
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)

	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 the Company: 9
	Directors and senior vice presidents of subsidiaries of the Company: 87	Directors and senior vice presidents of subsidiaries of the Company: 136
	The actual number of persons 90 (Notes 1, 2)	The actual number of persons 79 (Notes 1, 2)
Number of stock options granted by types of shares*	Common stock: 391,100 stocks (Notes 3, 8)	Common stock: 195,000 stocks (Notes 3, 8)
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	130 stock acquisition rights
Type, description and number of the shares underlying the stock acquisition rights*	Common stock: 20,100 stocks (100 shares of common stock per stock acquisition right) (Notes 4, 8)	Common stock: 13,000 stocks (100 shares of common stock per stock acquisition right) (Notes 4, 8)
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 (Note 8) Amount of capital incorporation (Notes 5, 8)	Issue price: 2,297 (Note 8) Amount of capital incorporation (Notes 5, 8)
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)

	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 the Company: 16
	Directors and senior vice presidents of subsidiaries of the Company: 117	Directors and senior vice presidents of subsidiaries of the Company: 61
	The actual number of persons 69 (Notes 1, 2)	The actual number of persons 63 (Notes 1, 2)
Number of stock options granted by types of shares*	Common stock: 172,900 stocks (Notes 3, 8)	Common stock: 100,700 stocks (Notes 3, 8)
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*	135 stock acquisition rights	104 stock acquisition rights
Type, description and number of the shares underlying the stock acquisition rights*	Common stock: 13,500 stocks (100 shares of common stock per stock acquisition right) (Notes 4, 8)	Common stock: 10,400 stocks (100 shares of common stock per stock acquisition right) (Notes 4, 8)
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 (Note 8) Amount of capital incorporation (Notes 5, 8)	Issue price: 4,153 (Note 8) Amount of capital incorporation (Notes 5, 8)
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, 2024).
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.
- 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.
- 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 4 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 5 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 6 above.
8. The Company implemented a 4-to-1 reverse split of its common stock on October 1, 2011 based on the resolution of the Board of Directors on May 19, 2011, and implemented a 3-for-1 common stock split on April 1, 2024 based on the resolution of the Board of Directors on February 14, 2024. As a result, adjustments were made to "Number of stock options granted by types of shares," "Type, description and number of the shares underlying the stock acquisition rights" and "Issue price and the amount of capital incorporation of the shares issued upon exercise of the stock acquisition rights."

(2) Size and its changes of stock options

Number of stock options existing for the fiscal year ended March 31, 2024 is indicated by converting to number of shares.

The Company implemented a 3-for-1 common stock split on April 1, 2024, and as it took effect in the fiscal year ending March 31, 2025, the information stated herein reflects the status before the stock split.

(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>

	March 31, 2023	Vested	Exercised	Forfeited	March 31, 2024
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	—	0
18th issue	2,925	—	2,925	—	0
23rd issue	20,650	—	—	—	20,650
24th issue	19,400	—	—	—	19,400
25th issue	20,100	—	—	—	20,100
26th issue	13,000	—	—	—	13,000
27th issue	15,700	—	2,200	—	13,500
28th issue	13,700	—	3,300	—	10,400

(b) Unit value information

(Stocks)

	Exercise price (yen)	Average stock price at the time of exercise during the fiscal year ended March 31, 2024 (yen)	Fair value per share on the grant date (yen)
15th issue of stock acquisition rights of the Company	1	—	3,760 (Note)
16th issue	1	—	2,492 (Note)
17th issue	1	5,297	2,384 (Note)
18th issue	1	5,297	2,384 (Note)
23rd issue	1	—	1,808 (Note)
24th issue	1	—	1,372
25th issue	1	—	1,328
26th issue	1	—	2,296
27th issue	1	5,297	2,403
28th issue	1	7,058	4,152

Note) 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.

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, 2024.

The Company does not make a new estimation for the fair value per share of stock acquisition rights transferred from former Sompo 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 and 18th 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, 2023	As of March 31, 2024
Deferred tax assets:		
Underwriting reserves	221,915	235,341
Intangible fixed assets of tax accounting	41,481	98,547
Reserve for outstanding losses and claims	37,134	50,212
Impairment losses on securities and real estate	33,376	32,945
Reserve for price fluctuation	30,940	32,491
Others	119,866	96,205
Deferred tax assets subtotal	484,714	545,744
Valuation allowance (Note)	(51,473)	(59,695)
Total deferred tax assets	433,240	486,049
Deferred tax liabilities:		
Unrealized gains and losses on securities available for sale	(300,221)	(499,773)
Unrealized gains and losses on consolidated subsidiaries	(8,175)	(8,167)
Others	(38,985)	(54,892)
Total deferred tax liabilities	(347,383)	(562,834)
Net deferred tax assets (liabilities)	85,857	(76,784)

Note) Valuation allowance increased by 8,221 million yen. This was mainly attributable to the fact that deferred tax assets for tax loss carried forward of 11,350 million yen were newly recognized at a consolidated subsidiary Sompo International Holdings Ltd. and at its affiliate Endurance Specialty Insurance Ltd., following the introduction of the Bermuda Corporate Income Tax Act, which was wholly recorded as valuation allowance.

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, 2023	As of March 31, 2024
Japanese statutory income tax rate	30.6	30.6
(Reconciliation)		
Introduction of the Bermuda Corporate Income Tax Act	—	(14.2)
Tax rate differences in subsidiaries	0.2	(6.5)
Amortization of goodwill	18.4	2.3
Increase (decrease) in valuation allowance	(2.5)	2.0
Non-taxable revenue such as dividends received	(12.7)	(1.7)
Others	10.1	0.2
Effective tax rate after the application of tax effect accounting	44.1	12.8

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

The Company and certain domestic consolidated subsidiaries have adopted the group tax sharing system, and 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.

4. As stated in Changes in Accounting Policies, overseas consolidated subsidiaries that have applied the International Financial Reporting Standards (IFRS) have applied IFRS 17 "Insurance Contracts" and IFRS 9 "Financial Instruments." These changes in accounting policies have been applied retrospectively, and the figures for the fiscal year ended March 31, 2023 have reflected the retrospective application.

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.

As stated in Changes in Accounting Policies, overseas consolidated subsidiaries that have applied the International Financial Reporting Standards (IFRS) have applied IFRS 17 "Insurance Contracts" and IFRS 9 "Financial Instruments." These changes in accounting policies have been applied retrospectively, and the figures in Segment information for the fiscal year ended March 31, 2023 have been changed to figures that reflect the retrospective application. As a result of this application, segment income in "Overseas insurance business" for the fiscal year ended March 31, 2023 decreased by 64,743 million yen.

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

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	349,949	4,525,869
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	331,538	4,525,869
Segment income (loss)	55,084	(16,711)	1,006	793	40,173	(13,759)	26,413	—	26,413
Segment assets	5,899,190	2,938,737	3,925,327	265,241	13,028,495	322,781	13,351,277	—	13,351,277
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	640	55,068	93	173,287	1,312	174,599	(1,016)	173,582
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	6,219	591	2,226	24,765	(2,542)	22,222	—	22,222
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

Notes)

- 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: 349,949 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.

Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(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	2,247,927	1,445,302	309,039	177,259	4,179,528	126,225	4,305,754	627,892	4,933,646
Sales from internal transactions or transfers among segments	—	—	—	8	8	17,361	17,369	(17,369)	—
Total	2,247,927	1,445,302	309,039	177,267	4,179,536	143,586	4,323,123	610,522	4,933,646
Segment income (loss)	109,770	237,699	15,943	(228)	363,185	52,869	416,054	—	416,054
Segment assets	6,455,389	3,514,189	4,157,923	261,184	14,388,687	444,090	14,832,778	—	14,832,778
Other items:									
Depreciation	30,624	17,837	1,259	8,161	57,882	892	58,774	—	58,774
Amortization of goodwill	—	26,726	—	8,623	35,350	—	35,350	—	35,350
Interest and dividend income	123,134	746	60,023	90	183,995	689	184,684	(1,024)	183,660
Interest paid	6,519	4,853	65	2,009	13,447	312	13,760	(9)	13,750
Investment gains (losses) on the equity method	104	1,045	—	—	1,150	(41)	1,109	—	1,109
Extraordinary gains	1,066	—	0	159	1,227	—	1,227	(97)	1,129
Gains on negative goodwill	—	—	—	159	159	—	159	—	159
Extraordinary losses (Note 5)	5,561	1,106	2,368	618	9,655	25	9,680	(97)	9,583
Impairment losses	—	1,096	—	539	1,636	—	1,636	—	1,636
Income tax expenses	37,674	(8,635)	6,441	2,468	37,949	23,565	61,514	—	61,514
Investment in affiliates accounted for under the equity method	1,673	19,179	—	—	20,853	21,685	42,539	—	42,539
Increase in tangible and intangible fixed assets	60,080	10,989	2,427	12,345	85,842	2,150	87,992	—	87,992

Notes)

- 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: 627,892 million yen
 - Elimination of internal transactions among segments: (17,369) million yen
- Segment income (loss) is adjusted to net income attributable to shareholders of the parent in the consolidated statement of income.
- Extraordinary losses for domestic P&C insurance business include 4,575 million yen of provision for reserve for price fluctuation. Also, extraordinary losses for domestic life insurance business include 1,288 million yen of expenses associated with the head office relocation.

Related information

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.

Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

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	639,487	132,078	159,216	1,281,294	195,761	1,282,580	3,690,419

(Millions of yen)

	Individual insurance	Individual annuities	Group insurance	Group annuities	Total
Life insurance premiums written	296,271	3,195	12,384	—	311,850

2. Information by geographic area

(1) Sales

(Millions of yen)

Japan	United States	Others	Total
2,675,813	836,164	667,550	4,179,528

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
332,945	38,638	371,583

3. Information by major customers

None.

Information related to impairment losses on fixed assets by reportable segments

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

Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(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	—	1,096	—	539	1,636	—	—	1,636

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

(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

Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(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, 2024	—	26,726	—	8,623	35,350	—	—	35,350
Balance as of March 31, 2024	—	100,212	—	70,432	170,645	—	—	170,645

Information related to gains on negative goodwill by reportable segments

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

None.

Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(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			
Gains on negative goodwill	—	—	—	159	159	—	—	159

Related-Party Transactions

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

Per Share Information

	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)
Net assets per share	1,904.47 yen	2,887.69 yen
Net income per share	26.14 yen	419.83 yen
Diluted net income per share	26.13 yen	419.69 yen

Notes)

- The Company implemented a 3-for-1 common stock split on April 1, 2024. Net assets per share, net income per share, and diluted net income per share are calculated on the assumption that the stock split was implemented at the beginning of the fiscal year ended March 31, 2023.
- 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, 2023 (April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)
Net income per share		
Net income attributable to shareholders of the parent	26,413	416,054
Amount not attributable to common stockholders	—	—
Net income attributable to shareholders of the parent to common stocks	26,413	416,054
Average number of common stocks outstanding	1,010,454 thousand shares	990,995 thousand shares
Diluted net income per share		
Adjustment of net income attributable to shareholders of the parent	—	—
Increase of common stocks:		
Stock acquisition rights	386 thousand shares	336 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	—	—

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

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Total net assets	1,919,140	2,868,258
Amount to be deducted from total net assets:	16,093	16,359
Stock acquisition rights	269	235
Non-controlling interests	15,824	16,123
Net assets attributable to common stocks	1,903,047	2,851,899
Number of common stocks used for calculation of net assets per share	999,250 thousand shares	987,602 thousand shares

- 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 2,600 thousand for the fiscal year ended March 31, 2023 and is 2,301 thousand for the fiscal year ended March 31, 2024. The number of the treasury stock deducted above mentioned is 2,561 thousand as of March 31, 2023 and is 2,232 thousand as of March 31, 2024.
- As stated in Changes in Accounting Policies, overseas consolidated subsidiaries that have applied the International Financial Reporting Standards (IFRS) have applied IFRS 17 "Insurance Contracts" and IFRS 9 "Financial Instruments."
As a result, net assets per share of the fiscal year ended March 31, 2023 has increased by 48.93 yen, net income per share of the fiscal year ended March 31, 2023 has decreased by 64.07 yen, and diluted net income per share of the fiscal year ended March 31, 2023 has decreased by 64.04 yen.

Significant Subsequent Events

1. Stock split and corresponding partial amendment to the Articles of Incorporation

The Company implemented a stock split and made a corresponding partial amendment to the Articles of Incorporation on April 1, 2024 in accordance with the resolution of its Board of Directors on February 14, 2024.

(1) Purpose of the Stock Split

The purpose is to reduce the minimum investment price through the stock split, thereby creating an environment where it is easier to invest in the Company's shares and expanding its investor base.

(2) Overview of the Stock Split

(a) Method of the Stock Split

Each share of common stock held by shareholders as of the record date of Sunday, March 31, 2024 was split into three shares. Since this day falls on a non-business day of the shareholder registry administrator, the substantial record date is Friday, March 29, 2024.

(b) Number of Shares to be increased by the Stock Split

Total number of issued shares before the stock split	330,160,689 shares
Number of shares to be increased by the stock split:	660,321,378 shares
Total number of issued shares following the stock split	990,482,067 shares
Total number of authorized shares following the stock split	3,600,000,000 shares

(c) Schedule of the Stock Split

Public notice of record date	Thursday, March 14, 2024
Record date	Sunday, March 31, 2024
Effective date	Monday, April 1, 2024

(3) Effect on per share information

The effect of the stock split on per share information is stated in (Per share information).

(4) Partial Amendment to the Articles of Incorporation

(a) Reason for the Amendment

In connection with the stock split, the total number of authorized shares described in Article 6 of the Company's articles of incorporation was amended effective April 1, 2024 in accordance with Article 184, Paragraph 2 of the Companies Act.

(b) Details of the Amendment

The details of the amendment are as follows.

Before the amendment	After the amendment
(Total Number of Authorized Shares) Article 6 The total number of authorized shares of the Company shall be <u>1,200,000,000</u> shares.	(Total Number of Authorized Shares) Article 6 The total number of authorized shares of the Company shall be <u>3,600,000,000</u> shares.

(Underlined parts indicate the amendments.)

(c) Schedule of the Amendment

Date of Resolution of the Board of Directors	Wednesday, February 14, 2024
Effective date	Monday, April 1, 2024

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 20, 2024.

(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 (basic and supplementary return) for the financial results of fiscal year ended March 31, 2024.

(2) Details of stock buybacks

(a) Class of shares	Common stock of the Company
(b) Potential total number	40,000,000 shares (upper limit)
(c) Total price	77,000,000,000 yen (upper limit)
(d) Period	June 3, 2024 — November 18, 2024

Overview of Business Results of Principal Consolidated Subsidiaries

(Unaudited)

Sompo Japan Insurance Inc. (Non-consolidated)

Balance Sheet

	(Millions of yen)		
	As of March 31, 2023	As of March 31, 2024	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits:	474,287	399,666	(74,621)
Cash	7	7	0
Deposits	474,280	399,658	(74,622)
Receivables under resale agreements	69,999	14,999	(55,000)
Monetary receivables bought	20,366	18,927	(1,438)
Money trusts	21,105	4,712	(16,393)
Securities:	5,085,990	5,801,000	715,010
Government bonds	512,262	530,397	18,135
Municipal bonds	5,545	5,418	(126)
Corporate bonds	490,450	472,769	(17,681)
Domestic stocks	1,312,035	1,730,279	418,243
Foreign securities	2,539,168	2,770,845	231,677
Other securities	226,528	291,289	64,761
Loans:	563,994	408,708	(155,285)
Policy loans	2,897	2,104	(792)
Ordinary loans	561,096	406,603	(154,493)
Tangible fixed assets:	232,078	236,792	4,714
Land	82,690	82,230	(459)
Buildings	104,503	120,421	15,917
Leased assets	5,526	7,406	1,880
Construction in progress	14,711	2,267	(12,444)
Other tangible fixed assets	24,646	24,466	(179)
Intangible fixed assets:	235,489	242,341	6,852
Software	83,412	186,579	103,167
Other intangible fixed assets	152,076	55,761	(96,315)
Other assets:	531,253	544,179	12,926
Premiums receivable	3,053	1,838	(1,214)
Agency accounts receivable	189,583	179,881	(9,701)
Foreign agency accounts receivable	14,041	15,461	1,420
Coinsurance accounts receivable	10,351	17,376	7,025
Reinsurance accounts receivable	68,738	79,674	10,936
Foreign reinsurance accounts receivable	38,482	36,328	(2,153)
Proxy service receivable	62	71	9
Accounts receivable	104,377	86,682	(17,695)
Accrued income	6,192	7,327	1,134
Advance deposits	13,860	19,204	5,343
Earthquake insurance deposits	1,432	1,269	(163)
Suspense payments	67,550	79,105	11,555
Deposits paid for future transactions	7,985	8,536	550
Derivative assets	4,767	2,702	(2,065)
Cash collateral paid for financial instruments	764	8,711	7,947
Other assets	7	7	—
Deferred tax assets	40,035	—	(40,035)
Allowance for possible credit losses	(2,751)	(2,598)	153
Allowance for possible investment losses	(5,180)	(4,372)	808
Total assets	7,266,668	7,664,357	397,689

	(Millions of yen)		
	As of March 31, 2023	As of March 31, 2024	Increase (Decrease)
	Amount	Amount	
Liabilities:			
Underwriting funds:	4,547,526	4,403,431	(144,095)
Reserve for outstanding losses and claims	960,373	992,003	31,629
Underwriting reserves	3,587,152	3,411,427	(175,725)
Corporate bonds	527,000	527,000	—
Other liabilities:	589,464	542,958	(46,506)
Coinsurance accounts payable	6,256	5,869	(386)
Reinsurance accounts payable	72,058	65,195	(6,862)
Foreign reinsurance accounts payable	26,148	25,586	(562)
Payables under securities lending transactions	177,859	155,078	(22,780)
Borrowings	77	59	(18)
Income taxes payable	5,679	41,360	35,680
Deposits received	2,787	3,591	803
Unearned income	316	388	72
Accounts payable	186,409	141,860	(44,548)
Suspense receipts	85,662	80,877	(4,785)
Derivative liabilities	7,878	12,372	4,494
Cash collateral received for financial instruments	9,976	419	(9,556)
Lease obligations	6,142	8,038	1,896
Asset retirement obligations	2,211	2,257	46
Reserve for retirement benefits	78,879	69,895	(8,983)
Reserve for bonus payments	15,240	14,389	(851)
Reserve for bonus payments to directors	87	52	(34)
Reserves under the special laws:	99,792	104,368	4,575
Reserve for price fluctuation	99,792	104,368	4,575
Deferred tax liabilities	—	107,147	107,147
Total liabilities	5,857,992	5,769,243	(88,749)
Net assets:			
Shareholders' equity:			
Common stock	70,000	70,000	—
Capital surplus:	70,000	70,000	—
Capital reserves	70,000	70,000	—
Retained earnings:	508,480	595,325	86,844
Other retained earnings:	508,480	595,325	86,844
Reserve for advanced depreciation	11,867	11,460	(406)
Reserve for promoting open innovation	270	270	—
General reserve	83,300	83,300	—
Retained earnings carried forward	413,043	500,294	87,251
Total shareholders' equity	648,480	735,325	86,844
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	757,782	1,158,092	400,310
Deferred gains and losses on hedges	2,412	1,696	(716)
Total valuation and translation adjustments	760,194	1,159,789	399,594
Total net assets	1,408,675	1,895,114	486,438
Total liabilities and net assets	7,266,668	7,664,357	397,689

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

(Millions of yen)

	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)	Increase (Decrease)	Rate of change
	Amount	Amount		
Ordinary income:	2,623,349	2,737,163	113,813	4.3%
Underwriting income:	2,399,389	2,449,052	49,663	2.1
Net premiums written	2,225,531	2,177,954	(47,577)	(2.1)
Deposits of premiums by policyholders	70,773	62,530	(8,242)	(11.6)
Interest and dividend income on deposits of premiums, etc.	30,102	30,366	264	0.9
Reversal of underwriting reserves	70,156	175,725	105,568	150.5
Foreign exchange gains	2,218	2,347	129	5.8
Other underwriting income	606	127	(478)	(78.9)
Investment income:	210,057	273,704	63,646	30.3
Interest and dividend income	166,250	216,205	49,954	30.0
Investment gains on money trusts	3,105	5,787	2,681	86.3
Gains on sales of securities	53,878	61,799	7,921	14.7
Gains on redemption of securities	2,389	2,101	(287)	(12.0)
Foreign exchange gains	13,369	17,925	4,556	34.1
Other investment income	1,166	251	(914)	(78.4)
Transfer of interest and dividend income on deposits of premiums, etc.	(30,102)	(30,366)	(264)	—
Other ordinary income	13,902	14,406	503	3.6
Ordinary expenses:	2,498,423	2,485,646	(12,777)	(0.5)
Underwriting expenses:	2,109,098	2,086,146	(22,951)	(1.1)
Net claims paid	1,311,226	1,342,628	31,401	2.4
Loss adjustment expenses	115,369	115,004	(365)	(0.3)
Net commissions and brokerage fees	439,225	428,029	(11,195)	(2.5)
Maturity refunds to policyholders	181,722	167,755	(13,966)	(7.7)
Dividends to policyholders	7	9	2	35.9
Provision for reserve for outstanding losses and claims	60,251	31,629	(28,621)	(47.5)
Other underwriting expenses	1,295	1,089	(206)	(15.9)
Investment expenses:	51,543	60,195	8,652	16.8
Investment losses on money trusts	2	—	(2)	(100.0)
Losses on sales of securities	22,936	17,090	(5,846)	(25.5)
Impairment losses on securities	1,954	2,525	570	29.2
Losses on redemption of securities	—	1	1	—
Losses on derivatives	13,362	18,204	4,842	36.2
Other investment expenses	13,286	22,373	9,086	68.4
Operating, general and administrative expenses	325,566	328,206	2,639	0.8
Other ordinary expenses:	12,215	11,098	(1,117)	(9.1)
Interest paid	7,587	6,513	(1,073)	(14.2)
Provision for allowance for possible credit losses	48	—	(48)	(100.0)
Losses on bad debt	31	38	7	23.5
Other ordinary expenses	4,548	4,546	(2)	(0.1)
Ordinary profit	124,926	251,517	126,590	101.3

(Millions of yen)

	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)	Increase (Decrease)	Rate of change
	Amount	Amount		
Extraordinary gains:	5,854	969	(4,884)	(83.4)%
Gains on disposal of fixed assets	5,854	969	(4,884)	(83.4)
Extraordinary losses:	6,206	5,522	(683)	(11.0)
Losses on disposal of fixed assets	1,596	947	(649)	(40.7)
Impairment losses	148	—	(148)	(100.0)
Provision for reserves under the special laws:	4,461	4,575	113	2.5
Provision for reserve for price fluctuation	4,461	4,575	113	2.5
Net income before income taxes	124,573	246,964	122,390	98.2
Income taxes	14,435	46,496	32,060	222.1
Deferred income taxes	2,096	(7,516)	(9,612)	(458.6)
Total income taxes	16,531	38,979	22,447	135.8
Net income	108,041	207,984	99,942	92.5
Underwriting result:				
Net premiums written	(+) 2,225,531	2,177,954	(47,577)	(2.1)
Net claims paid	(-) 1,311,226	1,342,628	31,401	2.4
Loss adjustment expenses	(-) 115,369	115,004	(365)	(0.3)
Net operating expenses:	(-) 745,649	735,113	(10,536)	(1.4)
Net commissions and brokerage fees	439,225	428,029	(11,195)	(2.5)
Operating, general and administrative expenses related to underwriting	306,424	307,083	659	0.2
Underwriting result	53,286	(14,791)	(68,077)	(127.8)
Underwriting profit (loss)	(19,833)	52,840	72,674	—
Ratios:				
Net loss ratio	(%) 64.1	66.9	2.8	
Net operating expenses ratio	(%) 33.5	33.8	0.2	
Combined ratio	(%) 97.6	100.7	3.1	

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

	(Millions of yen)		
	As of March 31, 2023	As of March 31, 2024	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits:	17,032	25,293	8,260
Cash	0	0	0
Deposits	17,032	25,293	8,260
Securities:	50,419	40,125	(10,294)
Municipal bonds	7,156	7,106	(50)
Corporate bonds	24,099	22,438	(1,660)
Domestic stocks	38	40	2
Foreign securities	6,796	1,961	(4,834)
Other securities	12,328	8,577	(3,750)
Tangible fixed assets:	351	324	(27)
Buildings	95	80	(14)
Leased assets	189	190	1
Other tangible fixed assets	67	53	(14)
Intangible fixed assets:	7,594	9,271	1,676
Software	7,591	9,268	1,676
Other intangible fixed assets	2	2	(0)
Other assets:	6,853	10,500	3,646
Premiums receivable	1,943	2,721	777
Agency accounts receivable	125	130	4
Coinsurance accounts receivable	13	10	(3)
Reinsurance accounts receivable	87	182	94
Foreign reinsurance accounts receivable	10	18	8
Accounts receivable	1,076	3,749	2,673
Accrued income	54	45	(9)
Advance deposits	495	499	4
Suspense payments	3,046	3,142	96
Deferred tax assets	1,862	2,650	787
Allowance for possible credit losses	(2)	(2)	(0)
Total assets	84,112	88,162	4,049

	(Millions of yen)		
	As of March 31, 2023	As of March 31, 2024	Increase (Decrease)
	Amount	Amount	
Liabilities:			
Underwriting funds:	62,687	66,559	3,872
Reserve for outstanding losses and claims	25,005	27,523	2,518
Underwriting reserves	37,682	39,036	1,354
Other liabilities:	5,641	6,098	456
Coinsurance accounts payable	36	34	(1)
Reinsurance accounts payable	209	174	(34)
Foreign reinsurance accounts payable	64	56	(8)
Income taxes payable	198	215	17
Deposits received	37	37	(0)
Accounts payable	1,853	1,512	(341)
Suspense receipts	3,040	3,856	816
Lease obligations	200	209	9
Reserve for retirement benefits to directors	15	14	(0)
Reserve for bonus payments	395	417	22
Reserve for bonus payments to directors	17	20	2
Reserves under the special laws:	107	9	(97)
Reserve for price fluctuation	107	9	(97)
Total liabilities	68,865	73,120	4,255
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:	(56,242)	(57,358)	(1,116)
Other retained earnings:	(56,242)	(57,358)	(1,116)
Retained earnings carried forward	(56,242)	(57,358)	(1,116)
Total shareholders' equity	16,709	15,593	(1,116)
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	(1,462)	(552)	910
Total valuation and translation adjustments	(1,462)	(552)	910
Total net assets	15,247	15,041	(205)
Total liabilities and net assets	84,112	88,162	4,049

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

(Millions of yen)

	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)	Increase (Decrease)	Rate of change
	Amount	Amount		
Ordinary income:	65,192	70,277	5,084	7.8%
Underwriting income:	64,503	69,324	4,821	7.5
Net premiums written	64,446	69,256	4,810	7.5
Interest and dividend income on deposits of premiums, etc.	56	67	11	19.4
Foreign exchange gains	0	0	(0)	(97.2)
Investment income:	624	942	317	50.9
Interest and dividend income	341	218	(122)	(36.0)
Gains on sales of securities	340	791	451	132.9
Transfer of interest and dividend income on deposits of premiums, etc.	(56)	(67)	(11)	—
Other ordinary income	64	10	(54)	(84.4)
Ordinary expenses:	66,067	71,955	5,887	8.9
Underwriting expenses:	49,520	55,542	6,021	12.2
Net claims paid	38,536	45,631	7,095	18.4
Loss adjustment expenses	4,415	4,682	267	6.0
Net commissions and brokerage fees	1,255	1,349	94	7.5
Provision for reserve for outstanding losses and claims	2,890	2,518	(372)	(12.9)
Provision for underwriting reserves	2,415	1,354	(1,061)	(43.9)
Other underwriting expenses	7	6	(1)	(13.5)
Investment expenses:	337	1,365	1,027	304.4
Losses on sales of securities	336	703	367	109.3
Impairment losses on securities	1	—	(1)	(100.0)
Losses on redemption of securities	—	0	0	—
Other investment expenses	—	661	661	—
Operating, general and administrative expenses	16,096	15,032	(1,064)	(6.6)
Other ordinary expenses:	112	15	(97)	(86.2)
Interest paid	4	5	0	5.0
Provision for allowance for possible credit losses	2	0	(1)	(82.0)
Other ordinary expenses	105	10	(95)	(90.5)
Ordinary loss	(875)	(1,678)	(803)	—

(Millions of yen)

	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)	Increase (Decrease)	Rate of change	
	Amount	Amount			
Extraordinary gains:	—	97	97	—%	
Reversal of reserves under the special laws:	—	97	97	—	
Reversal of reserve for price fluctuation	—	97	97	—	
Extraordinary losses:	24	186	161	667.0	
Losses on disposal of fixed assets	0	38	38	28,468.7	
Impairment losses	4	—	(4)	(100.0)	
Provision for reserves under the special laws:	19	—	(19)	(100.0)	
Provision for reserve for price fluctuation	19	—	(19)	(100.0)	
Other extraordinary losses	—	147	147	—	
Net loss before income taxes	(899)	(1,767)	(867)	—	
Income taxes	15	15	0	0.3	
Deferred income taxes	6	(667)	(673)	(10,762.8)	
Total income taxes	22	(651)	(673)	(3,053.5)	
Net loss	(921)	(1,116)	(194)	—	
Underwriting result:					
Net premiums written	(+)	64,446	69,256	4,810	7.5%
Net claims paid	(-)	38,536	45,631	7,095	18.4
Loss adjustment expenses	(-)	4,415	4,682	267	6.0
Net operating expenses:	(-)	17,217	16,298	(919)	(5.3)
Net commissions and brokerage fees		1,255	1,349	94	7.5
Operating, general and administrative expenses related to underwriting		15,962	14,948	(1,013)	(6.3)
Underwriting result		4,276	2,644	(1,632)	(38.2)
Underwriting profit (loss)		(959)	(1,167)	(207)	—
Ratios:					
Net loss ratio	(%)	66.6	72.6	6.0	
Net operating expenses ratio	(%)	26.7	23.5	(3.2)	
Combined ratio	(%)	93.4	96.2	2.8	

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

	(Millions of yen)		
	As of March 31, 2023	As of March 31, 2024	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits:	79,308	115,961	36,653
Deposits	79,308	115,961	36,653
Securities:	3,735,314	3,935,368	200,053
Government bonds	2,693,598	2,967,250	273,651
Municipal bonds	56,732	59,497	2,764
Corporate bonds	380,019	382,384	2,365
Domestic stocks	10,424	13,780	3,356
Foreign securities	587,130	497,295	(89,834)
Other securities	7,409	15,160	7,751
Loans:	42,150	42,953	802
Policy loans	42,148	42,953	804
Ordinary loans	2	—	(2)
Tangible fixed assets:	1,750	2,057	307
Buildings	433	471	37
Leased assets	1,005	677	(327)
Construction in progress	3	269	265
Other tangible fixed assets	307	639	331
Intangible fixed assets:	3,620	4,140	519
Software	—	2,721	2,721
Other intangible fixed assets	3,620	1,419	(2,201)
Agency accounts receivable	119	195	75
Reinsurance accounts receivable	1,650	1,814	164
Other assets:	59,467	56,189	(3,278)
Accounts receivable	40,994	36,675	(4,319)
Prepaid expenses	4,525	5,454	928
Accrued income	9,672	9,784	111
Advance deposits	2,645	3,395	749
Derivative assets	948	204	(744)
Cash collateral paid for financial instruments	20	130	110
Suspense payments	572	453	(119)
Other assets	87	92	4
Deferred tax assets	39,503	6,877	(32,625)
Allowance for possible credit losses	(51)	(125)	(73)
Total assets	3,962,833	4,165,432	202,598

	(Millions of yen)		
	As of March 31, 2023	As of March 31, 2024	Increase (Decrease)
	Amount	Amount	
Liabilities:			
Policy reserves:	3,423,777	3,555,847	132,069
Reserve for outstanding claims	40,758	40,221	(537)
Policy reserves	3,378,531	3,511,187	132,656
Reserve for dividends to policyholders	4,488	4,438	(49)
Agency accounts payable	5,134	5,481	346
Reinsurance accounts payable	1,075	1,129	53
Other liabilities:	414,812	399,549	(15,262)
Payables under securities lending transactions	397,672	371,949	(25,722)
Income taxes payable	41	6,064	6,022
Accounts payable	602	7,884	7,282
Accrued expenses	7,655	8,267	612
Unearned income	0	2	2
Deposits received	130	236	105
Derivative liabilities	6,523	2,359	(4,163)
Cash collateral received for financial instruments	130	—	(130)
Lease obligations	1,154	786	(367)
Suspense receipts	544	495	(49)
Other liabilities	357	1,504	1,146
Reserve for bonus payments to directors	25	42	16
Reserve for retirement benefits	5,316	5,649	333
Reserve for possible reimbursement of prescribed claims	542	345	(197)
Reserves under the special laws:	10,958	12,035	1,077
Reserve for price fluctuation	10,958	12,035	1,077
Total liabilities	3,861,642	3,980,080	118,438
Net assets:			
Shareholders' equity:			
Common stock	17,250	17,250	—
Capital surplus:	13,333	13,333	—
Capital reserves	13,333	13,333	—
Retained earnings:	96,422	97,012	589
Legal reserve	3,916	3,916	—
Other retained earnings:	92,505	93,095	589
Reserve under Article 10 of the Supplementary Provisions of Ordinance for Enforcement of the Insurance Business Act	325	325	—
Retained earnings carried forward	92,180	92,770	589
Total shareholders' equity	127,005	127,595	589
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	(25,815)	57,755	83,570
Total valuation and translation adjustments	(25,815)	57,755	83,570
Total net assets	101,190	185,351	84,160
Total liabilities and net assets	3,962,833	4,165,432	202,598

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

(Millions of yen)

	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)	Increase (Decrease)	Rate of change
	Amount	Amount		
Ordinary income:	518,504	538,546	20,042	3.9%
Insurance premiums and other:	434,473	433,079	(1,393)	(0.3)
Insurance premiums	430,164	429,163	(1,001)	(0.2)
Reinsurance income	4,308	3,916	(392)	(9.1)
Investment income:	82,038	103,274	21,235	25.9
Interest and dividend income and other:	54,982	59,918	4,936	9.0
Interest and dividends on securities	53,471	58,285	4,814	9.0
Interest on loans	1,270	1,304	34	2.7
Other interest and dividends	240	328	88	36.7
Gains on sales of securities	18,732	29,801	11,068	59.1
Foreign exchange gains	6,890	6,570	(320)	(4.6)
Reversal of allowance for possible credit losses	2	—	(2)	(100.0)
Other investment income	0	0	(0)	(69.6)
Investment gains on special account	1,430	6,984	5,554	388.4
Other ordinary income:	1,992	2,192	200	10.1
Fund receipt for annuity rider	434	343	(90)	(21.0)
Fund receipt for claim deposit payments	1,257	1,280	22	1.8
Reversal of reserve for outstanding claims	137	537	399	290.2
Other ordinary income	162	31	(131)	(80.9)
Ordinary expenses:	512,173	510,728	(1,445)	(0.3)
Insurance claims and other:	253,947	228,406	(25,540)	(10.1)
Insurance claims	42,542	41,109	(1,433)	(3.4)
Annuity payments	12,144	11,608	(535)	(4.4)
Insurance benefits	79,929	55,563	(24,365)	(30.5)
Surrender benefits	111,098	112,182	1,083	1.0
Other refunds	4,145	3,738	(406)	(9.8)
Reinsurance premiums	4,086	4,202	115	2.8
Provision for policy reserves and other:	132,937	132,656	(280)	(0.2)
Provision for policy reserves	132,937	132,656	(280)	(0.2)
Provision for interest portion of reserve for dividends to policyholders	0	0	(0)	(3.2)
Investment expenses:	21,717	48,117	26,399	121.6
Interest paid	150	65	(85)	(56.7)
Losses on sales of securities	16,637	39,736	23,098	138.8
Impairment losses on securities	—	99	99	—
Losses on derivatives	4,773	7,972	3,198	67.0
Provision for allowance for possible credit losses	—	78	78	—
Other investment expenses	155	165	9	5.9
Operating expenses	99,017	96,145	(2,872)	(2.9)

(Millions of yen)

	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)	Increase (Decrease)	Rate of change
	Amount	Amount		
Other ordinary expenses:	4,553	5,402	849	18.6%
Claim deposit payments	1,522	1,508	(13)	(0.9)
Taxes	1,994	1,961	(33)	(1.7)
Depreciation	654	1,259	604	92.4
Provision for reserve for retirement benefits	344	333	(11)	(3.3)
Other ordinary expenses	37	340	302	803.3
Ordinary profit	6,330	27,818	21,488	339.4
Extraordinary gains:	3	0	(2)	(93.4)
Gains on disposal of fixed assets and other	3	0	(2)	(93.4)
Extraordinary losses:	1,449	2,384	935	64.5
Losses on disposal of fixed assets and other	16	2	(14)	(86.7)
Provision for reserves under the special laws:	988	1,077	89	9.1
Provision for reserve for price fluctuation	988	1,077	89	9.1
Other extraordinary losses	444	1,304	859	193.3
Provision for reserve for dividends to policyholders	3,371	3,123	(247)	(7.3)
Net income before income taxes	1,512	22,310	20,797	1,374.6
Income taxes	338	6,294	5,956	1,759.5
Deferred income taxes	229	125	(103)	(45.0)
Total income taxes	567	6,420	5,852	1,031.0
Net income	945	15,889	14,944	1,581.0

Solvency Margin Ratio of Sompō 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 increased by 113.5 points from the previous fiscal year to 697.6 percent.

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

	(Millions of yen)	
	As of March 31, 2023	As of March 31, 2024
(A) Total Consolidated Solvency Margin	3,252,617	4,354,188
Capital, etc.	900,226	1,160,271
Reserve for price fluctuation	110,858	116,413
Contingency reserve	37,938	40,575
Catastrophic loss reserve	545,598	525,110
General allowance for possible credit losses	8,150	128
Unrealized gains and losses on securities, deferred gains and losses on hedges (before tax effect deductions)	752,515	1,554,434
Unrealized gains and losses on land	112,041	117,291
Total of unrecognized actual difference and unrecognized prior service costs (before tax effect deductions)	28,591	56,505
Surplus such as premium fund	145,353	139,674
Subordinated debt, etc.	427,000	427,000
Excess amount of surplus such as premium fund and subordinated debt, etc. which are excluded from total solvency margin	—	—
Unrealized gains and losses on insurance liabilities of overseas subsidiaries	—	—
Total solvency margin related to small amount and short term insurance companies	25	47
Deductions	54,970	55,624
Others	239,288	272,359
(B) Total Consolidated Risks	1,113,737	1,248,317
$\sqrt{(R_1^2+R_2^2+R_3+R_4)^2+(R_5+R_6+R_7)^2+R_8+R_9}$		
Underwriting risk for property and casualty insurance business (R ₁)	413,736	427,963
Underwriting risk for life insurance business (R ₂)	14,810	13,893
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R ₃)	13,089	14,184
Underwriting risk related to small amount and short term insurance companies (R ₄)	97	112
Guaranteed interest rate risk (R ₅)	20,729	19,352
Guaranteed minimum benefit risk for life insurance policies (R ₆)	401	420
Investment risk (R ₇)	632,507	768,355
Business management risk (R ₈)	28,570	31,728
Major catastrophe risk for property and casualty insurance policies (R ₉)	304,310	312,741
(C) Consolidated Solvency Margin Ratio	584.0%	697.6%
$[(A) / \{(B) \times 1/2\}] \times 100$		

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, 2023	As of March 31, 2024
(A) Total Non-consolidated Solvency Margin	2,952,779	3,568,741
Capital and funds, etc.	648,480	735,325
Reserve for price fluctuation	99,792	104,368
Contingency reserve	3,624	5,587
Catastrophic loss reserve	541,683	521,086
General allowance for possible credit losses	172	92
Unrealized gains and losses on securities, deferred gains and losses on hedges (before tax effect deductions)	935,188	1,437,042
Unrealized gains and losses on land	129,929	134,953
Excess amount of reserve for maturity refunds	—	—
Subordinated debt, etc.	427,000	427,000
Excess amount of reserve for maturity refunds and subordinated debt, etc. which are excluded from total solvency margin	—	—
Deductions	36,213	32,677
Others	203,119	235,963
(B) Total Non-consolidated Risks	947,373	1,049,207
$\sqrt{(R_1+R_2)^2+(R_3+R_4)^2+R_5+R_6}$		
Underwriting risk (R ₁)	202,217	205,429
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R ₂)	—	—
Guaranteed interest rate risk (R ₃)	12,362	11,101
Investment risk (R ₄)	692,323	792,254
Business management risk (R ₅)	21,983	24,093
Major catastrophe risk (R ₆)	192,263	195,907
(C) Non-consolidated Solvency Margin Ratio [(A) / ((B) × 1/2)] × 100	623.3%	680.2%

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).

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

	(Millions of yen)	
	As of March 31, 2023	As of March 31, 2024
(A) Total Non-consolidated Solvency Margin	19,323	19,009
Capital and funds, etc.	16,709	15,593
Reserve for price fluctuation	107	9
Contingency reserve	11	11
Catastrophic loss reserve	3,915	4,024
General allowance for possible credit losses	0	1
Unrealized gains and losses on securities, deferred gains and losses on hedges (before tax effect deductions)	(1,421)	(631)
Unrealized gains and losses on land	—	—
Excess amount of reserve for maturity refunds	—	—
Subordinated debt, etc.	—	—
Excess amount of reserve for maturity refunds and subordinated debt, etc. which are excluded from total solvency margin	—	—
Deductions	—	—
Others	—	—
(B) Total Non-consolidated Risks	9,442	11,011
$\sqrt{(R_1+R_2)^2+(R_3+R_4)^2+R_5+R_6}$		
Underwriting risk (R ₁)	7,612	8,730
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R ₂)	—	—
Guaranteed interest rate risk (R ₃)	13	12
Investment risk (R ₄)	1,747	1,391
Business management risk (R ₅)	320	358
Major catastrophe risk (R ₆)	1,309	1,810
(C) Non-consolidated Solvency Margin Ratio [(A) / ((B) × 1/2)] × 100	409.2%	345.2%

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).

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

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
(A) Total Non-consolidated Solvency Margin	309,186	422,873
Capital, etc.	127,005	127,595
Reserve for price fluctuation	10,958	12,035
Contingency reserve	34,301	34,976
General allowance for possible credit losses	1	0
Unrealized gains and losses on securities (before tax effect deductions) (90% of gain or 100% of loss), deferred gains and losses on hedges (before tax effect deductions) (90% of gain or 100% of loss)	(35,854)	72,194
Unrealized gains and losses on land (85% of gain or 100% of loss)	—	—
Excess amount of continued Zillmerized reserve	145,353	139,674
Subordinated debt, etc.	—	—
Excess amount of continued Zillmerized reserve and subordinated debt, etc. which are excluded from total solvency margin	(8,748)	—
Brought in capital, etc.	—	—
Deductions	—	—
Others	36,168	36,395
(B) Total Non-consolidated Risks	58,712	74,928
$\sqrt{(R_1+R_2)^2+(R_3+R_4)^2+R_5}$		
Underwriting risk (R ₁)	13,924	13,473
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R ₂)	13,089	14,184
Guaranteed interest rate risk (R ₃)	8,354	8,238
Guaranteed minimum benefit risk (R ₄)	401	420
Investment risk (R ₅)	41,622	58,925
Business management risk (R ₆)	1,547	1,904
(C) Non-consolidated Solvency Margin Ratio [(A) / ((B) × 1/2)] × 100	1,053.2%	1,128.7%

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.

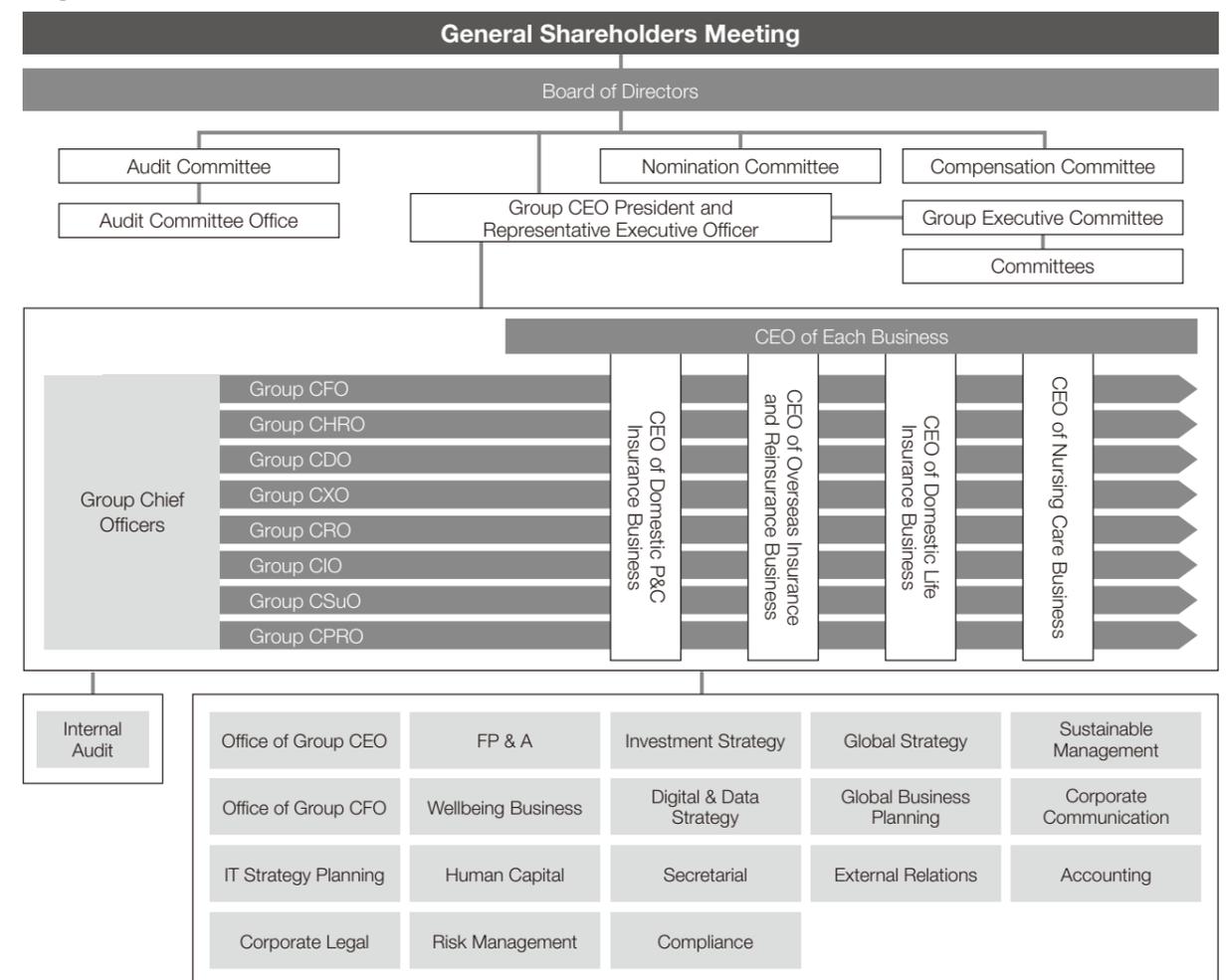
Corporate Overview

Company name: Sompo 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, President and Representative Executive Officer: Mikio Okumura
 Employees: 537*
 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.sompo-hd.com/en/>

* As of March 31, 2024

Organization Chart

(As of August 1, 2024)



Group CEO and other abbreviated titles represent the following positions:
 Group CEO: Group Chief Executive Officer / Group CFO: Group Chief Financial Officer / Group CHRO: Group Chief Human Resource Officer / Group CDO: Group Chief Digital Officer /
 Group CXO: Group Chief Transformation Officer / Group CRO: Group Chief Risk Officer / Group CIO: Group Chief Information Officer / Group CSuO: Group Chief Sustainability Officer /
 Group CPRO: Group Chief Public Relations Officer

Share Information

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

Matters for the General Meeting of Shareholders

The 14th General Meeting of Shareholders was held on June 24, 2024. The matters to be reported and the matters to be resolved were as follows:

Matters to Be Reported

1. 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 2023 (April 1, 2023 to March 31, 2024)
2. The financial statements for fiscal 2023 (April 1, 2023 to March 31, 2024)

Matters to Be Resolved

- Proposal No. 1: Disposition of Retained Earnings
Proposal No. 2: Appointment of 13 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 | 330,160,689 (Including treasury stock) |
| (4) Total number of shareholders | 68,896 |

Note) On April 1, 2024, the 3-for-1 stock split of common stock was executed, bringing the total number of shares outstanding to 990,482,067. In conjunction with this stock split, the total number of authorized shares has been changed to 3,600,000,000 shares.

2. Types of Shareholders

(As of March 31, 2024)

Category	Number of Shareholders	Number of Shares Held (Thousands) ¹	Percentage of Shares Outstanding (%) ²
National and Regional Governmental Organizations	2	8	0.00
Financial Institutions	134	102,712	31.11
Securities Companies	51	27,605	8.36
Other Corporations	1,204	21,648	6.56
Foreign Investors	1,109	139,183	42.16
Individuals and Others	66,396	39,001	11.81
Total	68,896	330,160	100.00

¹ Numbers of shares held are truncated to the unit displayed.

² Percentage of shares outstanding are rounded to the unit displayed.

Top 10 Shareholders

(As of March 31, 2024)

Name of Shareholder	Number of Shares Held (Thousands)	Percentage of Shares Outstanding (Excluding Treasury Stock) (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	50,999	15.46
Custody Bank of Japan, Ltd. (Trust account)	19,429	5.89
JP MORGAN CHASE BANK 380055	8,942	2.71
Sompo Holdings Employee Shareholders Association	8,012	2.43
STATE STREET BANK WEST CLIENT - TREATY 505234	6,386	1.94
GOVERNMENT OF NORWAY	6,249	1.89
JPMorgan Securities Japan Co., Ltd.	6,003	1.82
GOLDMAN SACHS JAPAN CO., LTD. BNYM	5,935	1.80
SMBC Nikko Securities Inc.	4,796	1.45
JP MORGAN CHASE BANK 385781	4,241	1.29

Note) The percentage of shares outstanding has been calculated by deducting treasury stock (215 thousand shares).

The Sampo Group consists of 92 subsidiaries and 20 affiliates. The Group is engaged in Domestic P&C Insurance, Overseas Insurance and Reinsurance, Domestic Life Insurance, and Nursing care & Seniors. Major Group companies are as follows.

Domestic P&C Insurance

- ◎ Sampo Japan Insurance Inc.
- ◎ SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED*1
- ◎ Sampo Japan Partners Inc.
- ◎ Mysurance Inc.
- ★ Capital Insurance Corporation

Overseas Insurance and Reinsurance

- ◎ Sampo 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>
- ◎ Sampo Holdings (Asia) Pte. Ltd. <Singapore>
- ◎ Sampo Sigorta Anonim Sirketi <Turkey>
- ◎ Berjaya Sampo Insurance Berhad <Malaysia>
- ◎ Sampo Seguros S.A. <Brazil>
- ★ Universal Sampo General Insurance Company Limited <India>

Domestic Life Insurance

- ◎ Sampo Himawari Life Insurance, Inc.

Nursing Care & Seniors*2

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

Others

- ◎ Sampo Warranty Inc. (Extended warranty)
- ◎ SOMPO Light Vortex Inc. (Digital-related)
- ◎ Sampo Asset Management Co., Ltd. (Asset management)
- ◎ Sampo Japan DC Securities Inc. (Defined contribution pension plan)
- ◎ Sampo Risk Management Inc. (Risk management)
- ◎ Sampo 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
 *1 Saison Automobile and Fire Insurance Company Limited changed its name to "Sampo Direct Insurance Inc." on October 1, 2024.
 *2 Nursing Care & Seniors Business has been renamed "Nursing Care Business" as of April 1, 2024.

Subsidiaries and Affiliates

Consolidated Subsidiaries

Company Name	Location of Head Office	Date of Establishment	Capital	Main Business	Percentage of Voting Rights Held by the Holding Company (%) ^{*1}	Percentage of Voting Rights Held by Subsidiaries or Affiliates of the Holding Company (%) ^{*1}
Sampo 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	—	100.0
Sampo 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
Sampo 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	Wilmington, DE (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
Sampo Holdings (Asia) Pte. Ltd.	Singapore (Singapore)	August 1, 2008	790,761 thousand Singaporean dollars	Overseas Insurance and Reinsurance	—	100.0
Sampo Sigorta Anonim Sirketi	Istanbul (Turkey)	March 30, 2001	195,498 thousand Turkish liras	Overseas Insurance and Reinsurance	—	100.0
Berjaya Sampo Insurance Berhad	Kuala Lumpur (Malaysia)	September 22, 1980	118,000 thousand Malaysian ringgits	Overseas Insurance and Reinsurance	—	70.0
Sampo Seguros S.A.	Sao Paulo (Brazil)	October 8, 1943	1,872,552 thousand Brazilian reals	Overseas Insurance and Reinsurance	—	99.9
Sampo Himawari Life Insurance Inc.	Shinjuku-ku, Tokyo	July 7, 1981	17,250 million Japanese yen	Domestic Life Insurance	100.0	—
Sampo 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	—
Sampo 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	—

MEMO

Company Name	Location of Head Office	Date of Establishment	Capital	Main Business	Percentage of Voting Rights Held by the Holding Company (%) ^{*1}	Percentage 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	—
46 other companies						

Equity-Method Affiliates

Company Name	Location of Head Office	Date of Establishment	Capital	Main Business	Percentage of Voting Rights Held by the Holding Company (%) ^{*1}	Percentage 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	3,350 million Japanese yen	Other (Autonomous driving platform development)	25.4	—
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	819 million Japanese yen	Other (AI-related)	—	18.5
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 percentage of voting rights are rounded to the indicated decimal place.



Sompo Holdings, Inc.

26-1, Nishi-Shinjuku 1-chome, Shinjuku-ku,
Tokyo 160-8338, Japan

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