

Highlights of FY2020 Results

May 20, 2021
Sompo Holdings, Inc.



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Exchange rate (USD/JPY)

FY2020 Actual	110.71 (YOY +1.7%)	End of Mar. 2021
	- for overseas entities 103.50 (YOY -5.5%)	End of Dec. 2020
FY2021 Full year forecast	110.71	End of Mar. 2021

*1 W/P loss ratio means written-paid loss ratio; numerator is net claims paid, and denominator is net premiums written.
*2 SI stand for "Sompo International (Corporate)". (The same shall apply hereafter.)

Highlights

- In the top line of FY2020, SI saw a significant increase. Net premiums written increased by ¥98.0 billion to ¥2,923.5 billion.
- The overall COVID-19 impact in FY2020 was positive due to a decrease in automobile accidents. Consolidated net income increased by ¥19.9 billion to ¥142.4 billion. Adjusted consolidated profit increased by ¥51.3 billion year on year to ¥202.1 billion (record high profit).
- In FY2021, we expect consolidated net income to decline by ¥17.4 billion to ¥125.0 billion due to the normalization of losses, while we expect adjusted consolidated profit to increase by ¥2.8 billion to ¥205.0 billion.

FY2020 Actual

Sompo Japan

- Underwriting profit increased by ¥23.2 billion, mainly due to a decline in the E/I loss ratio of automobile insurance caused by voluntary restraint in going out due to COVID-19.
(*The E/I loss ratio for automobile insurance improved by 4.9 pt year on year, and the number of accidents decreased by 13.7% year on year.
- Investment profit declined by ¥4.5 billion due to a decrease in interest and dividends resulting from COVID-19.

Overseas Insurance

- The top line continued to expand steadily mainly due to rate improvements at SI.
- Despite the COVID-19 impact, the business was in line with the budget from the third quarter onward, and the adjusted profit was ¥30.0 billion.

Himawari Life

- Net income increased by ¥3.4 billion to 20.0 billion yen, mainly due to a decrease in holdings of savings-type products.

Nursing Care & Healthcare etc.

- Net income was down because of the COVID-19 impact including the special allowances to field staff, however it was up when excluding the COVID-19 impact.

FY2021 Forecast

- Net income is forecasted to decline by ¥13.9 billion, due to the absence of one-time factors such as development of Loss Ratio at Sompo Japan.
- Overseas insurance business is expected to increase ¥29.9 billion in adjusted profit due to the absence of one-time factors such as COVID-19 and the continuation of disciplined underwriting
- The COVID-19 impact on consolidated net income will be a decrease of ¥6.0 billion. Consolidated adjusted profit is expected to increase by ¥9.0 billion.

Shareholder Return

- Dividends will be raised for eight consecutive years (including FY 2021 dividend forecast) and 40.4 billion yen worth of share-buyback will be made (total return ratio: 50% in FY 2020)

1. Consolidated financial results

2. Domestic P&C insurance

3. Overseas insurance

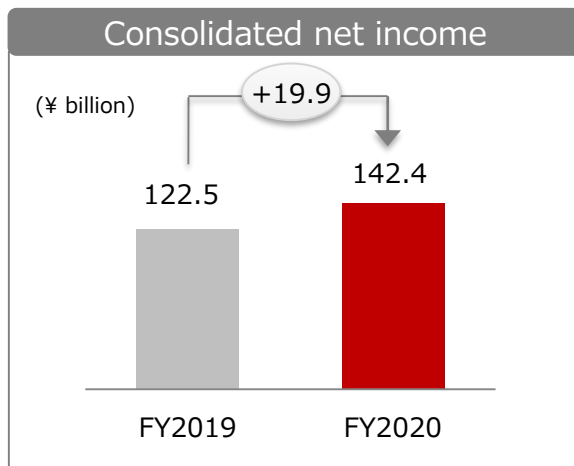
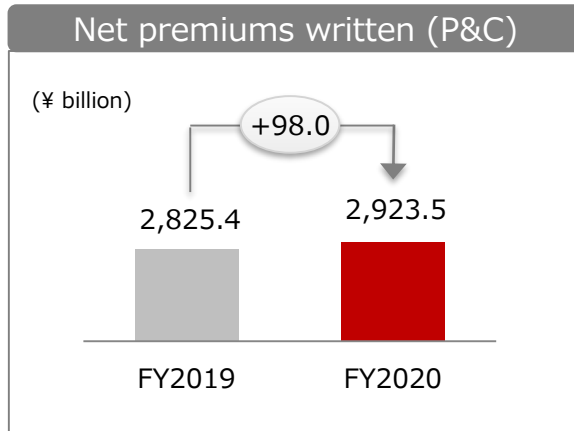
4. Domestic life insurance

5. Nursing care & healthcare, etc.

6. ERM & asset management

Overview of FY2020 Results – Consolidated Basis

- Net premiums written (P&C) increased by ¥98.0 billion due to higher revenues at Sompo International.
- Consolidated ordinary profit and consolidated net income increased mainly due to a decline in the automobile insurance loss ratio at Sompo Japan.



(¥ billion)	FY2019	FY2020	Change
Consolidated ordinary income	3,760.3	3,846.3	+85.9 (+2.3%)
Net premiums written (P&C)	2,825.4	2,923.5	+98.0 (+3.5%)
Life insurance premiums	356.0	346.1	-9.8 (-2.8%)
Consolidated ordinary profit	192.4	215.0	+22.6
Sompo Japan	182.3	197.4	+15.0
Overseas insurance subsidiaries	87.9	52.2	-35.6
Himawari Life	25.5	28.9	+3.3
SOMPO Care	10.1	8.7	-1.3
Consolidated adjustment* ¹ /Others	-113.5	-72.3	+41.2
Consolidated net income* ²	122.5	142.4	+19.9
Sompo Japan	130.5	146.9	+16.4
Overseas insurance subsidiaries	75.3	35.8	-39.5
Himawari Life	16.5	20.0	+3.4
SOMPO Care	6.2	5.3	-0.9
Consolidated adjustment/Others	-106.2	-65.6	+40.6
(Reference) Adjusted profit (by business)	150.8	202.1	+51.3
Domestic P&C insurance	60.8	130.1	+69.3
Overseas insurance	50.1	30.0	-20.0
Domestic life insurance	32.0	33.8	+1.7
Nursing care & healthcare, etc.	7.7	8.1	+0.3

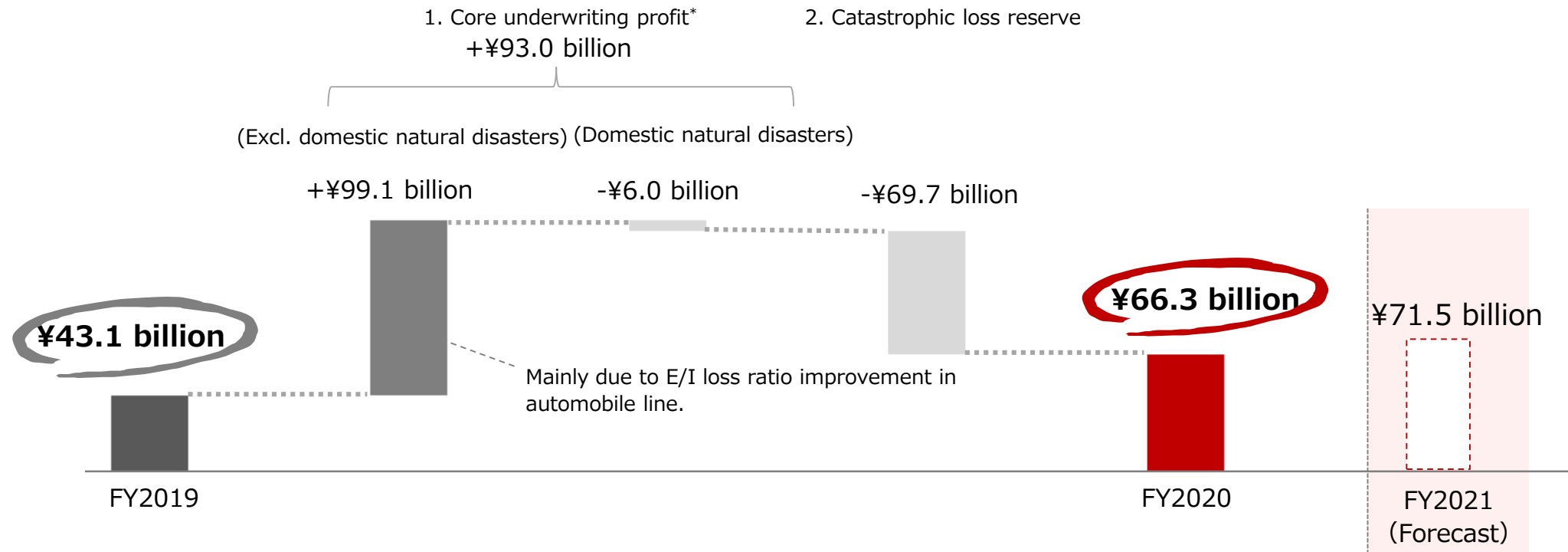
*1 Incl. profits and losses of consolidated companies other than the above and adjustments due to consolidation adjustments, etc.

*2 Consolidated net income denotes net income (loss) attributable to shareholders of the parent. (The same shall apply hereafter.)

Main Points of Consolidated Results – (1) Underwriting Profit (Sompo Japan)

- Underwriting profit increased by ¥23.2 billion, mainly due to a decline in the loss ratio of automobile insurance.

Increase/decrease factors of underwriting profit (Sompo Japan)



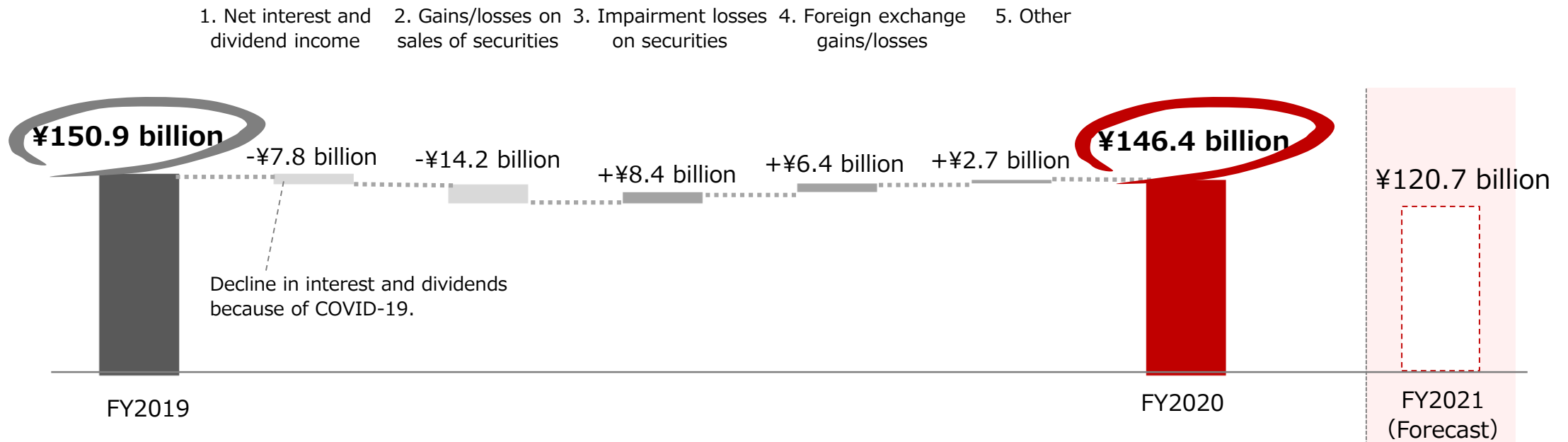
	1. Core underwriting profit*			2. Catastrophic loss reserve	Underwriting profit
		(Other than domestic natural disasters)	(Domestic natural disasters)		
FY2019	¥9.4 billion	¥102.6 billion	-¥93.2 billion	¥33.6 billion	¥43.1 billion
FY2020	¥102.4 billion	¥201.7 billion	-¥99.3 billion	-¥36.1 billion	¥66.3 billion

* Core underwriting profit is underwriting profit less the impact related to catastrophic loss reserve

Main Points of Consolidated Results – (2) Investment Profit (Sompo Japan)

- Investment profit was ¥146.4 billion due to the decline in interest and dividends compared to the previous fiscal year because of COVID-19 etc.

Increase/decrease factors of investment profit (Sompo Japan)

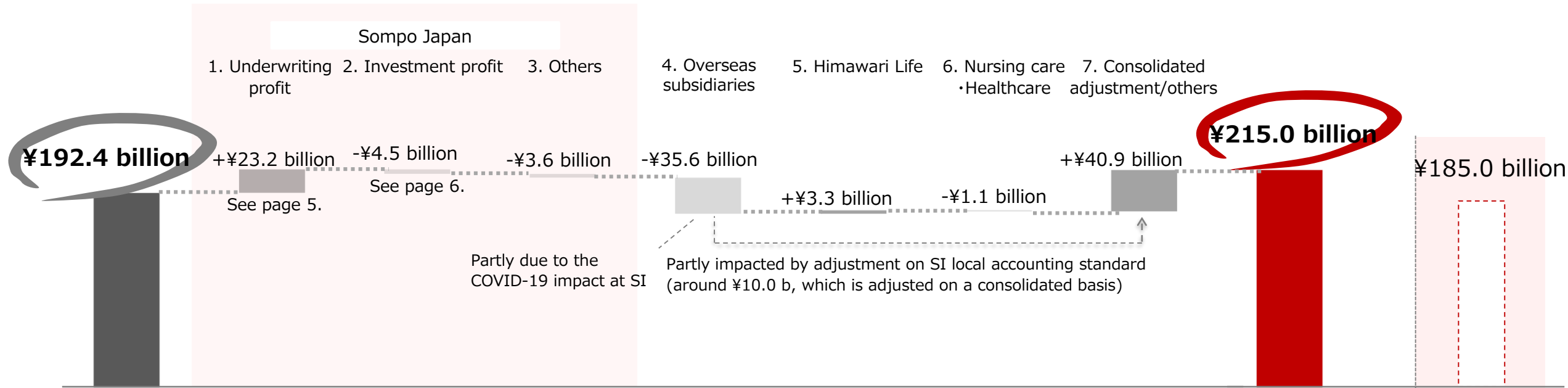


	1. Net interest and dividend income	2. Gains/losses on sales of securities	3. Impairment losses on securities	4. Foreign exchange gains/losses	5. Other	Investment profit
FY2019	¥102.0 billion	¥79.1 billion	-¥11.7 billion	-¥1.8 billion	-¥16.6 billion	¥150.9 billion
FY2020	¥94.1 billion	¥64.8 billion	-¥3.2 billion	¥4.5 billion	-¥13.8 billion	¥146.4 billion

Main Points of Consolidated Results – (3) Ordinary Profit

- Consolidated ordinary profit increased by ¥22.6 billion due to a decline in the loss ratio at Sompo Japan, which offset the COVID-19 impact at SI.

Increase/decrease factors of consolidated ordinary profit



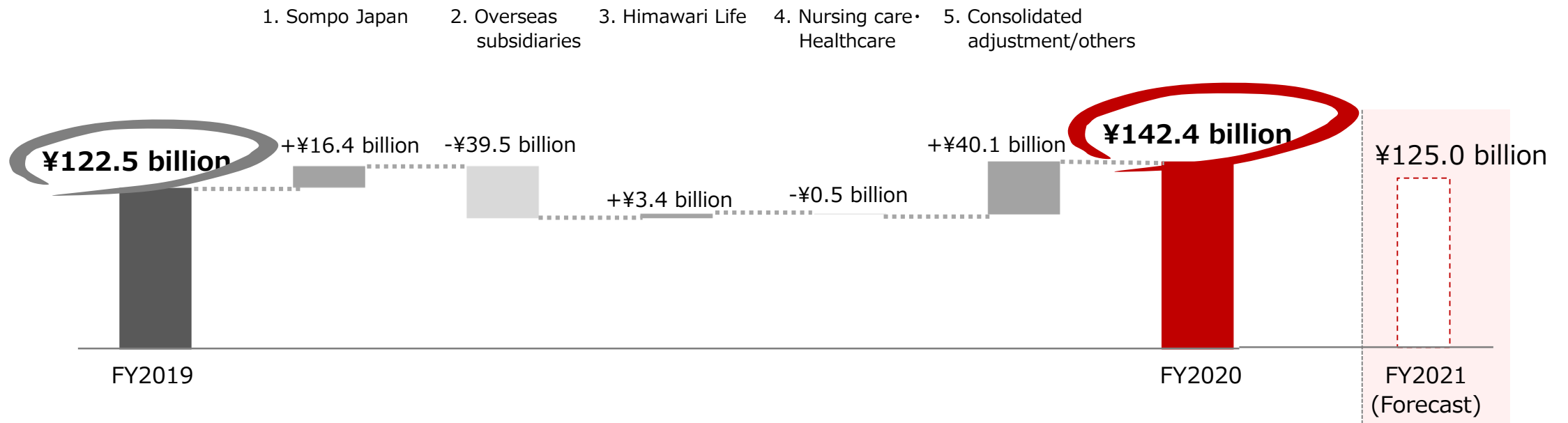
	1. Underwriting profit	2. Investment profit	3. Others	4. Overseas subsidiaries	5. Himawari Life	6. Nursing care healthcare	7. Consolidated adjustment/others	Ordinary profit
FY2019	¥43.1 billion	¥150.9 billion	-¥11.6 billion	¥87.9 billion	¥25.5 billion	¥10.1 billion	-¥113.5 billion	¥192.4 billion
FY2020	¥66.3 billion	¥146.4 billion	-¥15.3 billion	¥52.2 billion	¥28.9 billion	¥9.0 billion	-¥72.5 billion*	¥215.0 billion

* Net amortization amount (before tax) of goodwill and intangible assets, etc. of SI for FY2020: ¥22.7 billion

Main Points of Consolidated Results – (4) Net Income

- Consolidated net income was ¥142.4 billion

Increase/decrease factors of consolidated net income



	1. Sompo Japan	2. Overseas subsidiaries	3. Himawari Life	4. Nursing care	5. Consolidated adjustment/others	Net income
FY2019	¥130.5 billion	¥75.3 billion	¥16.5 billion	¥6.1 billion	-¥106.1 billion	¥122.5 billion
FY2020	¥146.9 billion	¥35.8 billion	¥20.0 billion	¥5.6 billion	-¥66.0 billion	¥142.4 billion

Business Forecasts for FY2021 – Consolidated Basis

(¥ billion)	FY2020 (Actual)	FY2021 (Forecasts)	Change
Net premiums written (P&C)	2,923.5	3,090.0	+166.4
Life insurance premiums	346.1	358.0	+11.8
Consolidated ordinary profit	215.0	185.0	-30.0
Sompo Japan	197.4	174.5	-22.9
Overseas subsidiaries	52.2	72.3	+20.0
Himawari Life	28.9	17.2	-11.6
SOMPO Care	8.7	8.6	-0.1
Consolidated adjustment/others	-72.3	-87.7	-15.4
Consolidated net income	142.4	125.0	-17.4
Sompo Japan	146.9	133.0	-13.9
Overseas subsidiaries	35.8	57.9	+22.1
Himawari Life	20.0	11.6	-8.4
SOMPO Care	5.3	5.1	-0.1
Consolidated adjustment/others	-65.6	-82.6	-16.9
(Reference) Adjusted profit (by business)	202.1	205.0	+2.8
Domestic P&C insurance	130.1	105.0	-25.1
Overseas insurance	30.0	60.0	+29.9
Domestic life insurance	33.8	32.5	-1.3
Nursing care & Senior, etc.	8.1	7.5	-0.6

Main Points of Business Forecasts for FY2021

- Consolidated net income is expected to decline by ¥17.4 billion to ¥125.0 billion, incorporating absence of certain amount of the COVID-19 impact and the normalization of natural disasters
- Adjusted consolidated profit, which provides shareholder returns, is expected to be ¥205.0 billion, the second consecutive year of record high.

Sompo Japan

- Underwriting profit is expected to increase by ¥5.1 billion, as certain extent of favorable loss ratio caused by COVID-19 and natural disasters are expected to normalized.
- Investment profit is expected to decline by ¥25.6 billion, mainly due to the decrease of fund redemption gains compared to the previous fiscal year.
- Strategic holding stocks will be reduced by approximately ¥50 billion.

Overseas insurance

- Net premium earned is to increase by ¥167.3 billion due to rate improvement and an increase of retention ratio (less ceded) in SI.
- In addition to the absence of COVID-19 and other one-time factors, -6.7% improvement of Loss ratio in SI is expected by disciplined underwriting.
- As a result, adjusted profit is expected to grow by 29.9 billion yen.

Himawari life

- Business expenses increases in line with business expansion, while continuing to expand holdings of highly profitable protection-type products.
- Net income is expected to decline by ¥8.4 billion due to an increase in operating expenses and provision for underwriting reserves in line with the expansion of new policies.

Nursing care •Elderly Care etc.

- Income is expected to decrease due to the loss of tax effect, while the occupancy rate is expected to improve by 1.4% (89.4%→90.8%)

(Reference) COVID-19 impact

- For FY2020, consolidated net income was positively affected by approximately ¥2.0 billion yen, while adjusted consolidated profit was positively affected by approximately ¥23.0 billion.
- For FY2021, incorporating the COVID-19 impact to some extent, consolidated net income is negatively affected by ¥6.0 billion, while adjusted consolidated profit is positively affected by approximately ¥9.0 billion.

Impact for consolidated net income for FY2021*

	FY2020	FY2021 (Forecast)	FY2020 main factors
Domestic P&C	+¥18.0 billion	-¥2.0 billion	Decline of accident rate in automobile line and decrease in fund investment profit
Overseas insurance	-¥14.0 billion	-	Increase of SI's COVID-19 provisions & lower yields within investments
Domestic life	Insignificant	-¥1.0 billion	Decrease in new contracts, offset by decrease in UW reserve and commissions.
Nursing Care & Healthcare etc.	-¥2.0 billion	-¥3.0 billion	Payment of special allowances to nursing field staff
Group total	+¥2.0 billion	-¥6.0 billion	

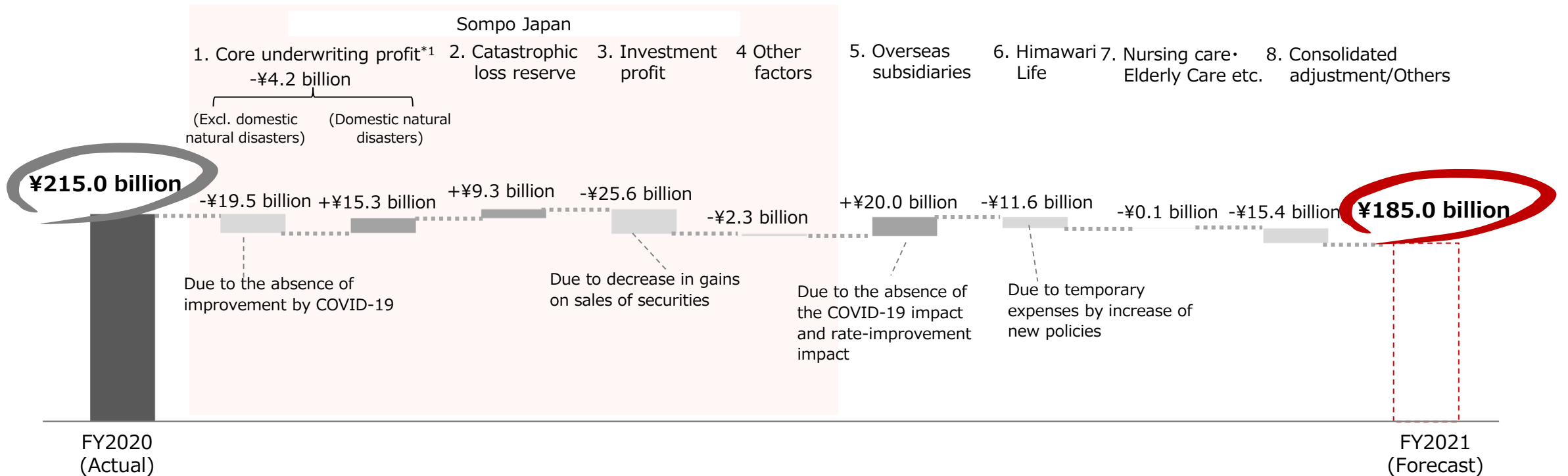
(Reference) Impact for adjusted consolidated profit for FY2021*

	FY2020	FY2021 (Forecast)
Domestic P&C	+¥41.0 billion	+¥13.0 billion
Overseas insurance	-¥14.0 billion	-
Domestic life	-¥2.0 billion	-¥1.0 billion
Nursing Care & Healthcare etc.	-¥2.0 billion	-¥3.0 billion
Group total	+¥23.0 billion	+¥9.0 billion

* Incl. provisional figures

(Reference) Breakdown of Business Forecasts (Consolidated Ordinary Profit) of FY2021

Increase/decrease factors of consolidated ordinary profit



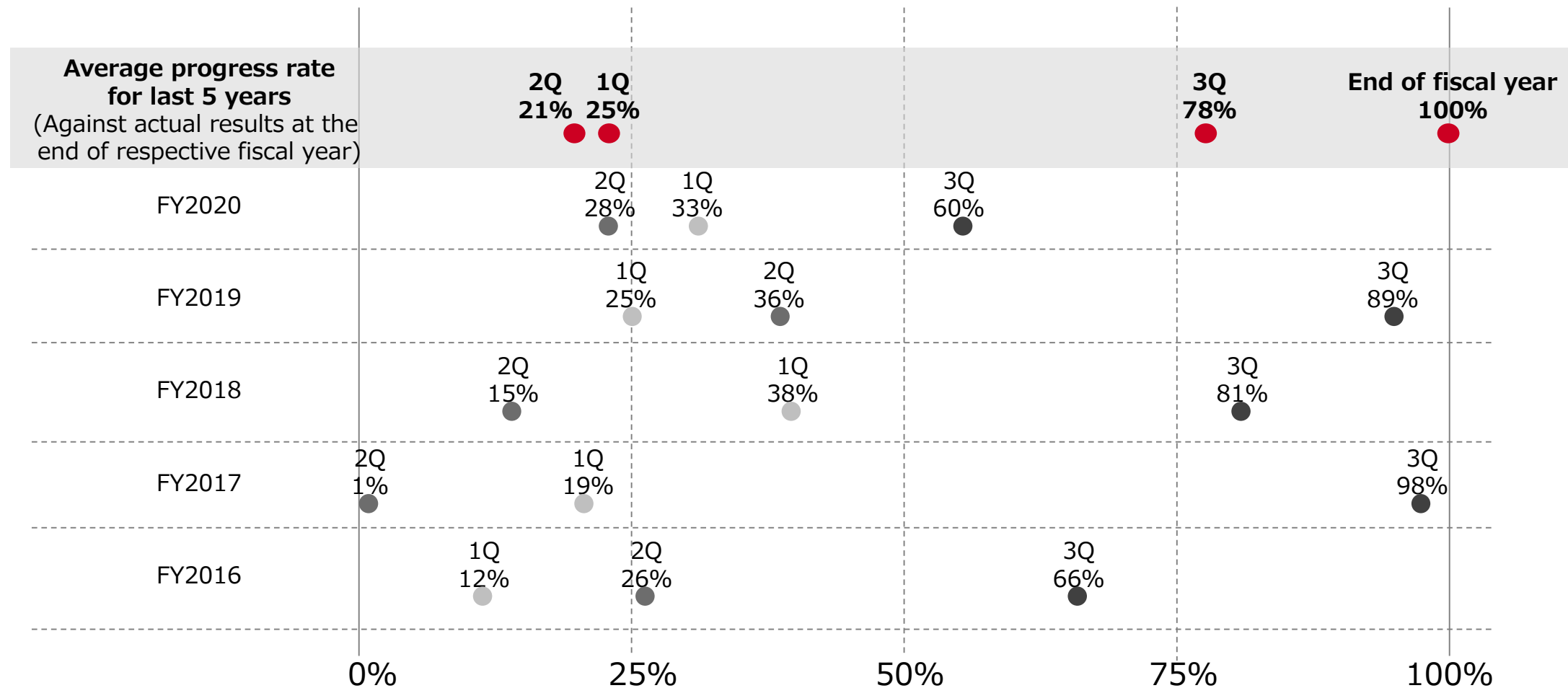
	1. Core underwriting profit		2. Catastrophic loss reserve	3. Investment profit	4. Other Factors	5. Overseas subsidiaries	6. Himawari Life	7. Nursing care·Elderly Care etc.	8. Consolidated adjustment /Others	Ordinary profit
	(Other than domestic natural disasters)	(Domestic natural disasters)								
FY2020 Actual	¥201.7 billion	-¥99.3 billion	-¥36.1 billion	¥146.4 billion	-¥15.3 billion	¥52.2 billion	¥28.9 billion	¥8.7 billion	-¥72.3 billion	¥215.0 billion
FY2021 Forecasts	¥182.2 billion	-¥84.0 billion	-¥26.7 billion	¥120.7 billion	-¥17.7 billion	¥72.3 billion	¥17.2 billion	¥8.6 billion	-¥87.7 billion*2	¥185.0 billion

*1 Core underwriting profit is underwriting profit less the impact related to catastrophic loss reserve.

*2 The goodwill for the SI acquisition is \$1,513 million. Combined with intangible assets, the net amortization amount is around \$2,000 million (as of the date of acquisition). The amortization period for the goodwill is 10 years, and the amortization period for intangible asset has been set appropriately. The total annual amortization costs is projected at ¥25.5 billion for FY2021 forecast.

(Reference) Historical Progress Rates of Quarterly Results

Progress in each quarter (consolidated net income)



(Reference) Numerical Management Targets, etc.

Numerical management targets

(¥ billion)	FY2019	FY2020		FY2021	
	(Actual)	(Actual)	Change	(Forecasts)	Change
Domestic P&C insurance	60.8	130.1	+69.3	105.0	-25.1
Overseas insurance	50.1	30.0	-20.0	60.0	+29.9
Domestic life insurance	32.0	33.8	+1.7	32.5	-1.3
Nursing care & Elderly Care, etc.*2	7.7	8.1	+0.3	7.5	-0.6
Total (Adjusted consolidated profit)	150.8	202.1	+51.3	205.0	+2.8
Adjusted consolidated ROE*3	6.4%	8.0%	+1.7pt	7.4%	-0.6pt
ROE (J-GAAP)	7.3%	7.9%	+0.6pt	6.2%	-1.7pt

Definition of adjusted profit*1

Domestic P&C insurance

Net income
+ Provisions for catastrophic loss reserve, etc. (after tax)
+ Provisions for reserve for price fluctuation (after tax)
- Gains/losses on sales of securities and impairment losses on securities (after tax)

Overseas Insurance

Net income (including major non-consolidated subsidiaries)
Adjusted profit of SI is operating income*4

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)
- Gain/losses on sales of securities and impairment losses on securities (after tax)

Nursing care & Senior

Healthcare, etc

Net income

Digital businesses

Net Income - Gain/losses and impairment losses on investment (after tax)

*1 FY2021 definition: Adjusted profit for each business excludes one-time factors and special factors such as subsidiary dividends, etc.

*2 FY 2019 & FY2020 "Actual" is Nursing care & Healthcare business. FY2021 forecast is for Nursing care & Elderly Care business (Sompo Care) and etc.

*3 Adjusted consolidated ROE = Adjusted consolidated profit / Adjusted consolidated net assets (The denominator is the average balance at the end/start of each fiscal year.)
Adjusted consolidated net assets = Consolidated net assets (excluding life insurance subsidiary's net assets) + Catastrophic loss reserve, etc. in domestic P&C insurance (after tax)
+ Reserve for price fluctuation in domestic P&C insurance (after tax) + Domestic life insurance adjusted net assets
Domestic life insurance adjusted net assets = Net assets (J-GAAP) + Contingency reserve (after tax) + Reserve for price fluctuation (after tax)
+ Adjustment of underwriting reserve (after tax) + Non-depreciated acquisition cost (after tax)

*4 Operating income of SI = Net income - Net foreign exchange gains/losses - Net realized and unrealized gains/losses - Net impairment losses recognized in earnings, etc.

1. Consolidated financial results

2. Domestic P&C insurance

3. Overseas insurance

4. Domestic life insurance

5. Nursing care & healthcare, etc.

6. ERM & asset management

Overview of FY2020 Results – Sompo Japan

- Net premiums earned increased by ¥11.8 billion.
- Net income increased by ¥16.4 billion due to a improvement in the W/P loss ratio.

(¥ billion)	FY2019	FY2020	Change	FY2021 (Forecasts)
Net premiums written	2,184.7	2,141.4	-43.3 (-2.0%)	2,160.0
(excl. CALI, household earthquake)	1,903.8	1,903.4	-3 (-0.0%)	1,929.3
Net premiums earned (excl. CALI, household earthquake)	1,873.9	1,885.7	+11.8 (+0.6%)	1,926.2
E/I loss ratio (excl. CALI, household earthquake)	63.3%	59.9%	-3.5pt	59.8%
W/P Loss ratio	64.9%	60.8%	-4.0pt	64.6%
(excl. CALI, household earthquake)	63.5%	58.4%	-5.1pt	61.0%
Net expense ratio	32.4%	33.6%	+1.3pt	34.3%
(excl. CALI, household earthquake)	33.8%	34.5%	+0.6pt	35.0%
Combined ratio (W/P) (excl. CALI, household earthquake)	97.3%	92.9%	-4.4pt	96.0%
(Reference) Combined ratio (E/I)* ¹ (excl. CALI, household earthquake)	97.2%	94.3%	-2.8pt	94.8%
Underwriting profit	43.1	66.3	+23.2	71.5
Investment profit	150.9	146.4	-4.5	120.7
Ordinary profit	182.3	197.4	+15.0	174.5
Net income	130.5	146.9	+16.4	133.0
Provisions for catastrophic loss reserve (after tax)	-23.9	+26.2	+50.2	+19.5
Provisions for reserve for price fluctuation (after tax)	+2.8	+2.8	+0.0	+2.9
Gains/losses on sales of securities and impairment losses on securities (after tax)	-46.9	-43.5	+3.3	-20.0
Special factors (after tax)* ²	+1.5	-4.4	-6.0	-28.1
Adjusted profit	64.1	128.1	+63.9	107.3

(Reference)
Adjusted
profit

*1 Sum of E/I loss ratio and net expense ratio. (The same shall apply hereafter)

*2 Gains /losses related to stock future, etc.

- Net premiums written (*excluding CALI and household earthquake) remained unchanged, as the COVID-19 impact was offset by an increase in fire and auto insurance premiums.

Net premiums written by product line

(¥ billion)	FY2019	FY2020	Change		FY2021 (Forecasts)
Fire and Allied Lines	285.1	306.3	+21.2	(+7.4%)	309.4
Marine	46.9	40.5	-6.3	(-13.5%)	42.5
Personal Accident	166.9	152.1	-14.8	(-8.9%)	158.8
Voluntary Automobile	1,084.7	1,089.8	+5.0	(+0.5%)	1,096.5
CALI	280.5	237.6	-42.8	(-15.3%)	230.3
Other	320.5	314.8	-5.6	(-1.8%)	322.2
of which Liability	168.5	158.8	-9.7	(-5.8%)	158.2
Total	2,184.7	2,141.4	-43.3	(-2.0%)	2,160.0
Total (excl. CALI, household earthquake)	1,903.8	1,903.4	-0.3	(-0.0%)	1,929.3

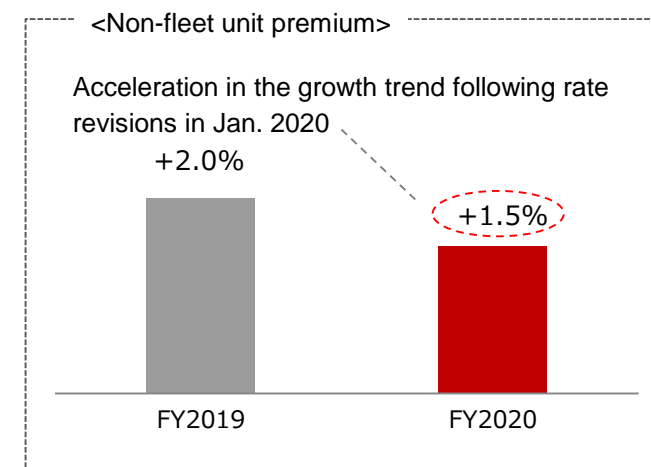
(Main reasons for increase/decrease)

- Fire and Allied Lines : Revenues increased due to rate optimization, and higher revenues in the corporate sector.
- Personal accident : Revenues decreased mainly in travel insurance due to the impact of voluntary restraint in going out.
- Voluntary automobile : Revenues increased due to the effect of rate optimization despite the impact of sluggish new car sales.
- Other : Sales of Business Master Plus, a core product, continued to be strong, despite the negative impact on revenues due to a decline in client businesses.

(Reference) Year-on-Year comparison of voluntary automobile insurance
(April 2020 - March 2021) (Performance evaluation basis)

	# of vehicles*	Unit premium	Total Premium
Non-fleet	-0.6%	+1.5%	+0.9%
Fleet	-4.1%	+1.9%	-2.3%
Total	-1.3%	+1.7%	+0.3%

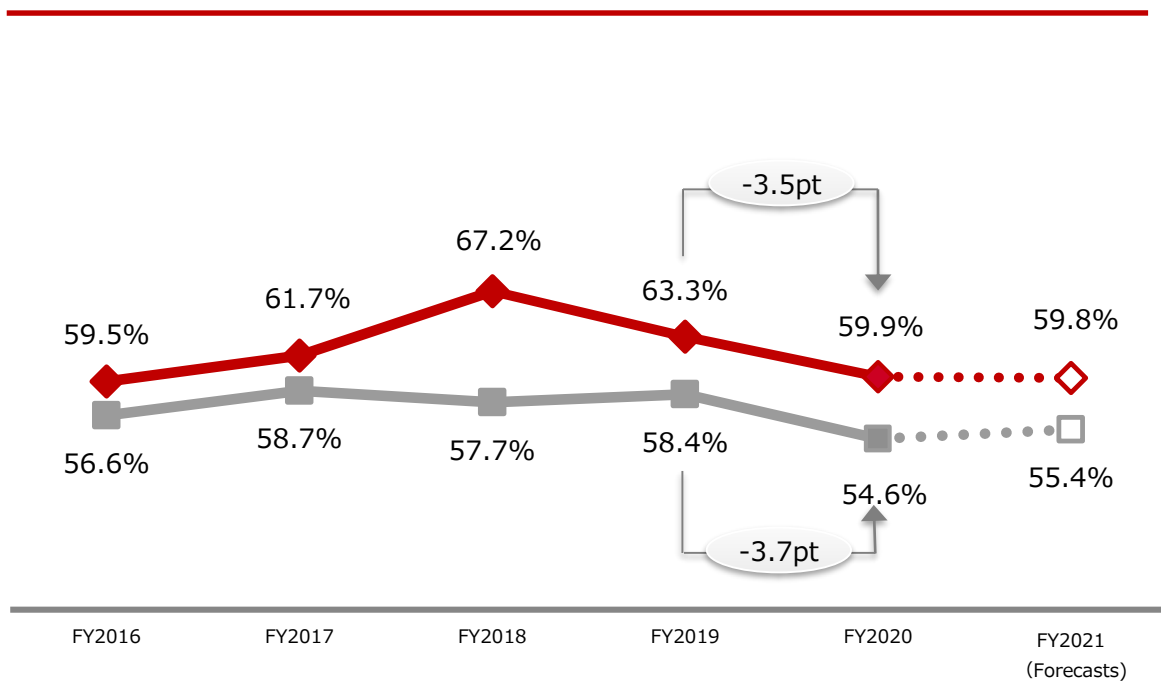
* Exclude per hour type automobile insurance



Loss Ratio (E/I)

- E/I loss ratio improved by 3.5 pt year on year basis, mainly due to a decrease in the accident rate for automobile insurance and personal accident insurance as a result of COVID-19.

Loss ratio (E/I)

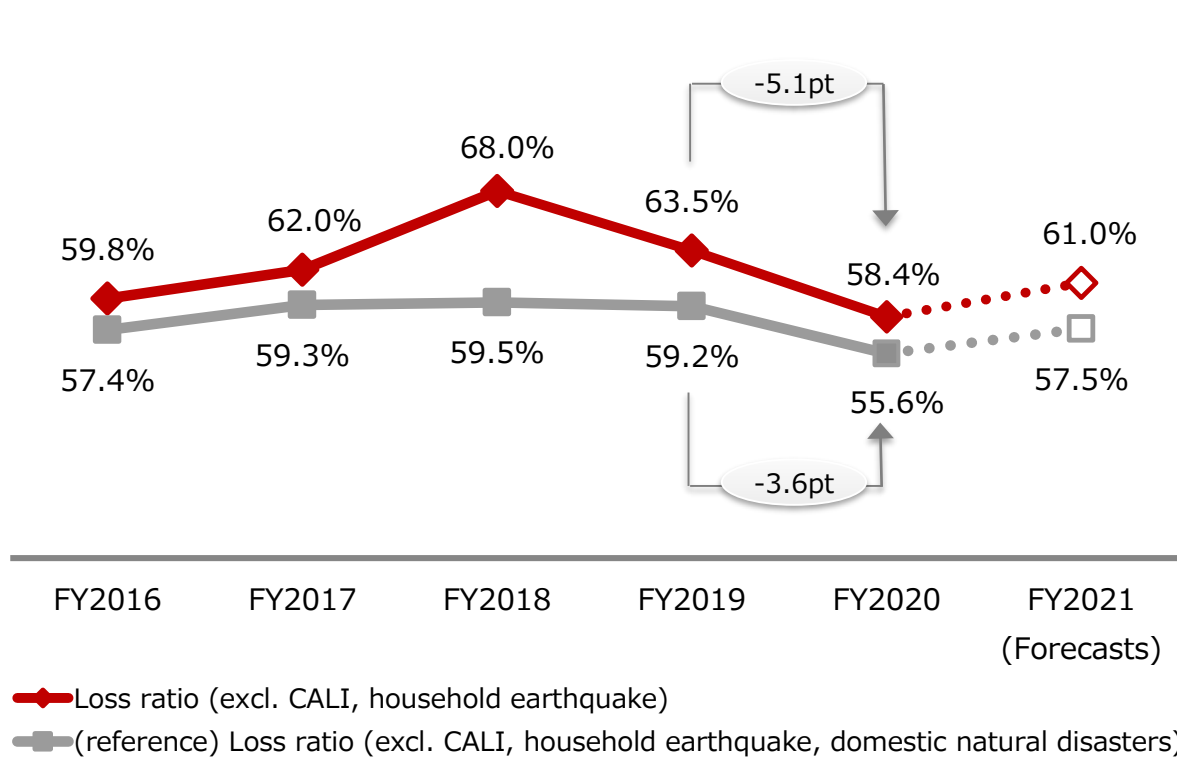


(Reference) Loss ratio (E/I) by product line	FY2020		FY2021 (Forecasts)
	Loss ratio	Change	Loss ratio
Fire and Allied lines (excl. household earthquake)	88.4%	+4.3pt	69.8%
Marine	58.0%	+0.8pt	63.4%
Personal Accident	44.8%	-7.8pt	52.7%
Voluntary Automobile	54.9%	-4.9pt	57.6%
Other	58.7%	-5.6pt	60.3%
Total (excl. CALI, household earthquake)	59.9%	-3.5pt	59.8%

◆ Loss ratio (excl. CALI, household earthquake)

■ (Reference) Loss ratio (excl. CALI, household earthquake, domestic natural disasters)

Loss ratio (W/P)

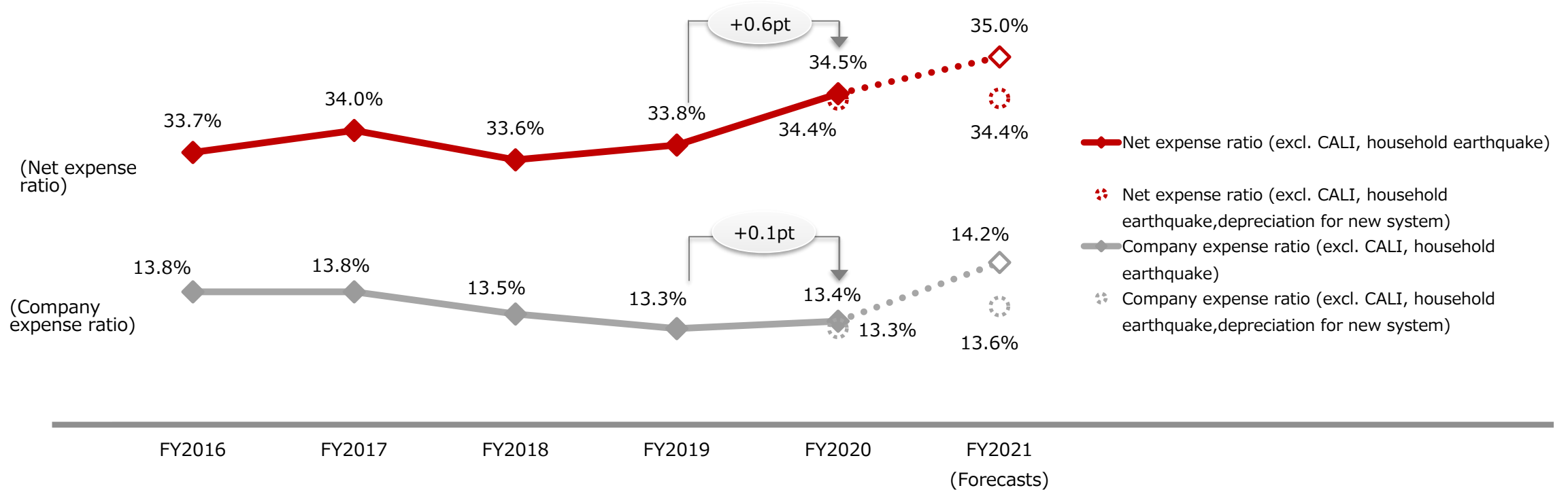


(Reference) Loss ratio (W/P) by product line	FY2020		FY2021 (Forecasts)
	Loss ratio	Change	Loss ratio
Fire and Allied lines (excl. household earthquake)	72.2%	-12.5pt	78.9%
Marine	64.4%	+0.9pt	63.9%
Personal Accident	50.8%	-3.9pt	47.5%
Voluntary Automobile	55.5%	-5.0pt	58.2%
Other	57.9%	-1.1pt	59.4%
Total (excl. CALI, household earthquake)	58.4%	-5.1pt	61.0%

Net Expense Ratio

- Due to the consumption tax hike etc., net expenses went up year on year, but the company expense ratio stayed flat.
- With transition to the new system, the net expense ratio rises temporarily in FY2021. (Excluding this effect, the expense ratio generally stays unchanged.)

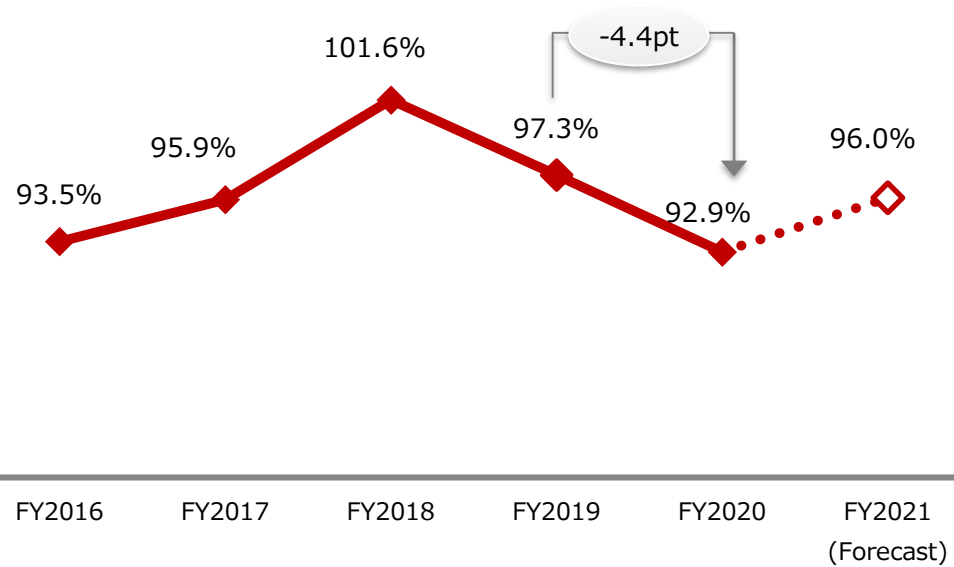
Net expense ratio, Company expense ratio* (excl. CALI, household earthquake)



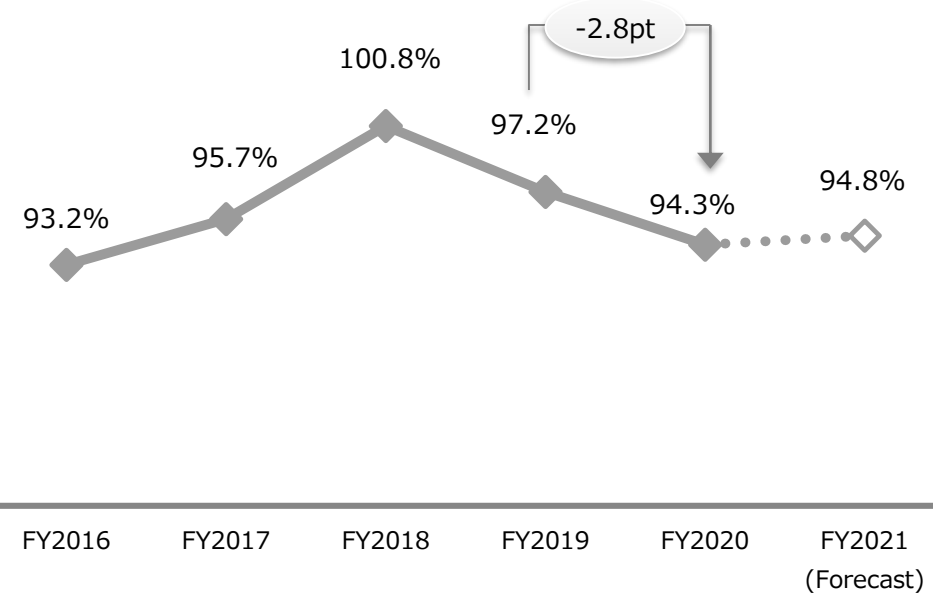
* Ratio of general administrative and selling expense related with underwriting to net premium written

- Due to an improvement in the loss ratio, the combined ratio improved by -4.4pt to 92.9%.

Combined ratio (W/P) (excl. CALI, household earthquake)



(Reference) Combined ratio (E/I) (excl. CALI, household earthquake)



- Excluding the COVID-19 impact, the net interest and dividend stayed at generally the same level as the previous year.

Investment profit (Sompo Japan, non-consolidated)

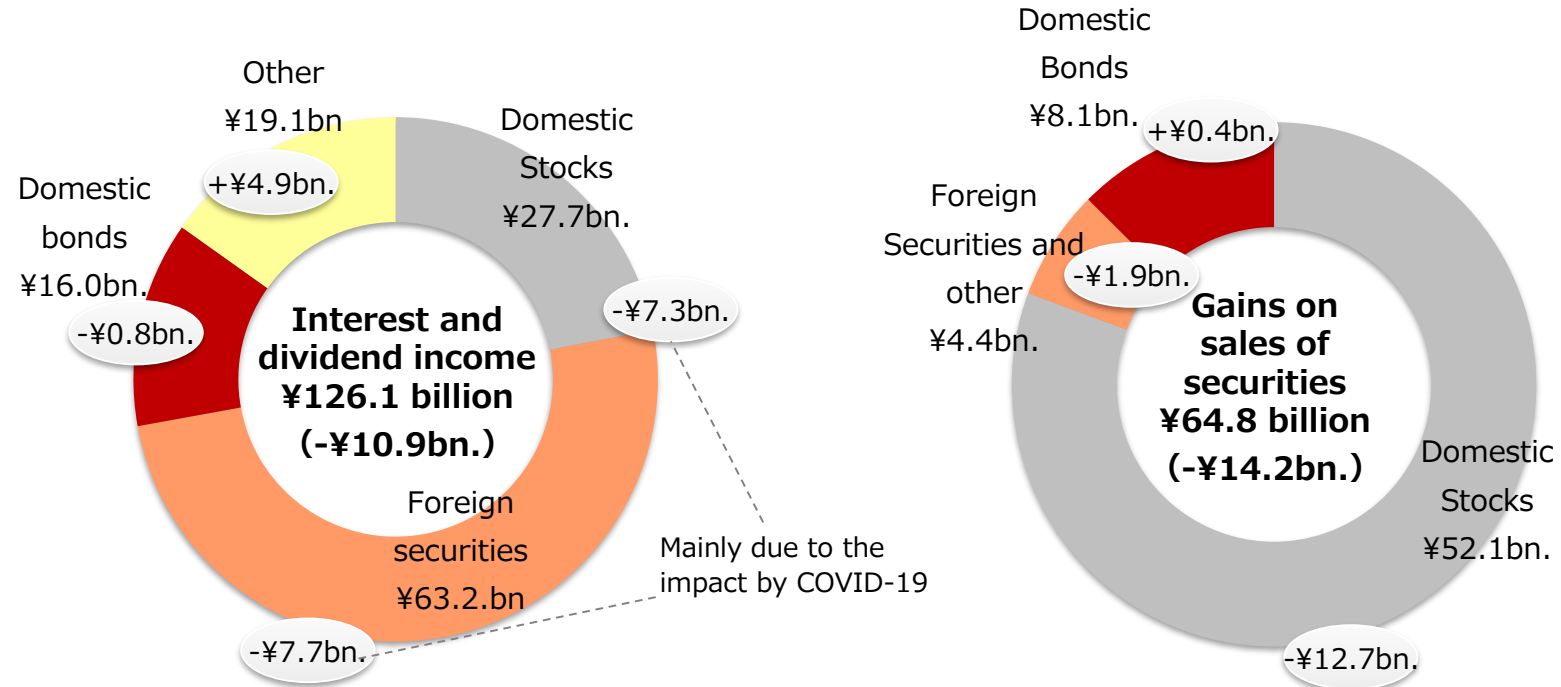
(¥ billion)		FY2019	FY2020	Change	FY2021 (Forecasts)
Net interest and dividend income	1	102.0	94.1	-7.8	93.9
Interest and dividend income*		137.1	126.1	-10.9	124.9
of which, dividends from overseas subsidiaries		22.7	11.2	-11.4	30.0
Gains on sales of securities*	2	79.1	64.8	-14.2	30.7
of which, domestic stocks		64.9	52.1	-12.7	33.0
Impairment losses on securities	3	-11.7	-3.2	+8.4	-3.0
of which, domestic stocks		-8.9	-2.2	+6.7	-2.0
Gains on derivatives	4	-9.2	-13.0	-3.8	-5.2
Other investment income	5	-9.3	+3.7	+13.0	4.2
Investment profit	1+2+3+4+5	150.9	146.4	-4.5	120.7


(Reference)
Reduction of strategic-holding stocks
¥70.3 billion
Net reduction on fair value basis
(market value of sales minus market value of purchase)

* Refer to next page for the breakdown

(Reference) Breakdown of Investment Profit

Breakdown of interest and dividend income and gains / Losses on sales of securities (FY2020)



 : Changes from FY2019

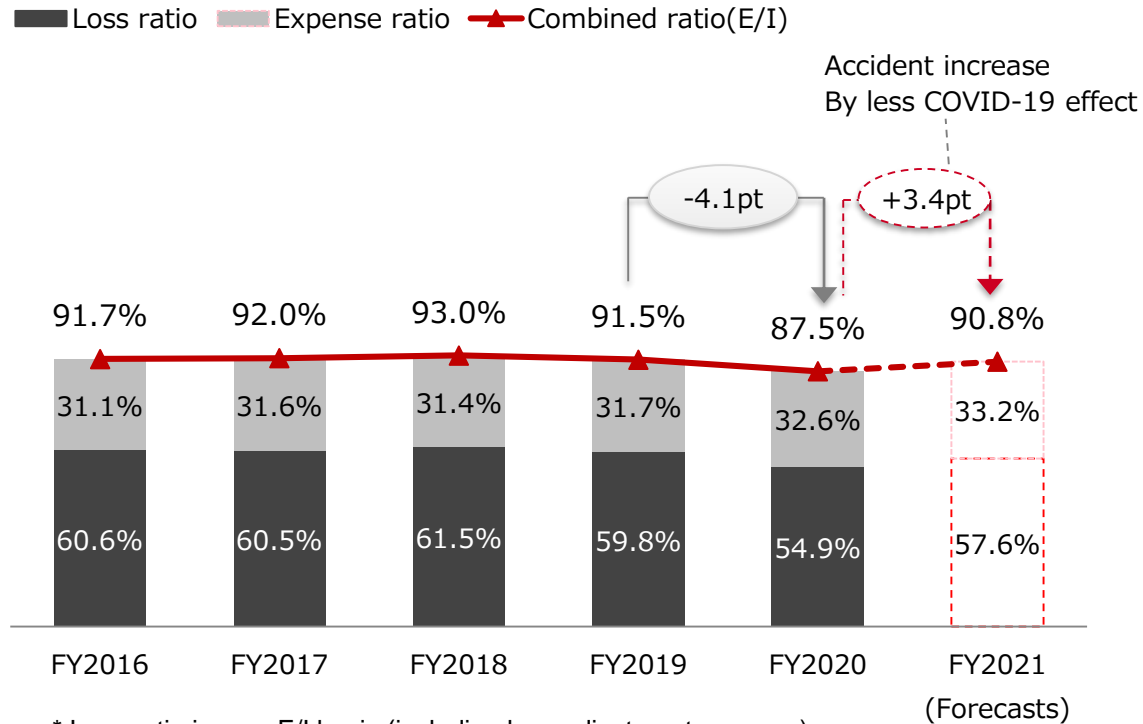
(Reference) Business Forecasts for FY2021 – Sompo Japan

(¥ Billion)	FY2020 (Actual)	FY2021 (Forecasts)	Change	
Net premiums written	2,141.4	2,160.0	+18.5 (+0.9%)	
(excl. CALI, household earthquake)	1,903.4	1,929.3	+25.9 (+1.4%)	
Net premiums earned (excl. CALI, household earthquake)	1,885.7	1,926.2	+40.5 (+2.1%)	
E/I loss ratio (excl. CALI, household earthquake)	59.9%	59.8%	-0.1pt	
Written paid (W/P) loss ratio	60.8%	64.6%	+3.8pt	
(excl. CALI, household earthquake)	58.4%	61.0%	+2.6pt	
Net expense ratio	33.6%	34.3%	+0.6pt	
(excl. CALI, household earthquake)	34.5%	35.0%	+0.6pt	
Combined ratio (W/P) (excl. CALI, household earthquake)	92.9%	96.0%	+3.1pt	
Combined ratio (E/I) (excl. CALI, household earthquake)	94.3%	94.8%	+0.5pt	
Underwriting profit	66.3	71.5	+5.1 (+7.7%)	
Investment profit	146.4	120.7	-25.6 (-17.5%)	
Ordinary profit	197.4	174.5	-22.9 (-11.6%)	
Net income	146.9	133.0	-13.9 (-9.5%)	
(Reference) Adjusted profit	Provisions for catastrophic loss reserve (after tax)	+26.2	+19.5	-6.7
	Provisions for reserve for price fluctuation (after tax)	+2.8	+2.9	+0.0
	Gains/losses on sales of securities and impairment losses on securities (after tax)	-43.5	-20.0	+23.5
	Special factors (after tax)*	-4.4	-28.1	-23.7
	Adjusted profit	128.1	107.3	-20.8

* Dividend from consolidated subsidiaries, etc.

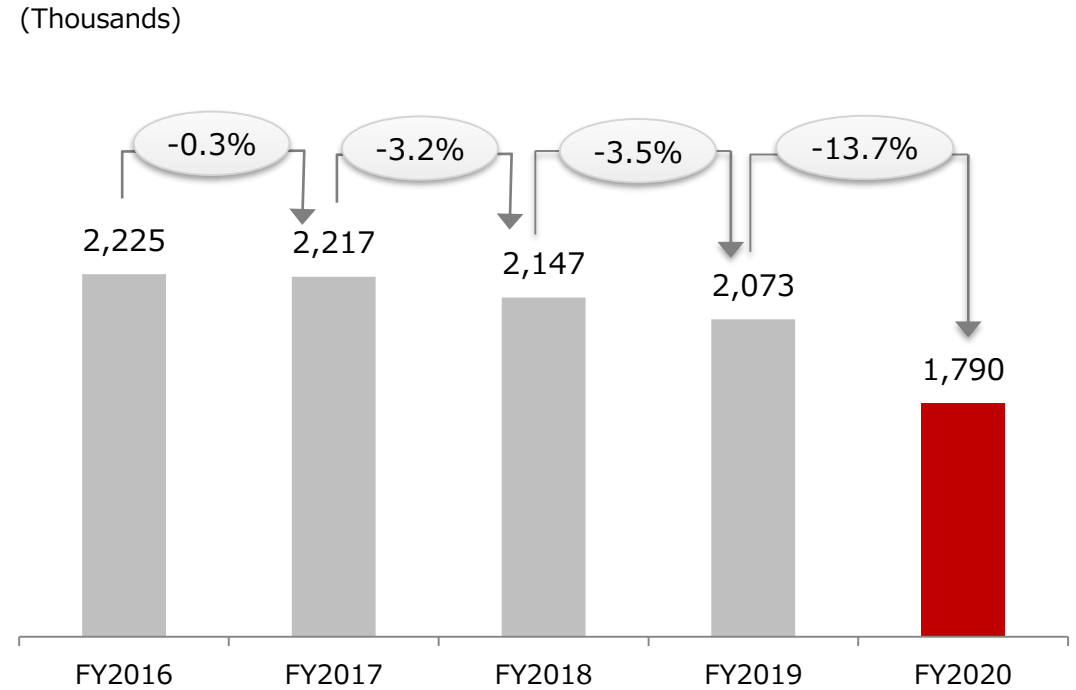
(Reference) Indicators Related to Automobile Insurance

Combined ratio (E/I)



* Loss ratio is on a E/I basis (including loss adjustment expense)

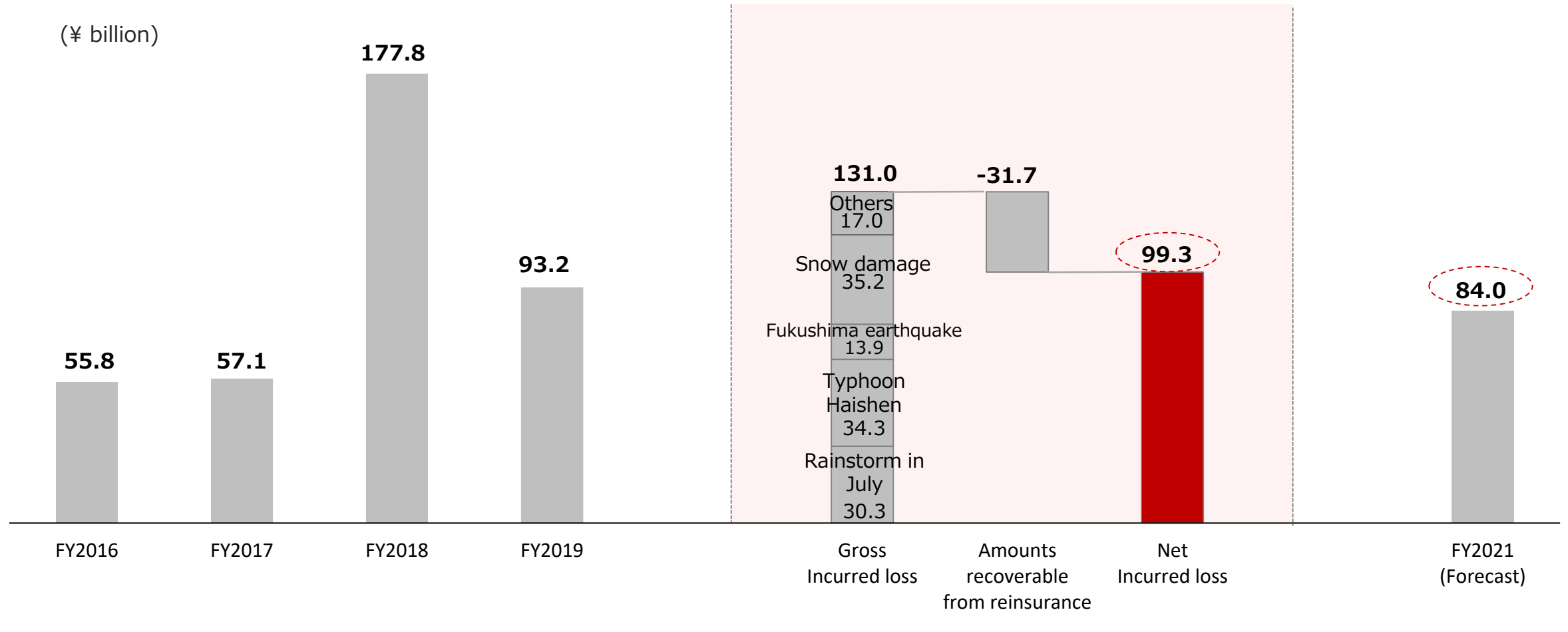
The number of reported claims



* Excludes certain natural disasters, incurred loss of which exceeds certain threshold

(Reference) Domestic Natural Disasters

Net Incurred Loss for natural disasters, accrued fiscal year basis *



* excl. CALI, household earthquake

(Reference) Fund and Reserve

Underwriting reserves, reserve for outstanding losses and claims (at the end of FY2020)

(¥ billion)	Ordinary underwriting reserve* ¹		Catastrophic loss reserve		Reserve for outstanding losses and claims	
	Amount	Change	Amount	Change	Amount	Change
Fire and allied lines* ²	775.2	+14.9	103.6	-3.2	142.4	+33.7
Marine	19.9	-1.5	44.0	+0.0	21.4	-1.0
Personal accident	127.3	-0.0	76.3	+4.8	44.8	-9.0
Voluntary automobile	320.3	+0.9	71.0	+35.3	371.1	-7.0
CALI* ²	462.0	-0.9	-	-	62.6	-6.2
Other	346.0	-0.6	198.7	-0.9	229.9	+2.9
Total	2,051.1	+12.7	494.0	+36.1	872.4	+13.3
Total (excluding CALI and household earthquake)	1,585.5	+15.8	494.0	+36.1	807.6	+17.3
	Amount	Change				Change
Reserve for saving-type products* ³	1,138.5	-82.4			Impact of exchange rates on reserve for outstanding losses and claims	+4.4

*1 Includes reserves for maturity refund of non-saving-type insurance.

*2 Underwriting reserves of earthquake insurance and CALI are included in ordinary underwriting reserves.

*3 Deposit of premiums by policyholders and its investment profit cumulated as total of reserves for maturity refund and reserves for policyholders' dividends.

1. Consolidated financial results

2. Domestic P&C insurance

3. Overseas insurance

4. Domestic life insurance

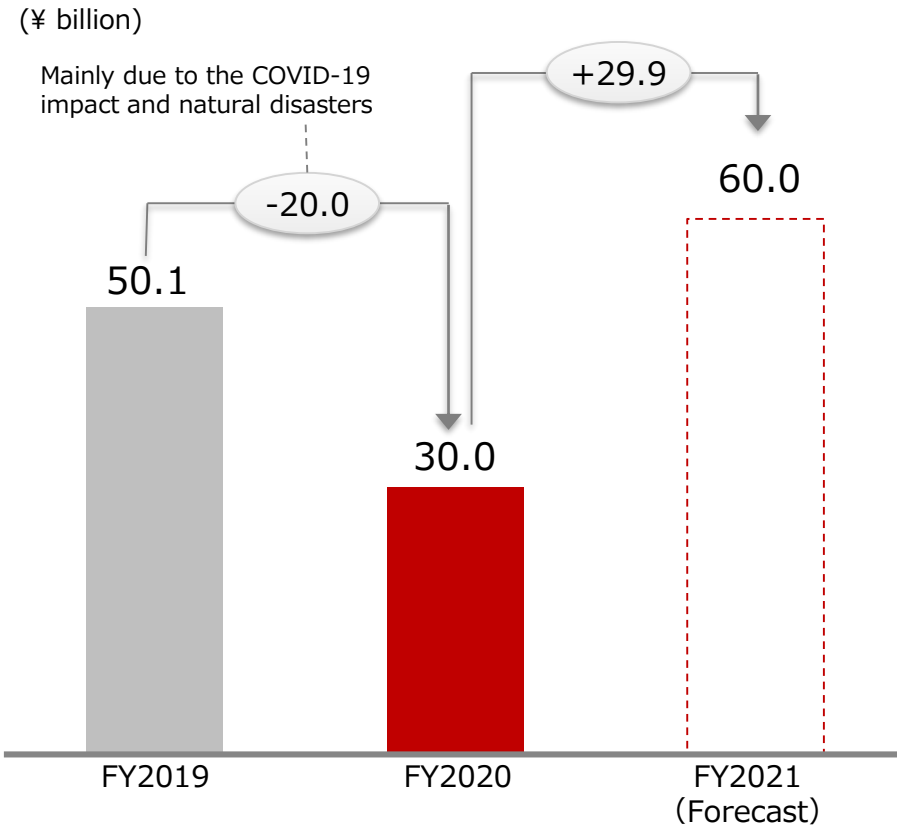
5. Nursing care & healthcare, etc.

6. ERM & asset management

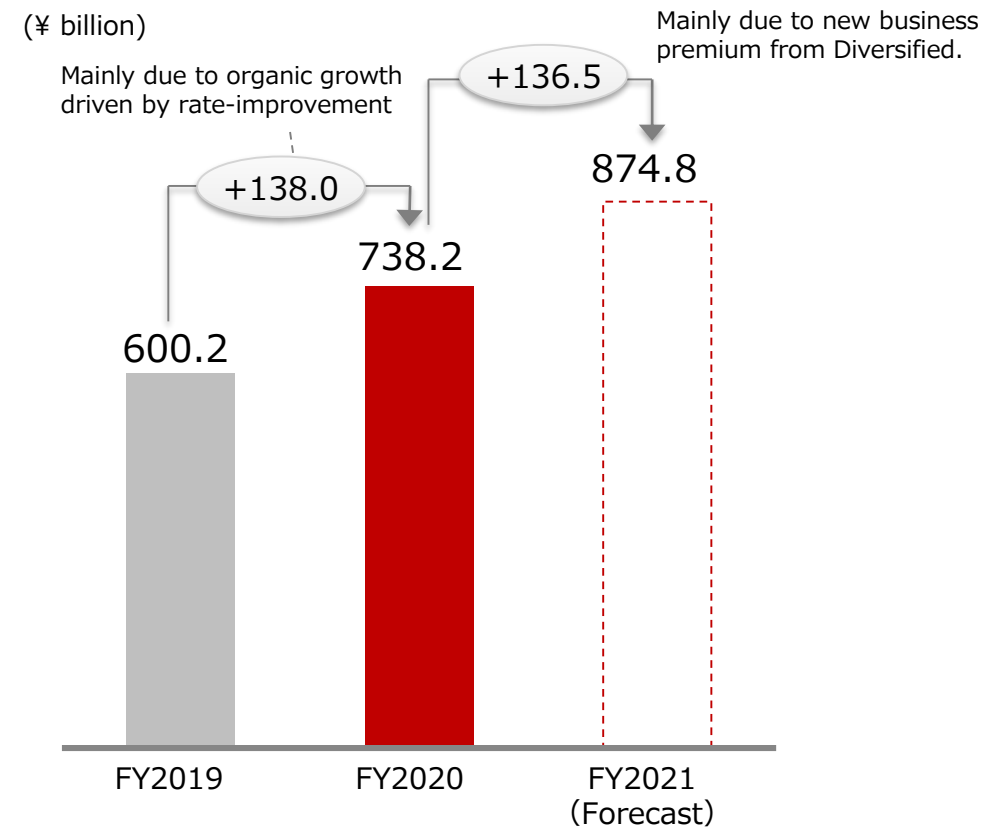
Performance Overview (Overseas Business)

- In FY2020, adjusted profit went down by 20.0 billion yen, mainly due to the COVID-19 impact and natural disasters with SI.
- In FY2021, adjusted profit is expected to increase by 29.9 billion yen due to the absence of one-time factors such as COVID-19, along with the effect of rate improvements.

Adjusted profit*



(Reference) Net premiums written*



* Net premiums written of subsidiaries and affiliates reflect holding shares of each company. This treatment does not coincide with the group consolidated financial statements. Adjusted profits have been adjusted to reflect shareholdings and other factors.

(Reference) Business Results by Region

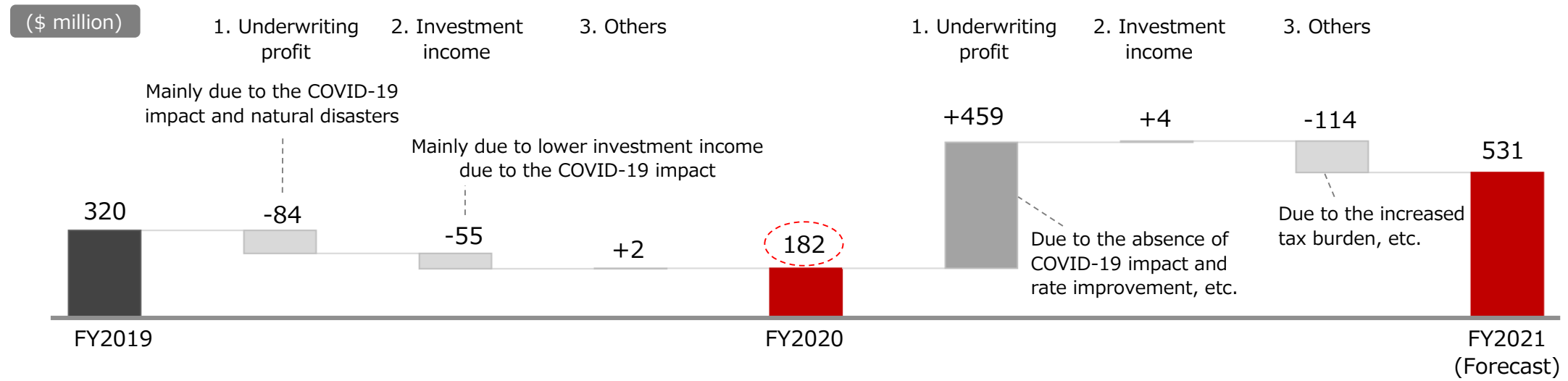
(¥ billion)		Net premiums written			Adjusted profit			Highlights of FY2020 Results	(Reference) Exchange rate	
		FY2020		FY2021	FY2020		FY2021		Dec. 2020*2 (YoY Change)	
		Actual	Change	Forecasts	Actual	Change	Forecasts			
North America & Europe	SI	608.8	+179.2	741.4	18.8	-16.2	58.8	Refer Page 31 & 32	103.50 JPY/USD	(-5.5%)
Middle East	Sompo Sigorta (Turkey)	30.1	-10.3	29.3	6.3	-1.9	4.2	Achieved Adjusted Profit planned in local currency basis, however, in JPY basis, the result underperformed due to exchange rate.	13.97 JPY/TRY	(-24.2%)
Asia	Berjaya Sompo (Malaysia), etc.	39.2	-6.8	47.6	5.0	+0.8	5.1	Stagnation of economy by COVID-19 affected loss ratio decrease, and almost all companies achieved Adjusted Profit Planned.	-	-
Latin America	Sompo Seguros (Brazil)	56.4	-23.9	49.9	-1.6	-3.7	-1.7	Underperformed in profit due to additional provision of loss reserve and lower investment income.	19.89 JPY/BRL	(-26.5%)
Other (non-consolidated)*1		3.5	-0.0	6.5	0.4	-0.0	-0.0	-	-	-
Total		738.2	+138.0	874.8	30.0	-20.0	60.0	-	-	-

*1 Sum of Sompo Thailand, PGA Sompo (Philippines), and United Insurance (Vietnam).

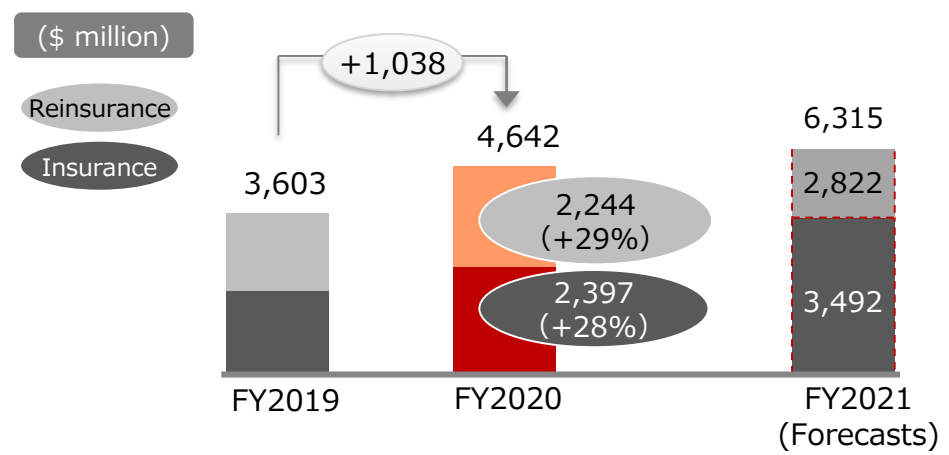
*2 Exchange rate for forecasts for FY2021 : end of March 2021.

(Reference) Overview of Business Results of SI (1)

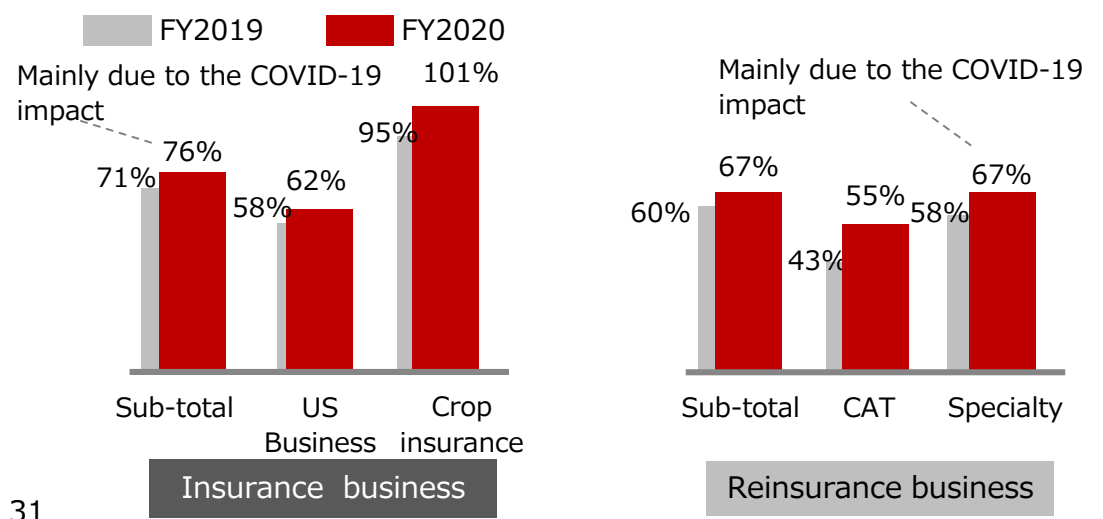
Increase/decrease factors of adjusted profit



Net premiums earned



Loss ratio (Main lines of business)



(Reference) Overview of Business Results of SI (2)

	FY2019	FY2020		FY2021		
	(Actual)	(Actual)	YoY Change	(Forecasts)	YoY Change	
(\$ million)						
Gross premiums written	6,787	9,354	+2,566	10,312	+957	Driven mainly by rate improvement
Net premiums written	3,921	5,882	+1,961	6,696	+814	Mainly due to new business from Diversified. FY2020 rate improvement also to affect an increase of FY2021 Net premiums earned.
Net premiums earned	3,603	4,642	+1,038	6,315	+1,673	
Net losses and loss expenses	2,372	3,326	+954	4,102	+776	
Expense	1,095	1,212	+117	1,686	+474	
Loss ratio* ¹	65.8%	71.7%	+5.8pt	65.0%	-6.7pt	
Expense ratio* ¹	30.4%	26.1%	-4.3pt	26.7%	+0.6pt	Company expense ratio improved
Combined ratio* ¹	96.2%	97.8%	+1.6pt	91.7%	-6.1pt	
Underwriting income	143	58	-84	518	+459	
Net investment income	301	245	-55	249	+4	Mainly due to lower unrealized gains on securities compared to FY2019. (Deleted in Sompo HD Consolidated basis based on J-GAAP.)
Other income	177	43	-134	-123	-166	
Net income	553	285	-267	531	+245	
Net foreign exchange gains	+6	+32	+26	-	-	
Net realized and unrealized gains, net impairment losses, etc.* ²	-274	-154	+120	-	-	
Tax (loss) benefit	+35	+18	-17	-	-	
Adjusted profit	320	182	-137	531	+349	

*1 The denominator of loss ratio, expense ratio and combined ratio is net premiums earned

*2 Includes unrealized gains and losses of securities

(Reference) Timing of recognizing net premiums earned in crop insurance (Seasonality)
1Q : 10-15% 2Q : 25-30% 3Q : 30-35% 4Q : 25-30%

1. Consolidated financial results

2. Domestic P&C insurance

3. Overseas insurance

4. Domestic life insurance

5. Nursing care & healthcare, etc.

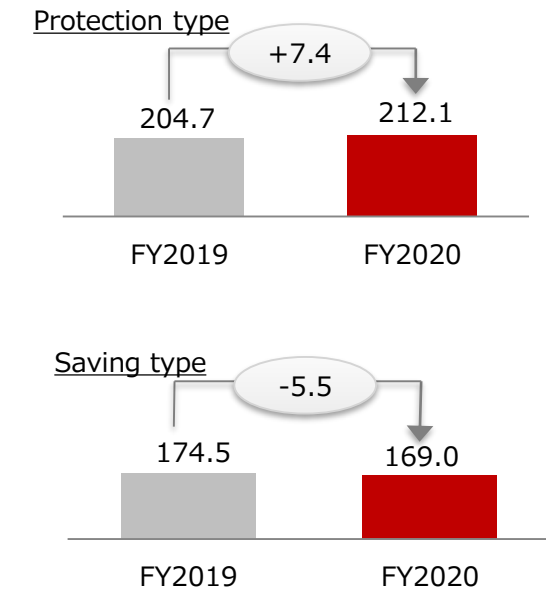
6. ERM & asset management

- Mainly due to expansion of policies of protection type products, adjusted profit increased by ¥1.7 billion compared with FY2019.
- Annualized new premium increased by ¥1.8 billion mainly due to strong sales of new product in medical insurance launched in June 2020.

Major indicators

(¥ billion)	FY2019	FY2020	Change	FY2021 (Forecasts)
Annualized new premium	25.0	26.8	+1.8 (+7.3%)	40.1
Premium and other income*1	446.5	441.5	-4.9 (-1.1%)	459.5
Provision for policy reserve, etc.*2	299.5	291.7	-7.8 (-2.6%)	301.5
Paid claims, etc.	73.3	72.6	-0.7 (-1.0%)	78.0
Expense	87.6	87.2	-0.3 (-0.4%)	102.5
Investment profit	45.8	53.4	+7.5 (+16.6%)	52.4
of which, general account	47.8	48.5	+0.7 (+1.6%)	47.5
Basic profit	27.2	31.8	+4.5 (+16.6%)	21.1
Ordinary profit*1	28.4	32.1	+3.6 (+13.0%)	20.1
Net income	16.5	20.0	+3.4 (+20.9%)	11.6
Adjusted profit	32.0	33.8	+1.7 (+5.4%)	32.5

(Reference) Annualized premium in force*3 (¥ billion)



*1 Figures based on legally required format for life insurance companies (which differs from the consolidated statement format).

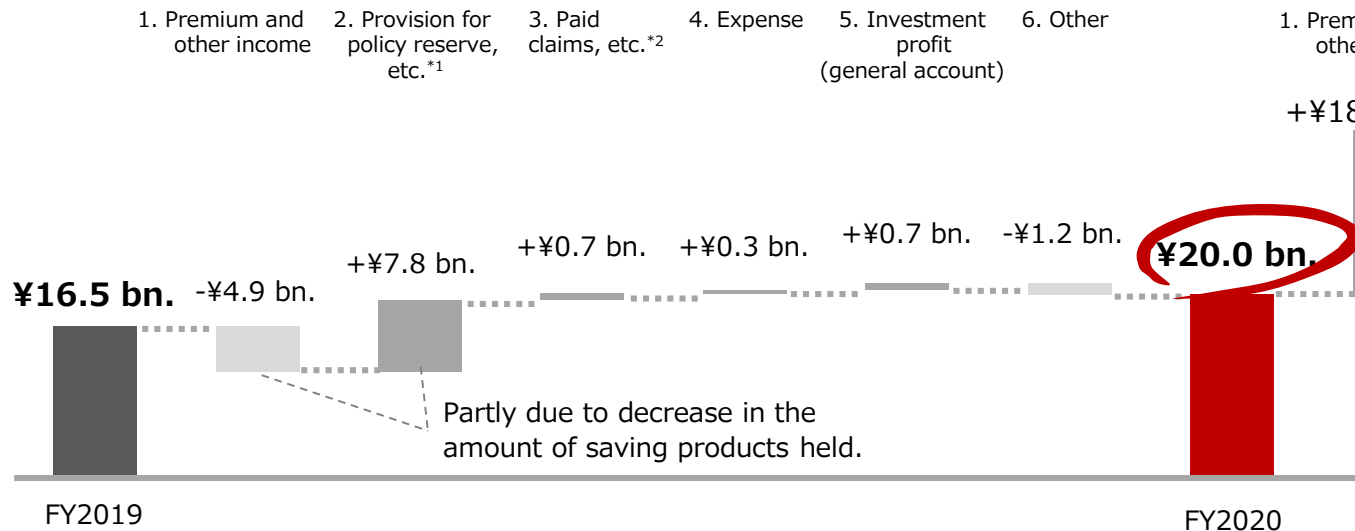
*2 Includes the impact of cancellation refund, maturity insurance payment, survival benefits, pension & other refund, and gains or losses on investments in separate accounts

*3 The sum of individual insurance and individual annuities.

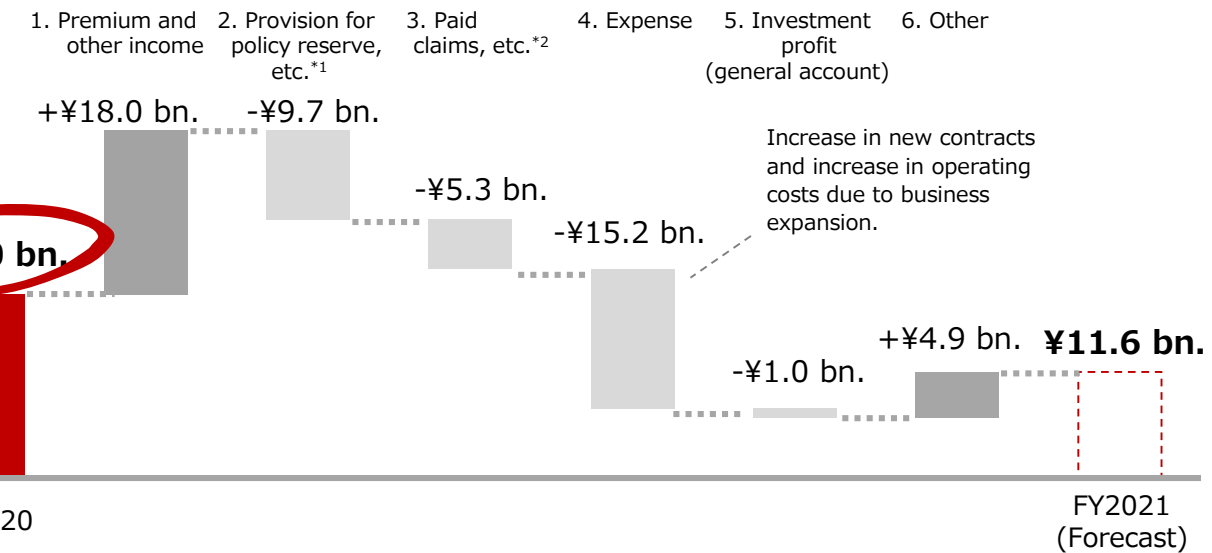
Net Income (J-GAAP) – Himawari Life

- In FY2020, net income increased by ¥3.4 billion to ¥20.0 billion, mainly due to decrease in provision for policy reserve in light of decrease in the amount of saving products held.
- In FY2021, net income is expected to be ¥11.6 billion, reflecting the increase in new contracts and the increase in operating costs and policy reserves due to business expansion.

Increase/decrease factors of net income (FY2020, actual)



Increase/decrease factors of net income (Forecast for FY2021)



	1. Premium and other income	2. Provision for policy reserve, etc.	3. Paid claims, etc.	4. Expense	5. Investment profit (general account)	6. Other	Net income
FY2019	¥446.5 billion	-¥299.5 billion	-¥73.3 billion	-¥87.6 billion	¥47.8 billion	-¥17.1 billion	¥16.5 billion
FY2020	¥441.5 billion	-¥291.7 billion	-¥72.6 billion	-¥87.2 billion	¥48.5 billion	-¥18.3 billion	¥20.0 billion
FY2021(Forecasts)	¥459.5 billion	-¥301.5 billion	-¥78.0 billion	-¥102.5 billion	¥47.5 billion	-¥13.3 billion	¥11.6 billion

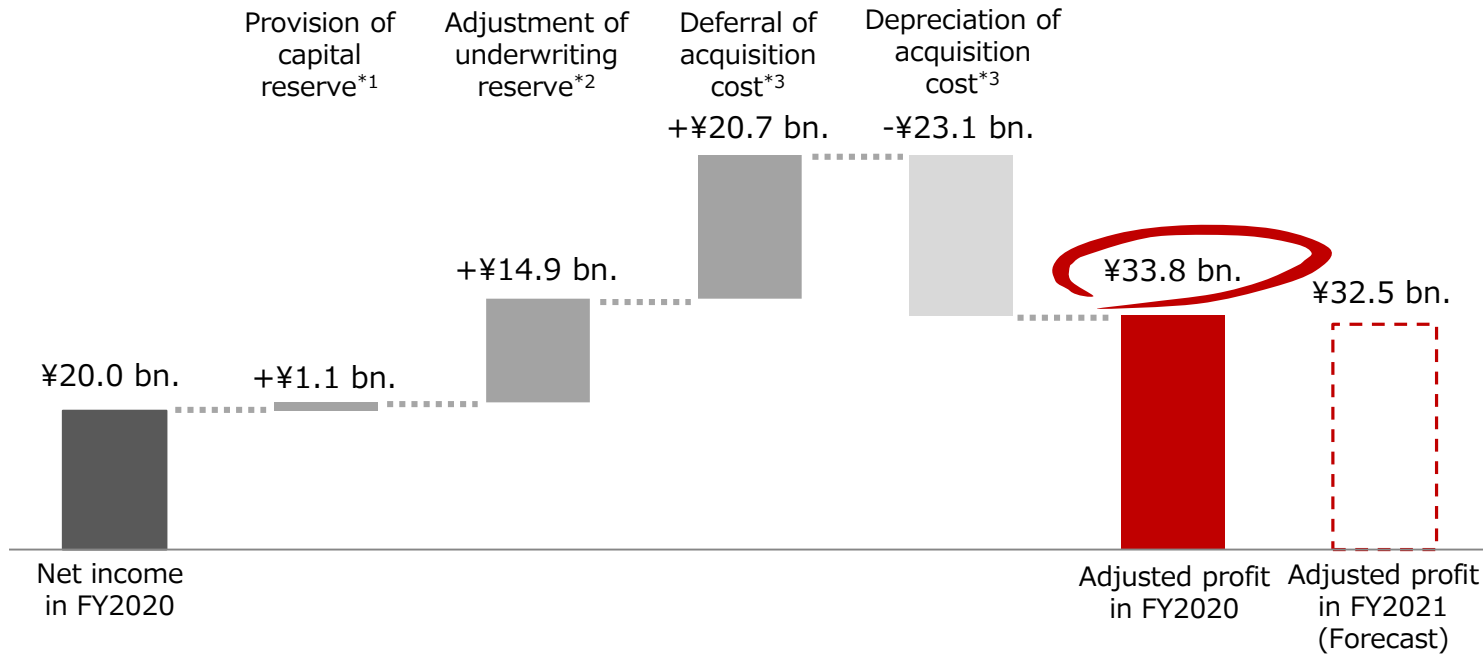
*1 Include the effect of provision or reversal for reserve for outstanding claims (excluding maturity insurance payment and survival benefits)

*2 The sum of other ordinary profit/expense, special gains and losses, provision for reserve of policy holder dividend, corporate tax, etc.

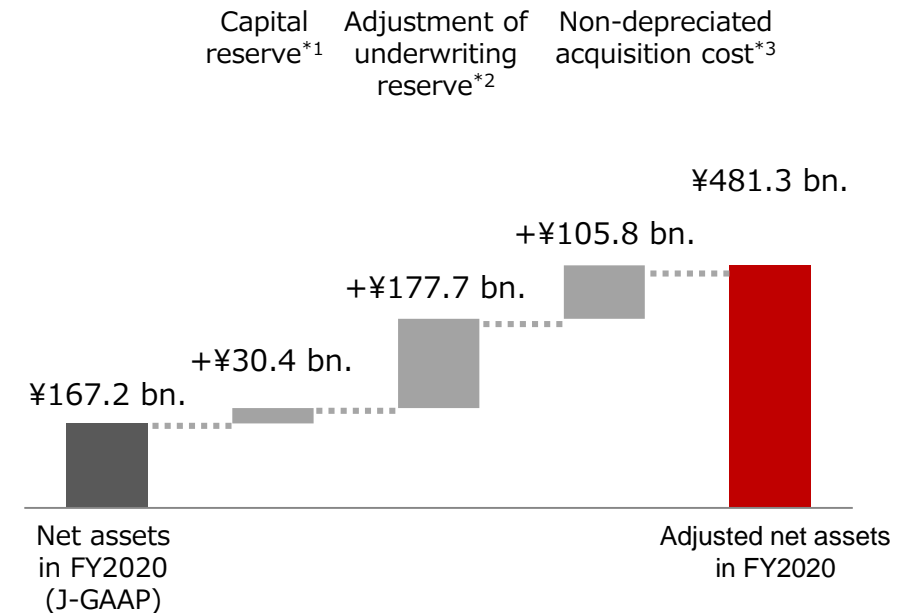
Adjusted Profit and Adjusted Net Assets – Himawari Life

- Adjusted profit was ¥33.8 billion, an increase of ¥1.3 billion from the FY forecast (¥32.5 billion).
- In FY2021, while continuing to expand highly profitable protection-type products, operating expenses are expected to increase due to business expansion, and profits will decrease by ¥1.3 billion to ¥32.5 billion.

Conversion from net income to adjusted profit



(Reference) Adjusted net assets

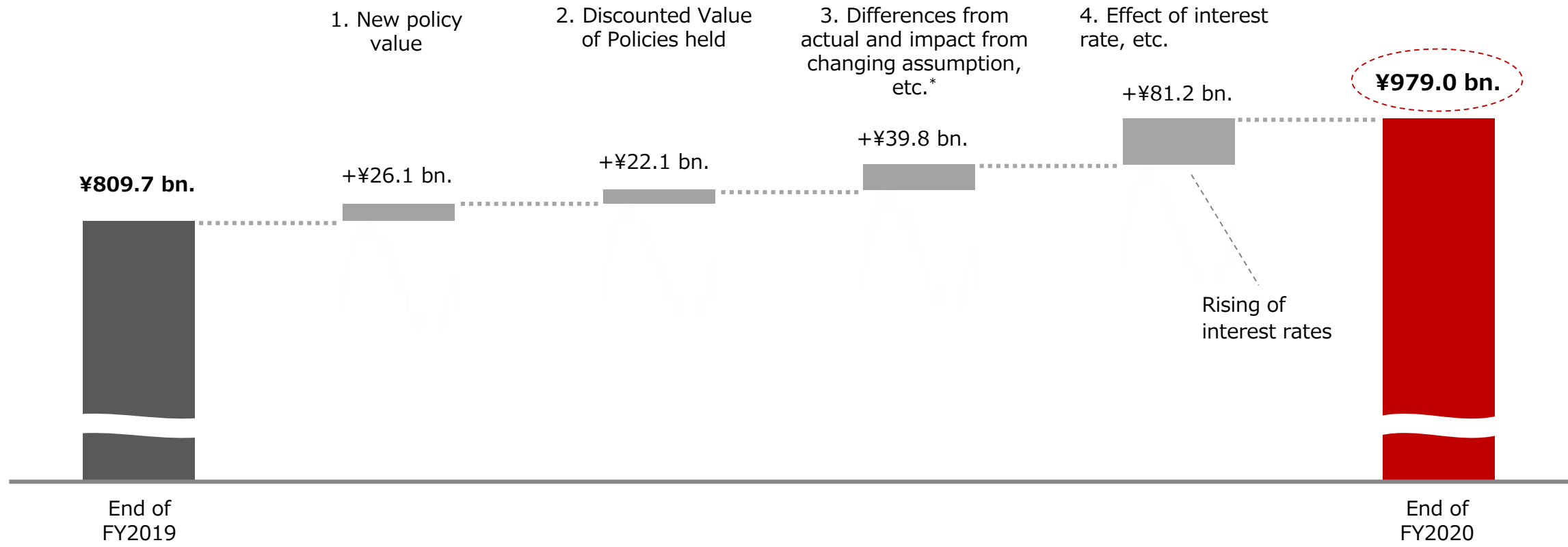


*1 Contingency reserve and reserve for price fluctuation (after tax).

*2 Re-calculation of underwriting reserve, which was calculated conservatively, with factors used for calculation of premiums (after tax).

*3 Acquisition cost, such as commissions for new contracts, depreciated over 10 years (after tax).

Increase/decrease factors of MCEV



* Impact from changing assumption of cancellation ratio and paid dividend, etc.

1. Consolidated financial results

2. Domestic P&C insurance

3. Overseas insurance

4. Domestic life insurance

5. Nursing care & healthcare, etc.

6. ERM & asset management

Overview of FY2020 results – Nursing Care & Healthcare, etc.

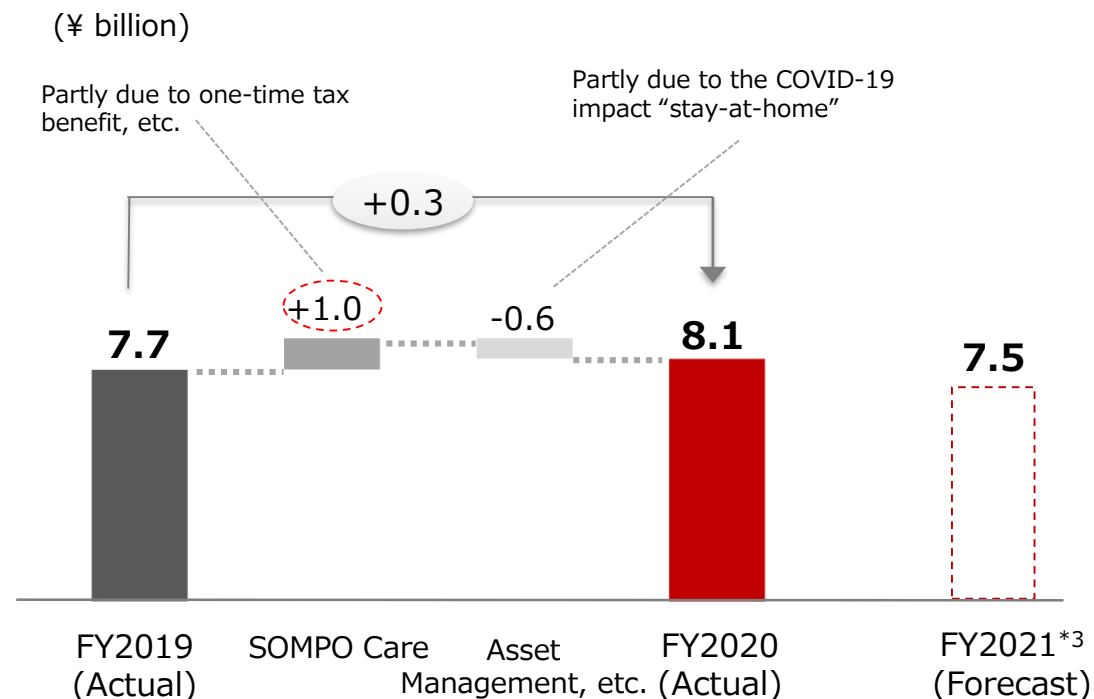
- Adjusted profit for the nursing care business increased by 1.0 billion yen due to special factors such as the tax effect from the change in company classification, despite the extraordinary loss from COVID-19.
- Adjusted profit for FY2021 is expected to decrease due to the absence of special factors, however the business foundation stays solid.

Results of nursing care business (SOMPO Care)

(¥ billion)	FY2020		FY2021
	(Actual)	(Change)	(Forecasts)
Sales	131.8	+3.4	137.5
Net income	7.3	+1.0	6.5
Occupancy rate*1			
(SOMPO-no-Ie)	90.6%	-1.8pt	91.6%
(SOMPO-no-Ie S)	91.5%	-2.5pt	93.2%
(La vie Re)	86.4%	-2.1pt	88.0%

*1 Occupancy rate = the number of residents / capacity of facilities
 SOMPO-no-Ie, SOMPO-no-Ie S, and La vie Re are brands of former SOMPO Care's nursing homes, serviced residential complexes for elderly, and former SOMPO Care Next's nursing homes respectively.

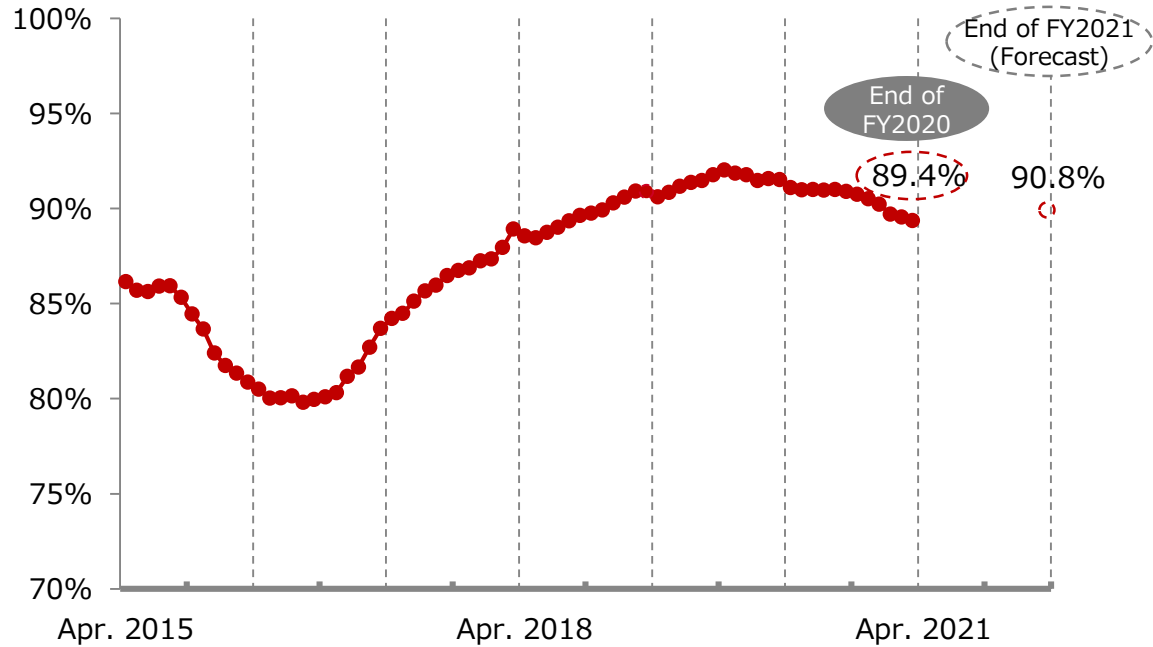
Increase/decrease factors of adjusted profit (Nursing Care & Healthcare, etc.*2)



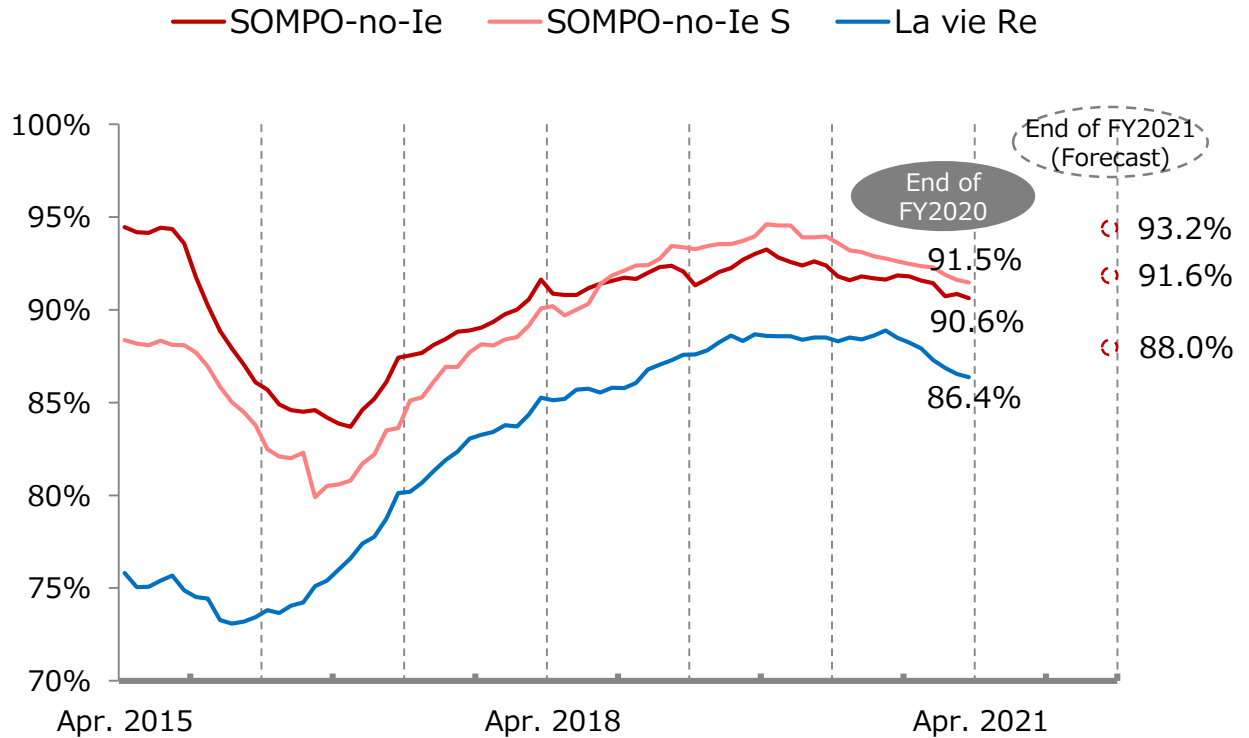
*2 Nursing Care & healthcare business is the sum of SOMPO Care and Sompo Asset Management, etc.

*3 Forecast for FY2021 is Nursing care & Elderly Care (SOMPO Care), etc.

Occupancy rate*



Occupancy rate by brand



* Integrate the occupancy rate of former SOMPO Care and SOMPO Care Next

1. Consolidated financial results

2. Domestic P&C insurance

3. Overseas insurance

4. Domestic life insurance

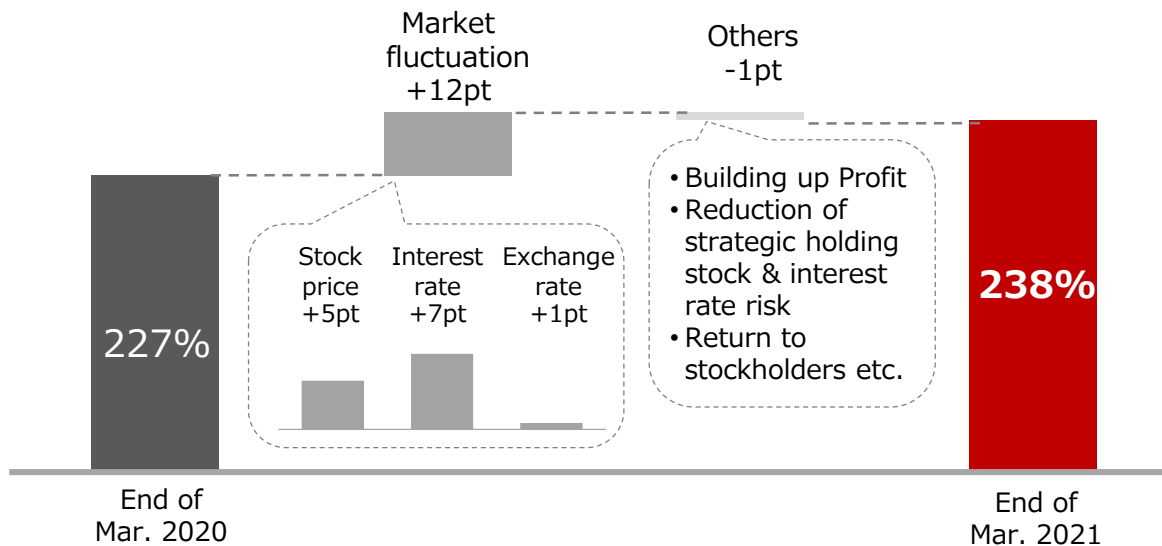
5. Nursing care & healthcare, etc.

6. ERM & asset management

Financial Soundness – ESR (99.5% VaR)

- ESR (99.5%VaR) as of end of FY2020 was 238%, within target range level.

Trend of ESR (99.5%VaR)*1



*1 In accordance with Solvency II

Target range is around 180% to 250% (99.5%VaR).

250% level: The level set based on capital efficiency (ROE).

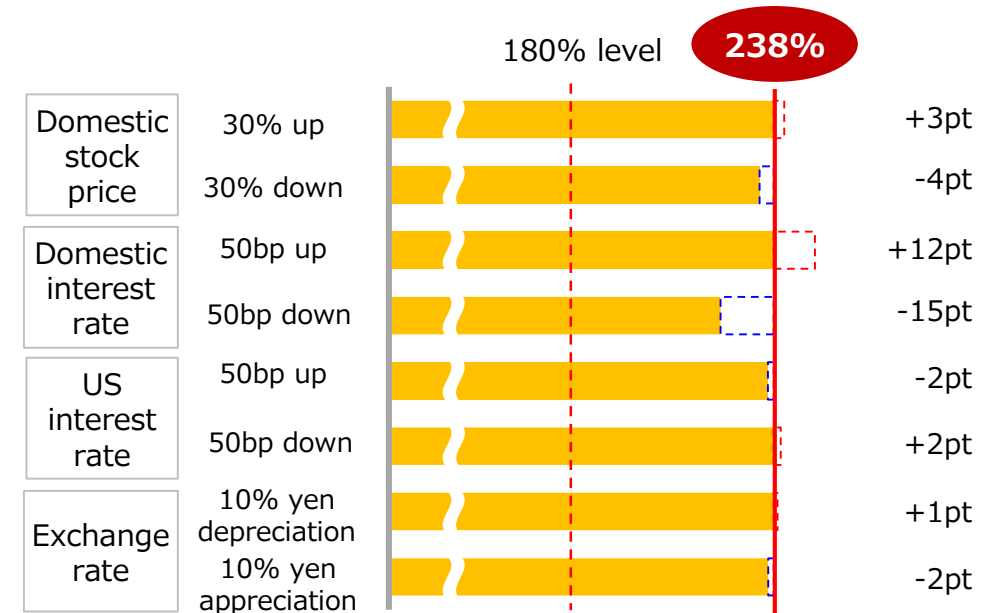
180% level: The level leading to stable financial soundness based on the result of stress test, etc.

Typical actions in case of constant deviation from target range

【Over 250% level】 Consider additional risk-take (investments in business expansion) and enhance shareholder returns by share buy-back and others

【Under 180% level】 Execute a variety of measures to reduce risks, consider enhancing capital buffer by hybrid bond issuance, etc. and retain more earnings and others

Sensitivity of ESR (99.5%VaR)

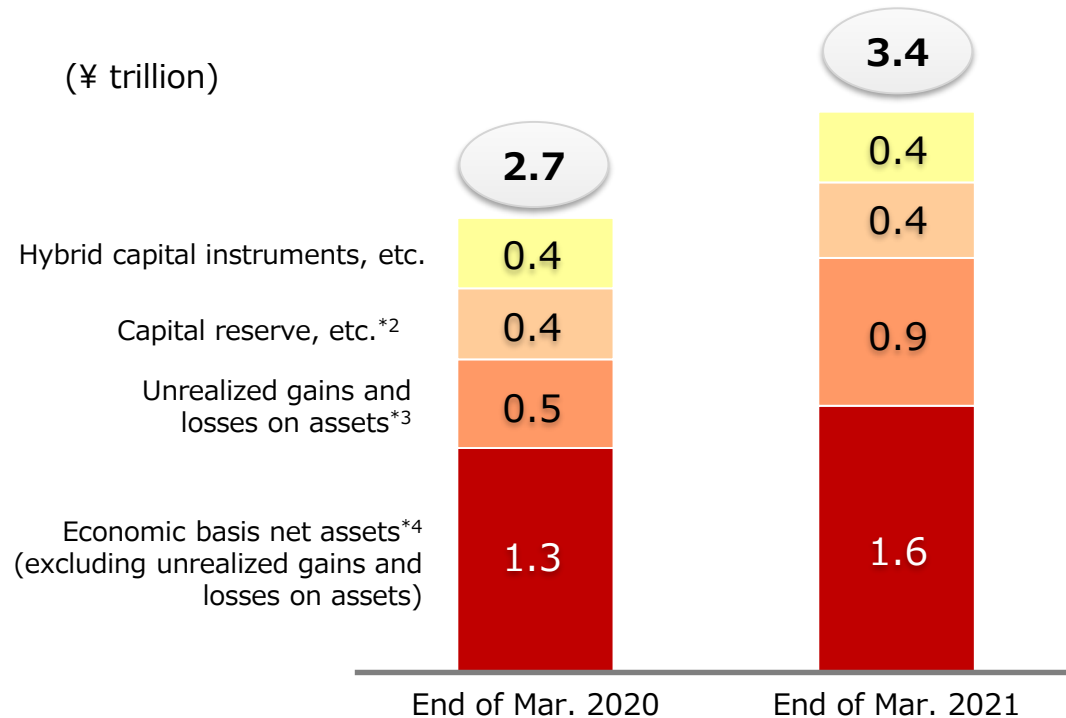


(Reference) Market indicators	End of Mar. 2021	(change*2)
Domestic stock price (Nikkei 225)	¥29,178	(+54.2%)
Domestic interest rate (30y JGB)	0.67%	(+24bp)
US interest rate	1.74%	(+107bp)
Exchange rate (JPY/USD)	¥110.71	(+1.7%)

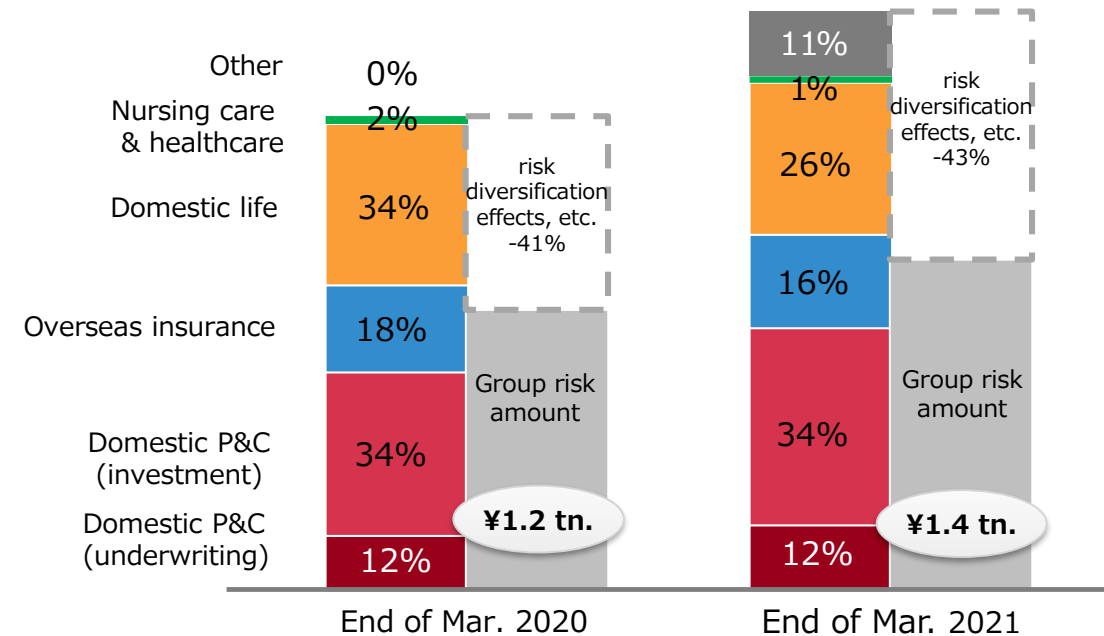
*2 Against the end of March 2020

(Reference) Breakdown of Adjusted Capital and Risk

Adjusted Capital*1



Risk Amount*5



*1 Formula for adjusted capital: Adjusted capital = Total of net assets on the non-consolidated balance sheet + value in force – goodwill, etc.
+ unrealized gains and losses on non mark-to-market assets + capital reserve, etc. + hybrid capital instruments

*2 Reserve for price fluctuation and catastrophic loss reserve, etc. (after tax)

*3 Unrealized gains and losses on securities, etc., including non mark-to-market assets.

*4 Total of net assets on non-consolidated balance sheets, and value in force of P&C and life insurance business. (excl. goodwill and attributable to non-controlling shareholders, etc.)

*5 Risk : 1 year holding period, 99.5% k E

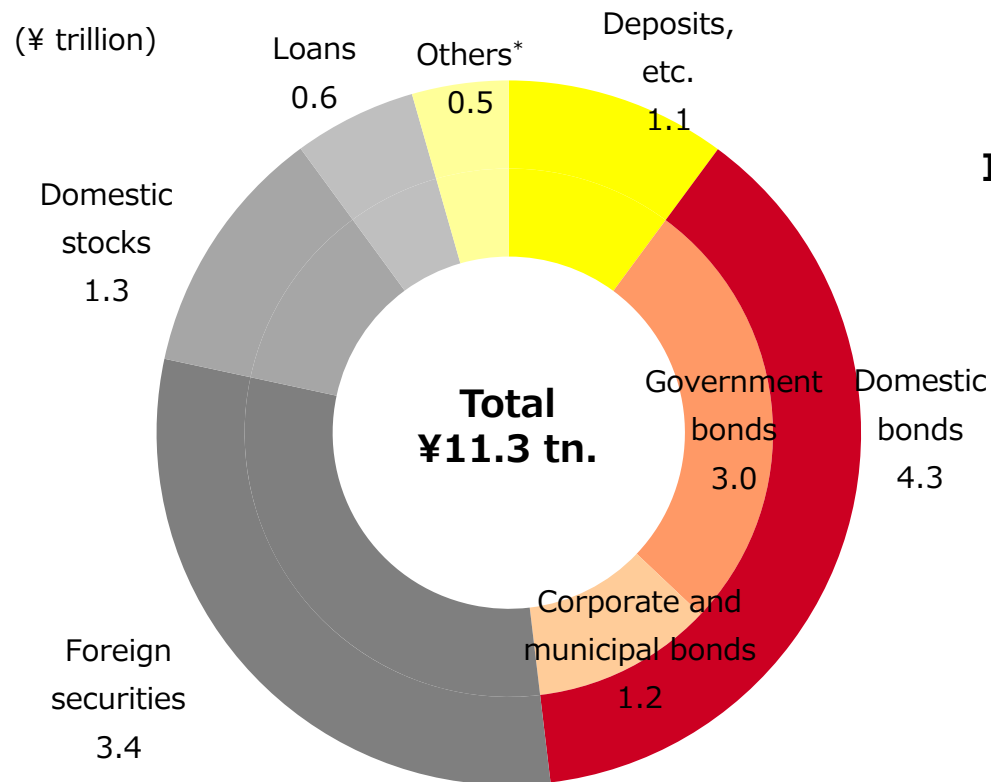
•Risk amount of each business : Before reflecting risk diversification effect among businesses and before-tax basis.

•Group total risk : Sum of risk amount of each business less risk diversification effect among businesses and tax impact.

Asset Portfolio – Group Consolidated

- Built a stable portfolio centered on bonds, considering liability, liquidity, creditworthiness and other characteristics.

Amount of Investment Assets (as of end of March 2021, group consolidated basis)



Investment assets by company

(¥ billion)

	Amount of investment assets	Composition
Sompo Japan	5,580.4	49.1%
Overseas subsidiaries	1,598.9	14.1%
Himawari Life (General account)	3,724.4	32.8%
Saison Automobile & Fire	65.6	0.6%
Other domestic subsidiaries	388.4	3.4%
Total	11,357.8	100%

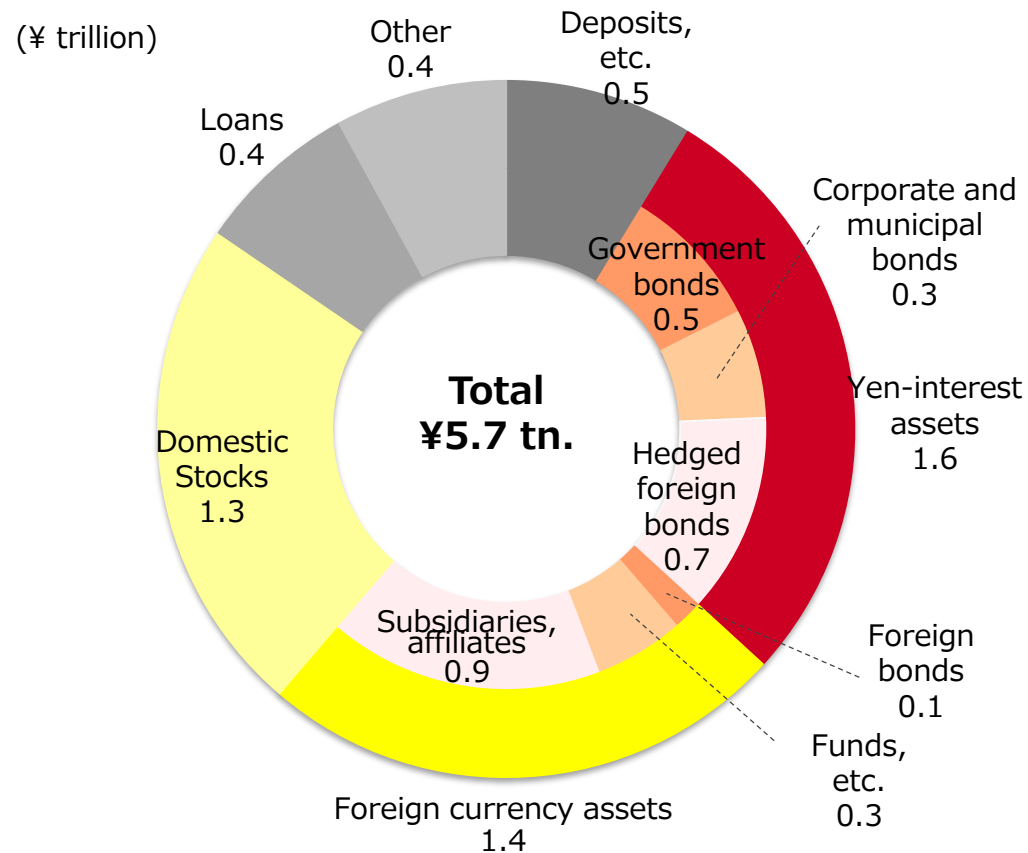
* Others include lands, buildings and stocks of non-consolidated subsidiaries, etc.

Asset Portfolio – Sompo Japan

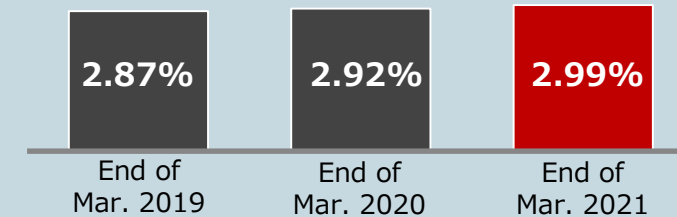
- Continues to manage the portfolio, emphasizing reduction of strategic-holding stocks and diversified investments.

Amount of Investment Assets (as of end of March 2021, Sompo Japan, non-consolidated)

<General account>



Trend of income yield*1



Composition of ratings*2

Internal rating	Composition
BBB or above	100%
BB or below	-

Duration (years)

	End of Mar. 2020	End of Mar. 2021
Asset	7.9	8.2
Liability	8.4	8.3

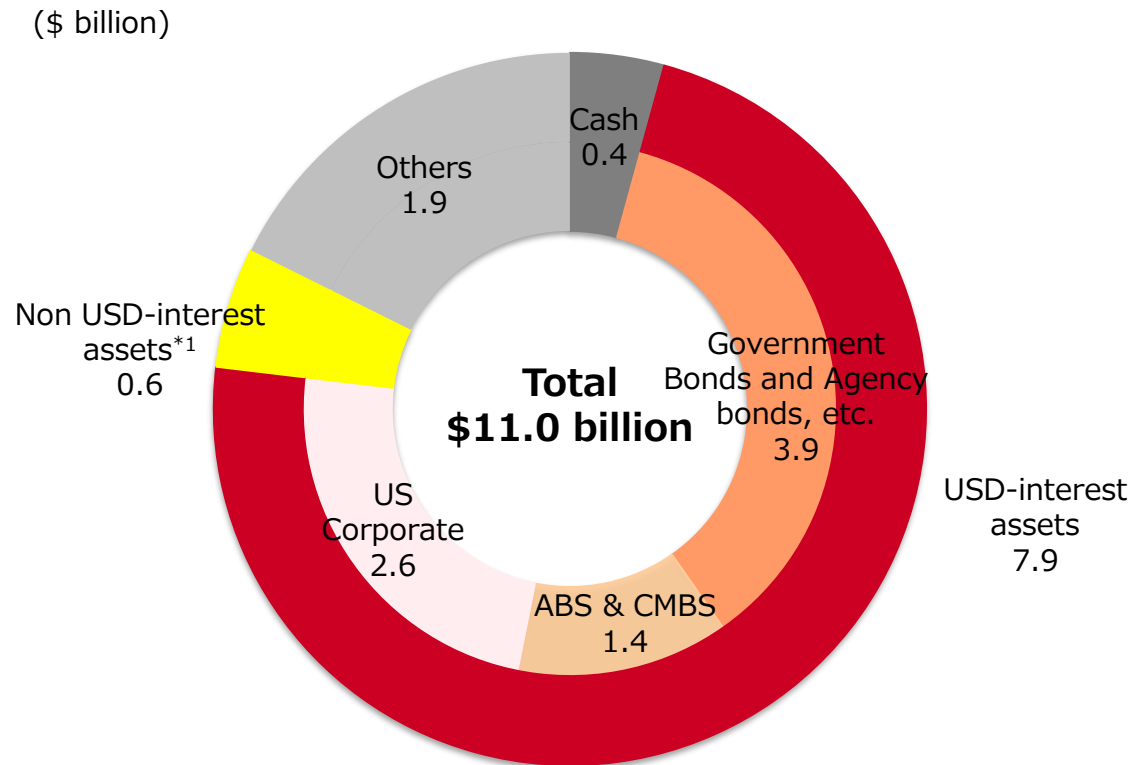
*1 Excluding overseas subsidiaries' shares, etc.

*2 Total of yen-interest assets and foreign currency bonds

Asset Portfolio – SI

- Maintains liquid, high quality assets to meet company liabilities, while investing predominantly in USD-interest assets.

Amount of Investment Assets (as of end of December 2020, SI, consolidated)



(Reference) Income yield*2 at the end of December 2020: 2.46%

Composition of ratings*2

Internal rating	Composition
BBB or above	90%
BB or below	10%

Duration (years)

	End of Dec. 2019	End of Dec. 2020
Asset	3.0	2.9
Liability	3.0	3.4

*1 Incl. cash

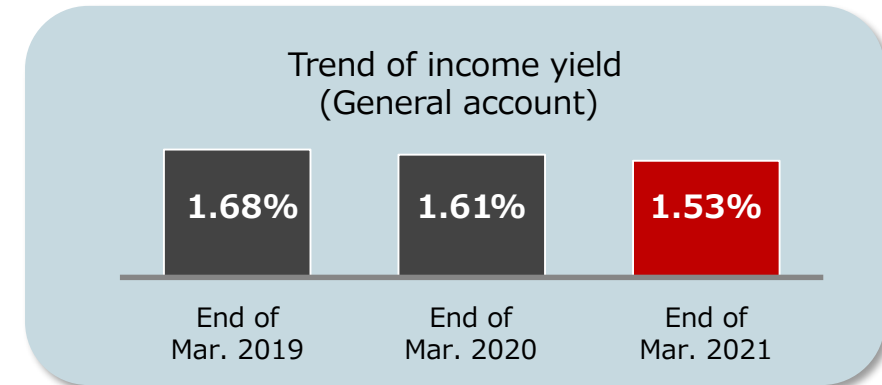
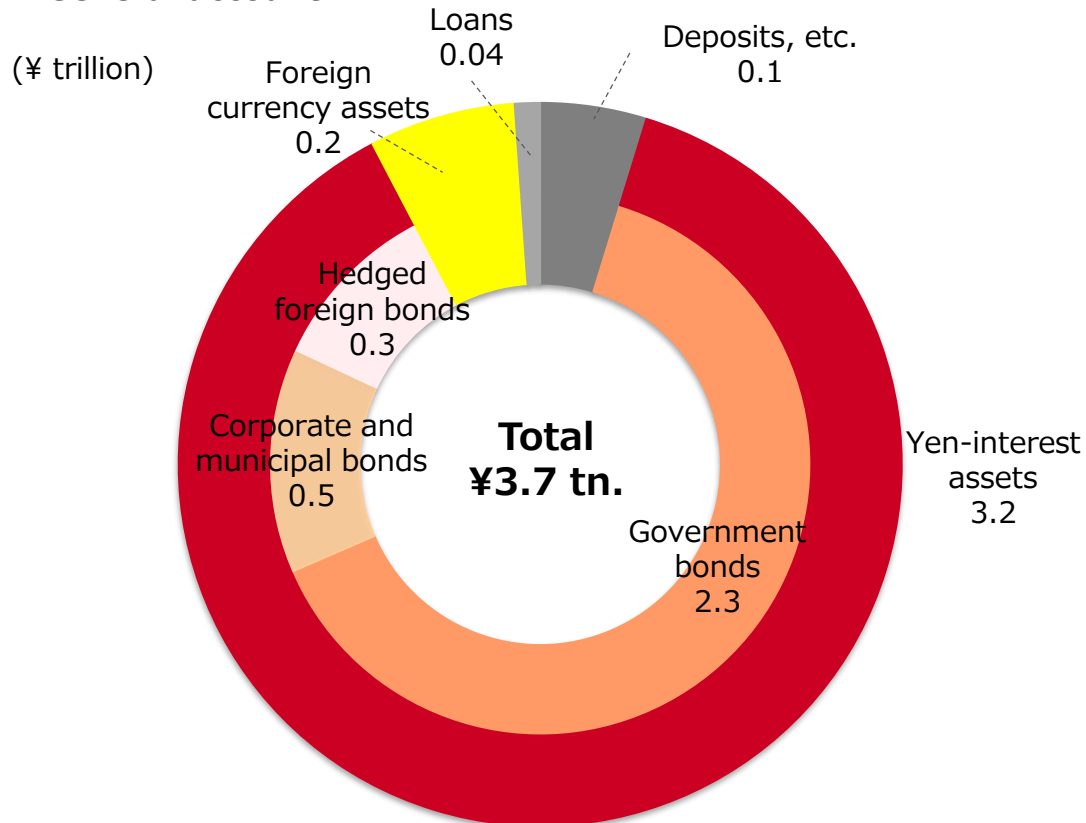
*2 Total of bond assets

Asset Portfolio – Himawari Life

- Manages the portfolio which mainly consists of yen-interest assets, emphasizing ALM.
- In light of the domestic low interest rate environment, consider allocation to corporate bonds, etc.

Amount of Investment Assets (as of end of March 2021, Himawari Life, non-consolidated)

<General account>



Composition of ratings*

Internal rating	Composition
BBB or above	100%
BB or below	-

Duration (years)

	End of Mar. 2020	End of Mar. 2021
Asset	14	15
Liability	28	26

(Reference) Amount of separate account (End of Mar. 2021): ¥24.7 billion
(mainly investment in domestic stocks and bonds in the separate account)

* Total of yen-interest assets and foreign currency bonds

Note Regarding Forward-looking Statements

The forecasts included in this document are based on the currently available information and certain assumptions that we believe reasonable. Accordingly, the actual results may differ materially from those projected herein depending on various factors.

Contacts



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