

Highlights of 1Q FY2021 Results

August 6, 2021
Sompo Holdings, Inc.



Table of Contents

Highlights of 1Q FY2021 results	2		
KPIs update	3		
1. Consolidated financial results			
Overview of 1Q FY2021 results – consolidated basis	5		
Main points of consolidated results – (1) Underwriting profit (Sompo Japan)	6		
Main points of consolidated results – (2) Investment profit (Sompo Japan)	7		
Main points of consolidated results – (3) Ordinary profit	8		
Main points of consolidated results – (4) Net income	9		
(Reference) Business forecasts for FY2021 – Consolidated basis	10		
(Reference) Main points of business forecasts for FY2021	11		
(Reference) Breakdown of business forecasts (Consolidated ordinary profit) of FY2021	12		
(Reference) Historical progress rates of quarterly results	13		
(Reference) Numerical management targets, etc.	14		
2. Domestic P&C insurance			
Overview of 1Q FY2021 results – Sompo Japan	16		
Net premiums written	17		
Net loss ratio (E/I)	18		
(Reference) Loss ratio (W/P* ¹)	19		
Net expense ratio	20		
Combined ratio	21		
Investment profit/loss	22		
(Reference) Breakdown of investment profit	23		
(Reference) Business forecasts for FY2021 – Sompo Japan	24		
(Reference) Indicator related to automobile insurance	25		
(Reference) Domestic natural disasters	26		
(Reference) Fund and reserve	27		
		3. Overseas insurance	
		Performance overview – Overseas insurance	29
		(Reference) Business results by region	30
		(Reference) Overview of business results of SI* ² (1)	31
		(Reference) Overview of business results of SI (2)	32
		4. Domestic life insurance	
		Performance overview – Himawari Life	34
		Net income (J-GAAP) – Himawari Life	35
		Adjusted profit and adjusted net assets – Himawari Life	36
		5. Nursing care & seniors	
		Performance overview – Nursing care & seniors	38
		Major indicators of SOMPO Care	39
		6. ERM & asset management	
		Financial soundness – ESR (99.5% VaR)	41
		(Reference) Breakdown of adjusted capital and risk	42
		Asset portfolio – Group consolidated	43
		Asset portfolio – Sompo Japan	44
		Asset portfolio – SI	45
		Asset portfolio – Himawari Life	46

Exchange rate (USD/JPY)		
1Q FY2021 Actual	110.58 (YOY +2.6%)	End of Jun. 2021
	– for overseas entities 110.71 (YOY +1.7%)	End of Mar. 2021
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 stands for "Sompo International (Commercial)". (The same shall apply hereafter.)

Highlights of 1Q FY2021 Results

- Net premiums written increased by ¥52.4 billion to ¥872.5 billion, mainly due to top line growth of SI due to rate improvement.
- Consolidated ordinary profit and consolidated net income increased compared with 1Q FY2020, mainly due to an increase in net interest and dividend income related to the redemption of investment fund in Sompo Japan, and underwriting profit growth of SI with its top line growth.
- Adjusted consolidated profit increased by ¥17.4 billion to ¥88.7 billion.

Sompo Japan

- Underwriting profit decreased by ¥3.3 billion, mainly due to a reduction of the improvement of E/I loss ratio in automobile insurance experienced in FY2020.
 - * The E/I loss ratio for automobile insurance rose by 5.8pt year on year (It improved by 9.3pt against 1Q FY2019).
The number of accidents increased by 11.0% year on year (It decreased by 14.9% against 1Q FY2019).
- Investment profit increased by ¥8.4 billion, mainly due to an increase in net interest and dividend income related to the redemption of investment fund.
- Ordinary profit and net income increased.

Overseas Insurance

- Top line increased steadily, partly due to rate improvement at SI and the acquisition of Diversified in December, 2020.
- SI's combined ratio was favorable compared to the peers, due to the top line growth and expense control partly offset by the impact of the Texas winter storm.
- Adjusted profit in overseas insurance business increased by ¥7.8 billion to ¥17.1 billion.

Himawari Life

- Annualized new premium increased steadily, centered on insurhealth® products.
- Purchased ¥73.9 billion* in super-long-term bonds and continued to reduce the amount of interest rate risk as planned.

Nursing Care & Seniors

- Occupancy ratio improved, while one-time factor is gone.

* 30-year bond equivalent

- Progress in KPIs for each business has been generally on track.

Domestic P&C				Overseas insurance			
	1Q FY2021	FY2021 forecast	FY2023 plan		1Q FY2021	FY2021 forecast	FY2023 plan
Adjusted profit by business	¥60.8 billion	¥105.0 billion	¥150.0 billion+	Adjusted profit by business	¥17.1 billion	¥60.0 billion	¥100.0 billion+
Net written premiums*1	¥505.8 billion	¥1,929.3 billion	¥2,000.0 billion	Gross Written premiums growth rate*5	+39.7%	+10.2%	Around +9% per annum
E/I combined ratio*1	88.1%	94.8%	91.7%	E/I combined ratio*5	94.2%	91.7%	88% range
Reduction of strategic shareholdings	¥7.5 billion*2	¥50.0 billion	¥50.0 billion (3-year cumulative total: ¥150 billion)				
Domestic life				Nursing care & seniors			
	1Q FY2021	FY2021 forecast	FY2023 plan		1Q FY2021	FY2021 forecast	FY2023 plan
Adjusted profit by business	¥9.4 billion	¥32.5 billion	¥40.0 billion+	Adjusted profit by business	¥1.0 billion	¥6.5 billion	¥8.0 billion+
Annualized new premiums*3	¥7.3 billion	¥43.0 billion	¥50.0 billion	Net sales	¥33.4 billion	¥137.5 billion	¥162.0 billion
Number of policies in force	4.28 million	4.43 million	5.00 million	Occupancy rate	89.6%	90.8%*6	93.8%*6
Investment for ALM matching*4	¥73.9 billion	¥300.0 billion	¥300.0bn/year (¥900.0bn in 3years)				
New Customer Value Creation							
1Q FY2021	Nursing care : Expanded to develop and test detection/productivity improvement model at own facilities Mobility : Made a strategic investment in Wejo Limited			FY2023 plan	External sales and monetization of products/services utilizing RDP	2 businesses or more	
				Medium- to long-term targets	Group revenue generated by the utilization of RDP	¥500.0 billion+	

*1 Sompo Japan (excl. CALI, household earthquake) *2 Incl. short position of Nikkei 225 Futures *3 Performance evaluation basis *4 30-year maturity equivalent *5 SI Commercial *6 At fiscal year end

1. Consolidated financial results

2. Domestic P&C insurance

3. Overseas insurance

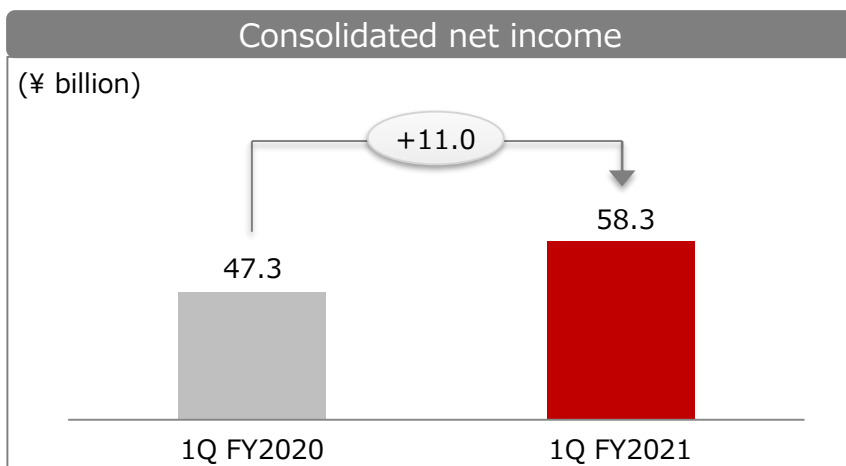
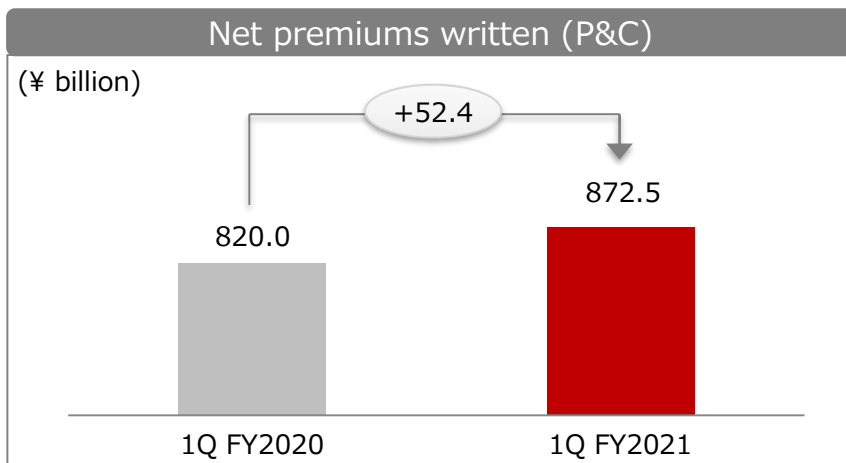
4. Domestic life insurance

5. Nursing care & seniors

6. ERM & asset management

Overview of 1Q FY2021 Results – Consolidated Basis

- Net premiums written increased by ¥52.4 billion, partly due to steady top line growth of Sompo Japan centered in fire and allied lines as well as top line growth of SI.
- Consolidated ordinary profit and consolidated net income increased, mainly due to profit growth of SI and Sompo Japan.



(¥ billion)	1Q FY2020	1Q FY2021	Change	FY2021 (Forecasts)
Consolidated ordinary income	1,039.0	1,081.4	+42.3 (+4.1%)	-
Net premiums written (P&C)	820.0	872.5	+52.4 (+6.4%)	3,090.0
Life insurance premiums	80.8	75.5	-5.2 (-6.5%)	358.0
Consolidated ordinary profit	68.2	78.3	+10.1	185.0
Sompo Japan	57.6	61.4	+3.8	174.5
Overseas insurance subsidiaries	-16.4	3.9	+20.3	72.3
Himawari Life	7.3	7.3	+0.0	17.2
SOMPO Care	2.6	1.6	-0.9	8.6
Consolidated adjustment* ¹ /Others	17.0	3.8	-13.1	-87.7
Consolidated net income* ²	47.3	58.3	+11.0	125.0
Sompo Japan	41.5	46.7	+5.1	133.0
Overseas insurance subsidiaries	-15.5	3.2	+18.7	57.9
Himawari Life	5.1	5.0	-0.0	11.6
SOMPO Care	0.5	1.0	+0.4	5.1
Consolidated adjustment/Others	15.5	2.1	-13.3	-82.6
(Reference) Adjusted consolidated profit	71.2	88.7	+17.4	205.0
Domestic P&C insurance	53.8	60.8	+6.9	105.0
Overseas insurance	9.2	17.1	+7.8	60.0
Domestic life insurance	7.9	9.4	+1.5	32.5
Nursing care & seniors	0.2	1.0	+0.8	6.5
Digital, etc.	-	0.2	+0.2	1.0

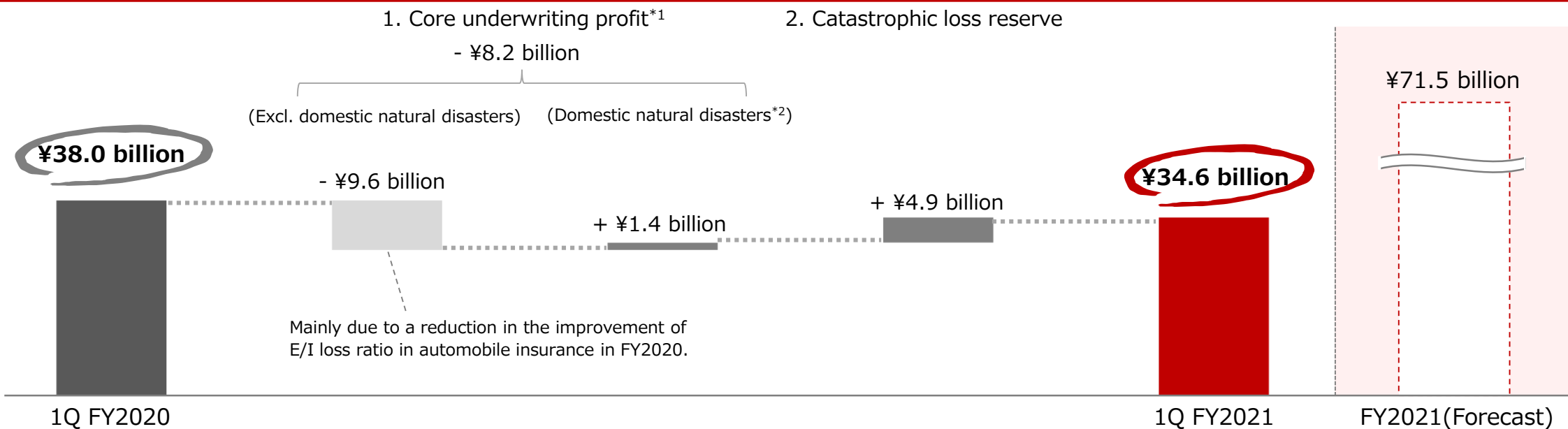
*1 Incl. profits and losses of consolidated companies other than the above and adjustments due to consolidation adjustments, etc.

*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 decrease by ¥3.3 billion to ¥34.6 billion, mainly due to a reduction in the improvement of E/I loss ratio in auto insurance in FY2020.

Increase/decrease factors of underwriting profit (Sompo Japan)



	1. Core underwriting profit			2. Catastrophic loss reserve	Underwriting profit
		(Excl. domestic natural disasters)	(Domestic natural disasters)		
1Q FY2020	¥60.6 billion	¥62.1 billion	- ¥1.5 billion	- ¥22.6 billion	¥38.0 billion
1Q FY2021	¥52.3 billion	¥52.4 billion	- ¥0.0billion	- ¥17.7 billion	¥34.6 billion

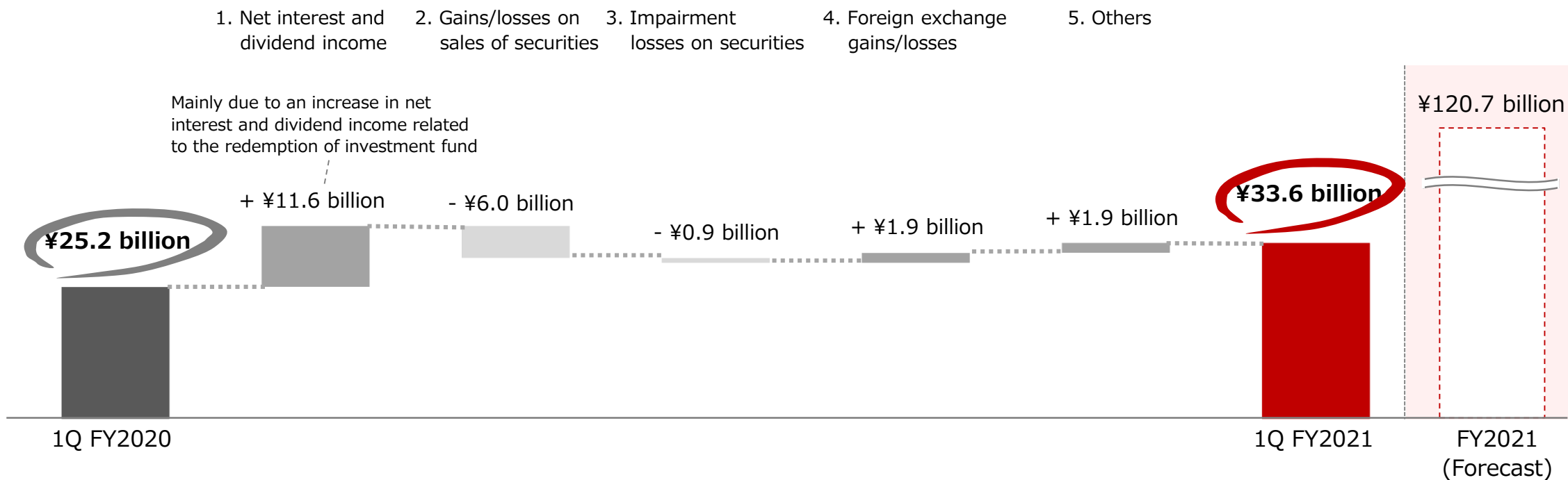
*1 Core underwriting profit is underwriting profit less the impact related to catastrophic loss reserve.

*2 Domestic natural disasters is sum of net claims paid that occurred in the current fiscal year.

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

- Investment profit increased by ¥8.4 billion to ¥33.6 billion, mainly due to an increase in net interest and dividend income related to the redemption of investment fund.

Increase/decrease factors of investment profit (Sompo Japan)

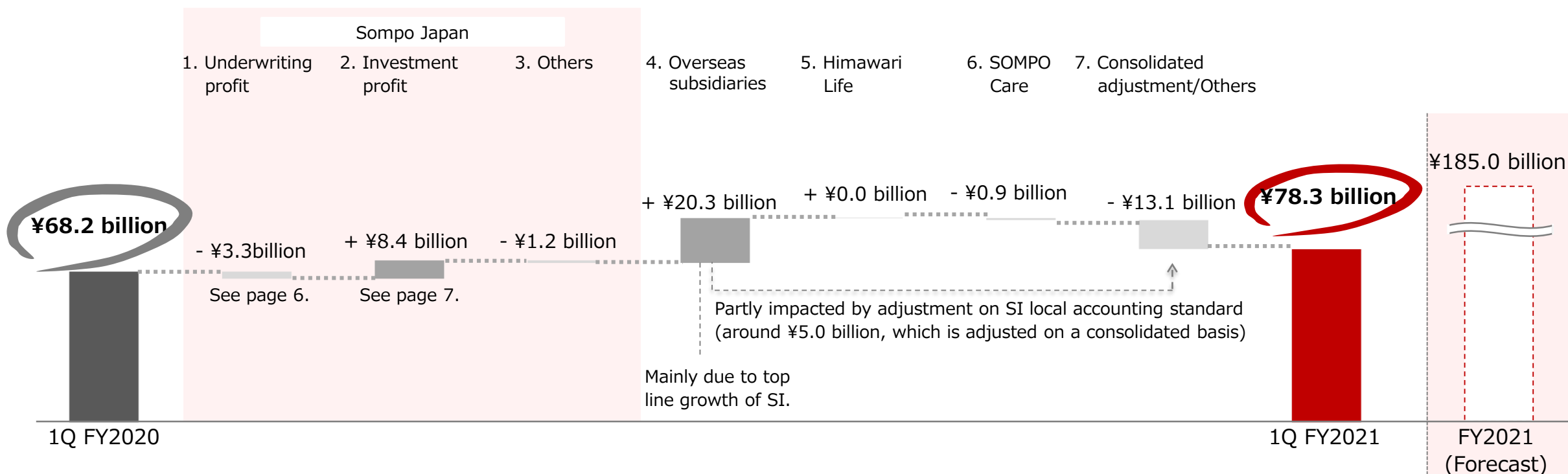


	1. Net interest and dividend income	2. Gains/losses on sales of securities	3. Impairment losses on securities	4. Foreign exchange gains/losses	5. Others	Investment profit
1Q FY2020	¥19.7 billion	¥7.5 billion	- ¥1.1 billion	- ¥0.5 billion	- ¥0.3 billion	¥25.2 billion
1Q FY2021	¥31.3 billion	¥1.5 billion	- ¥2.0 billion	¥1.3 billion	¥1.5 billion	¥33.6 billion

Main Points of Consolidated Results – (3) Ordinary Profit

- Consolidated ordinary profit increased by ¥10.1 billion, mainly due to profit growth of SI.

Increase/decrease factors of consolidated ordinary profit



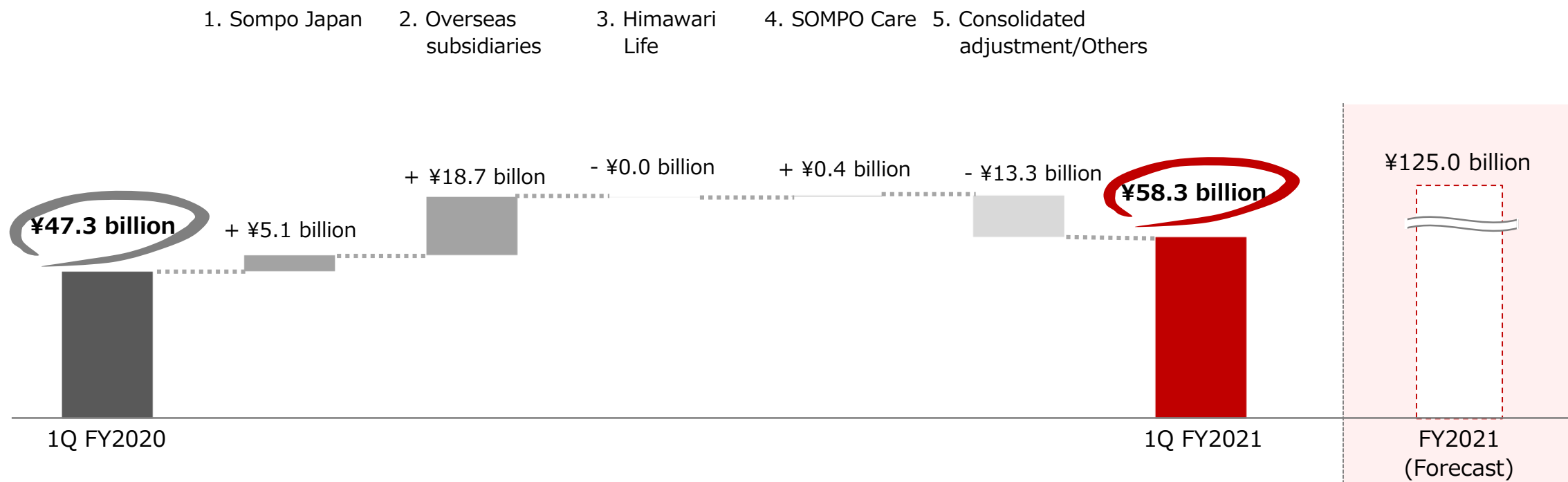
	1. Underwriting profit	2. Investment profit	3. Others	4. Overseas subsidiaries	5. Himawari Life	6. SOMPO Care	7. Consolidated adjustment/Others	Consolidated ordinary profit
1Q FY2020	¥38.0 billion	¥25.2 billion	- ¥5.5 billion	- ¥16.4 billion	¥7.3 billion	¥2.6 billion	¥17.0 billion	¥68.2 billion
1Q FY2021	¥34.6 billion	¥33.6 billion	- ¥6.8 billion	¥3.9 billion	¥7.3 billion	¥1.6 billion	¥3.8 billion*	¥78.3 billion

* Net amortization amount (before tax) of goodwill and intangible assets, etc. of SI for 1Q FY2021: ¥6.3 billion

Main Points of Consolidated Results – (4) Net Income

- Consolidated net income was ¥58.3 billion (Progress rate against full year forecast : 47%).

Increase/decrease factors of consolidated net income



	1. Somo Japan	2. Overseas subsidiaries	3. Himawari Life	4. SOMPO Care	5. Consolidated adjustment/Others	Consolidated net income
1Q FY2020	¥41.5 billion	- ¥15.5 billion	¥5.1 billion	¥0.5 billion	¥15.5 billion	¥47.3 billion
1Q FY2021	¥46.7 billion	¥3.2 billion	¥5.0 billion	¥1.0 billion	¥2.1 billion	¥58.3 billion

(Reference) 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 consolidated profit	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 & seniors	8.1	6.5	-1.6
Digital, etc.	-	1.0	+1.0

(Reference) Main Points of Business Forecasts for FY2021

- Consolidated net income is expected to decline by ¥17.4 billion to ¥125.0 billion, incorporating certain rebound 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 be 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 ¥50.0 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.

Himawari Life

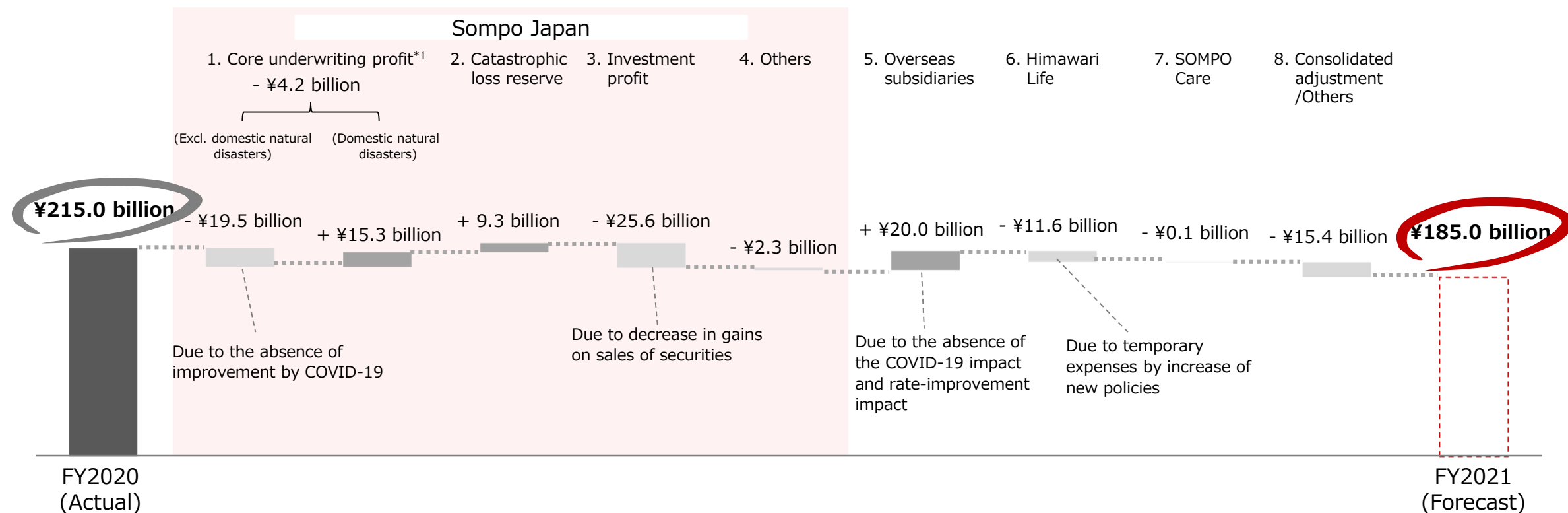
- Business expenses increase in line with business expansion, while continuing to expand holdings of highly profitable protection-type products.
- Net income is expected to decline by ¥8.4 billion due to an increase in operating expenses and provision for underwriting reserves in line with the expansion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

Nursing care & seniors

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

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

Increase/decrease factors of consolidated ordinary profit



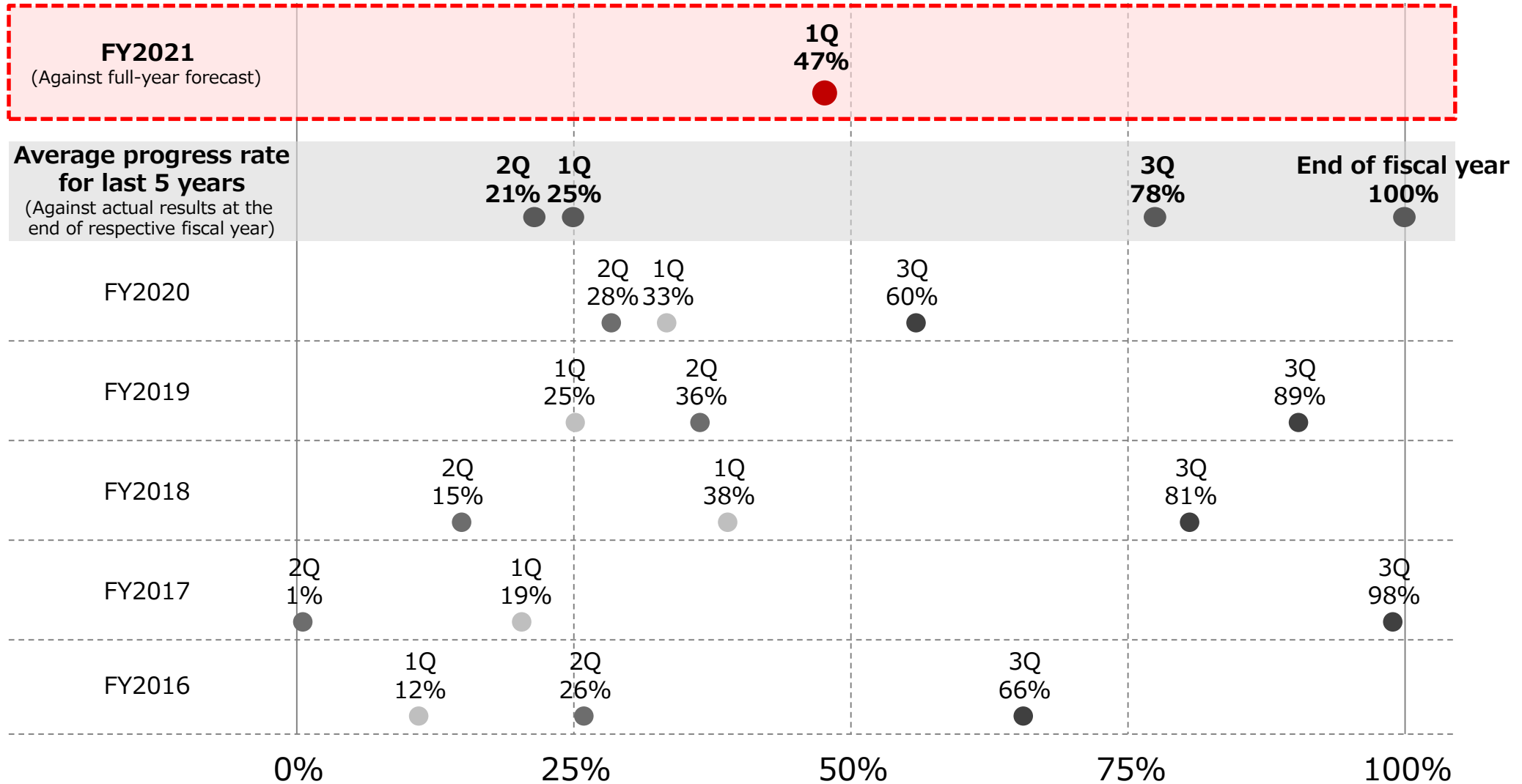
	1. Core underwriting profit		2. Catastrophic loss reserve	3. Investment profit	4. Others	5. Overseas subsidiaries	6. Himawari Life	7. SOMPO Care	8. Consolidated adjustment /Others	Consolidated ordinary profit
	(Excl. domestic natural disasters)	(Domestic natural disasters)								
FY2020 Actual	¥201.7 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 for plan

(¥ billion)	1Q FY2021		FY2021		FY2023	
	(Actual)	(Change)	(Forecasts)	(Segment ROE) ^{*5}	(Plan) ^{*6}	(Segment ROE)
Domestic P&C insurance	60.8	+6.9	105.0	8.0%	150.0+	11.4%
Overseas insurance	17.1	+7.8	60.0	7.9%	100.0+	11.6%
Domestic life insurance	9.4	+1.5	32.5	4.3%	40.0+	5.7%
Nursing care & seniors ^{*3}	1.0	+0.8	6.5	11.5%	8.0+	14.3%
Digital, etc.	0.2	+0.2	1.0	-	2.0+	-
Total (Adjusted consolidated profit)	88.7	+17.4	205.0	-	300.0+	-
Adjusted consolidated ROE^{*4}	-	-	7.4%	-	10%+	-
ROE (J-GAAP)	-	-	6.2%	-	-	-

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

Operating Income^{*2}
 Equity-method affiliates are in principle included as net income

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 costs (after tax)
 - Depreciation of acquisition costs (after tax)
 - Gains/losses on sales of securities and impairment losses on securities (after tax)

Nursing care/seniors

Healthcare, etc.

Net income

Digital

Net income
 - Gains/losses and impairment losses on investment (after tax)

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

*2 Operating income excluding one-time factors (= Net income - Net foreign exchange gains/losses - Net realized and unrealized gains/losses - Net impairment losses recognized in earnings, etc.)

*3 FY2020 nursing care & healthcare, etc., adjusted profit = Net income (excluding one-time factors)

*4 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)

*5 ROE for each business = Adjusted profit for each business / Allocated capital for each business (Total consolidated net assets of the companies of each business or the required capital based on risk model. Average at the end/start of each fiscal year.)

Regarding the ROE for each business, it is not suitable to use for comparison between businesses since each business is defined differently based on its characteristics. The introduction of this aims to increase the probability of achieving the adjusted consolidated ROE and ROE targets for each business by monitoring the progress of each business.

*6 The plan is based on the assumption of organic growth. We will increase the probability of achieving the plan by adding ¥30.0 billion in profit through M&A to offset downside risks (¥30.0 billion) due to the impact of natural disasters and other factors beyond our expectations.

1. Consolidated financial results

2. Domestic P&C insurance

3. Overseas insurance

4. Domestic life insurance

5. Nursing care & seniors

6. ERM & asset management

Overview of 1Q FY2021 Results – Sompo Japan

- Net income increased by ¥5.1 billion to ¥46.7 billion, mainly due to an increase in investment profit.

(¥ billion)	1Q FY2020	1Q FY2021	Change	FY2021 (Forecasts)
Net premiums written	551.3	560.5	+9.1 (+1.7%)	2,160.0
(excl. CALI, household earthquake)	489.6	505.8	+16.2 (+3.3%)	1,929.3
Net premiums earned (excl. CALI, household earthquake)	459.9	472.4	+12.5 (+2.7%)	1,926.2
E/I loss ratio (excl. CALI, household earthquake)	52.1%	54.2%	+2.1pt	59.8%
W/P Loss ratio	54.5%	56.5%	+2.0pt	64.6%
(excl. CALI, household earthquake)	51.4%	53.7%	+2.4pt	61.0%
Net expense ratio	32.9%	33.6%	+0.7pt	34.3%
(excl. CALI, household earthquake)	33.8%	33.9%	+0.1pt	35.0%
Combined ratio (E/I)*1 (excl. CALI, household earthquake)	85.9%	88.1%	+2.2pt	94.8%
(Reference) Combined ratio (W/P) (excl. CALI, household earthquake)	85.1%	87.6%	+2.5pt	96.0%
Underwriting profit	38.0	34.6	-3.3	71.5
Investment profit	25.2	33.6	+8.4	120.7
Ordinary profit	57.6	61.4	+3.8	174.5
Net income	41.5	46.7	+5.1	133.0
(Reference) Adjusted profit				
Provisions for catastrophic loss reserve (after tax)	+16.3	+12.8	-3.5	+19.5
Provisions for reserve for price fluctuation (after tax)	+0.7	+0.7	+0.0	+2.9
Gains/losses on sales of securities and impairment losses on securities (after tax)	-4.4	+0.7	+5.1	-20.0
Special factors (after tax)*2	-0.7	-0.1	+0.6	-28.1
Adjusted profit	53.4	60.9	+7.4	107.3

*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

- Increase in premiums in fire and allied lines and other line led top line growth.

Net premiums written by product line

(¥ billion)	1Q FY2020	1Q FY2021	Change	FY2021 (Forecasts)
Fire and Allied Lines	60.4	68.6	+8.1 (+13.5%)	309.4
Marine	10.7	11.5	+0.8 (+7.8%)	42.5
Personal Accident	47.0	47.2	+0.2 (+0.4%)	158.8
Voluntary Automobile	276.6	277.5	+0.9 (+0.3%)	1,096.5
CALI	61.5	54.5	-7.0 (-11.4%)	230.3
Other	94.7	100.8	+6.0 (+6.4%)	322.2
Of which Liability	54.3	56.4	+2.1 (+3.9%)	158.2
Total	551.3	560.5	+9.1 (+1.7%)	2,160.0
Total(excl. CALI, household earthquake)	489.6	505.8	+16.2 (+3.3%)	1,929.3

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

	# of vehicles*	Unit premium	Total Premium
Non-fleet	-1.0%	+1.0%	-0.0%
Fleet	-0.9%	-0.5%	-1.3%
Total	-1.0%	+0.8%	-0.2%

* Excl. per hour type automobile insurance

(Main reasons for increase/decrease)

Fire and Allied Lines : Revenue increased due to rate optimization by product revision and higher revenues in the corporate sector.

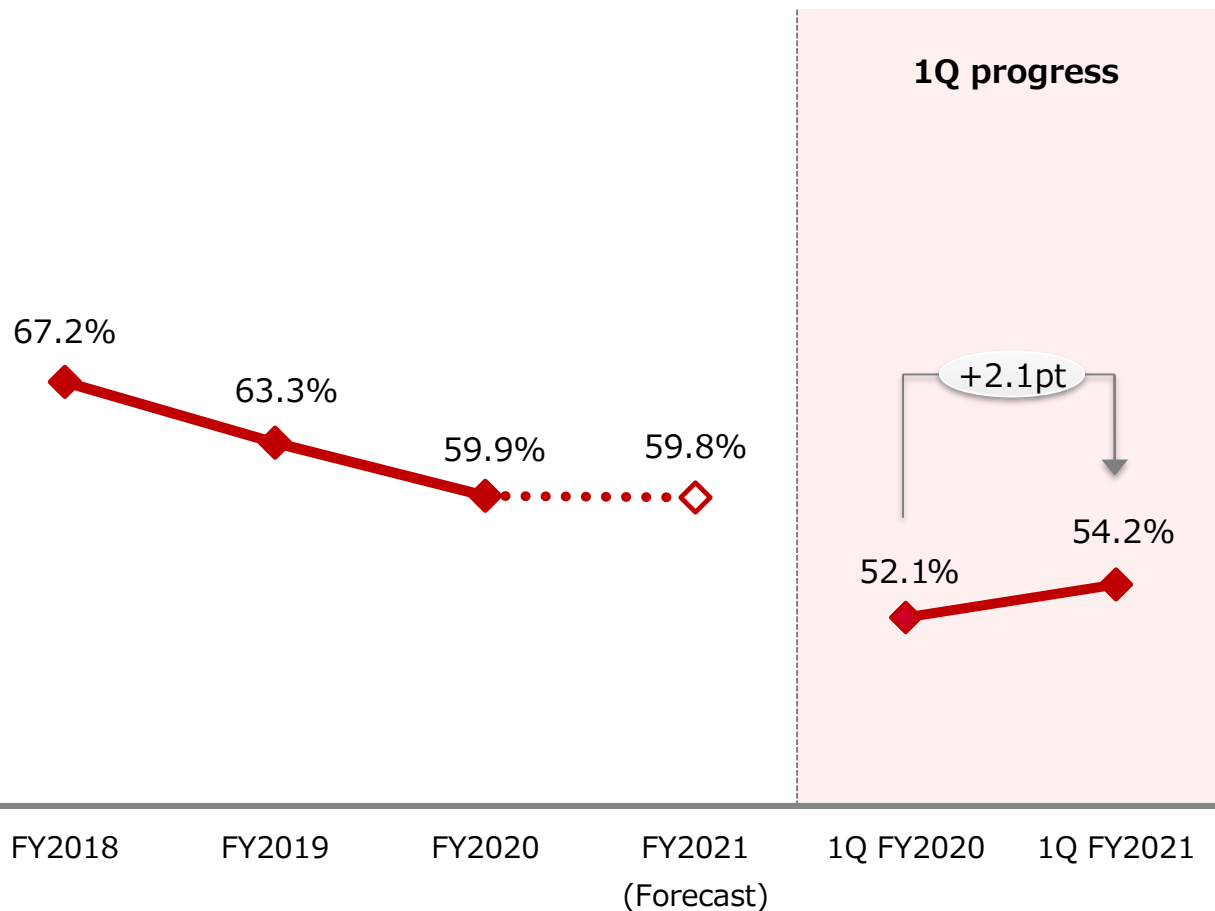
Voluntary automobile : Revenue increased partly due to rate optimization.

Other :Sales of Business Master Plus, a core product, continued to be strong.

Net Loss Ratio (E/I)

- While accident rate rose mainly due to the reduction of the decreased traffic volume in FY2020, E/I loss ratio progressed as planned.

Loss ratio (E/I) *

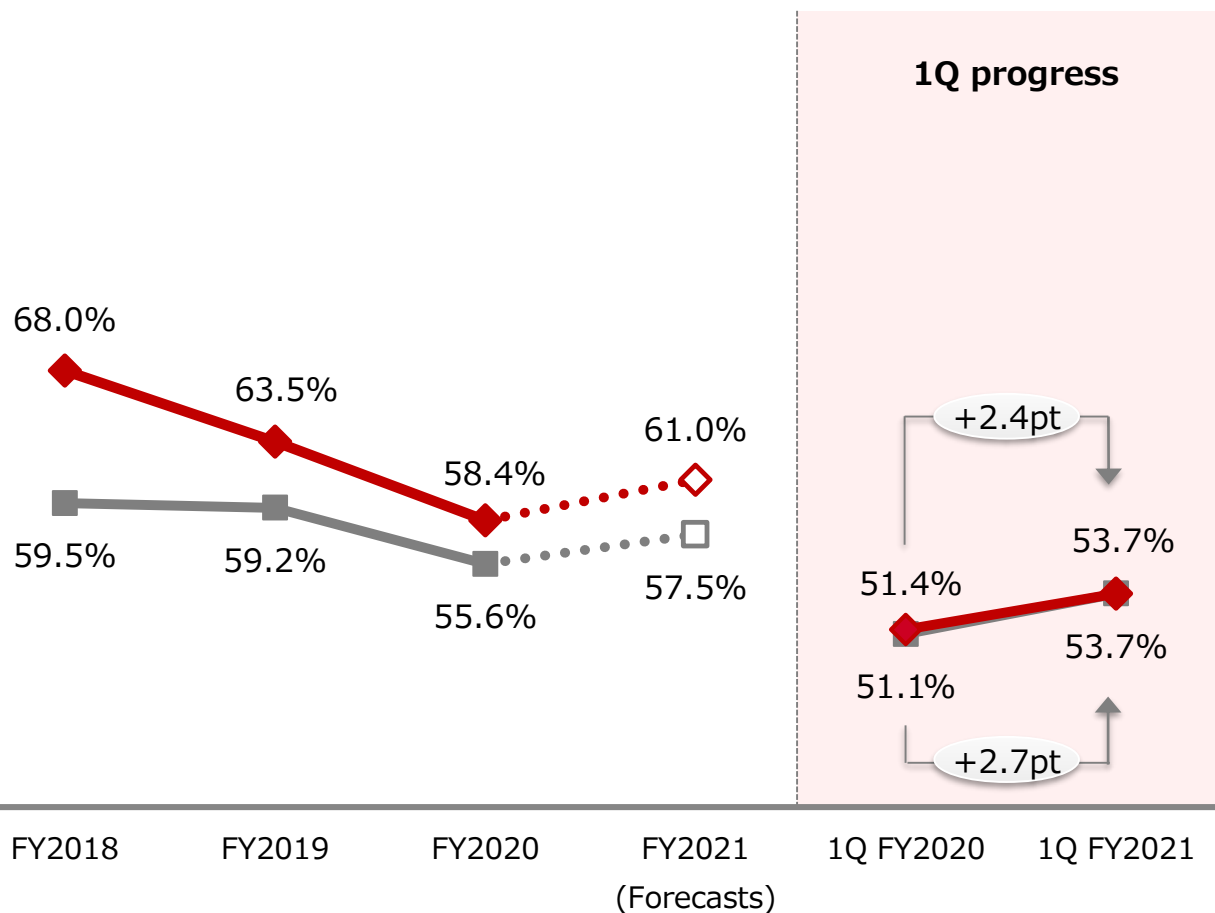


(Reference) Loss ratio (E/I) by product line	1Q FY2021		FY2021 (Forecasts)
	Loss ratio	Change	Loss ratio
Fire and Allied lines (excl. household earthquake)	50.3%	-2.5pt	69.8%
Marine	68.1%	+7.2pt	63.4%
Personal Accident	51.8%	-3.2pt	52.7%
Voluntary Automobile	53.9%	+5.8pt	57.6%
Other	58.4%	-5.0pt	60.3%
Total (excl. CALI, household earthquake)	54.2%	+2.1pt	59.8%

* Excl. CALI, household earthquake

(Reference) Loss Ratio (W/P)

Loss ratio (W/P)



1Q progress

(Reference) Loss ratio (W/P) by product line

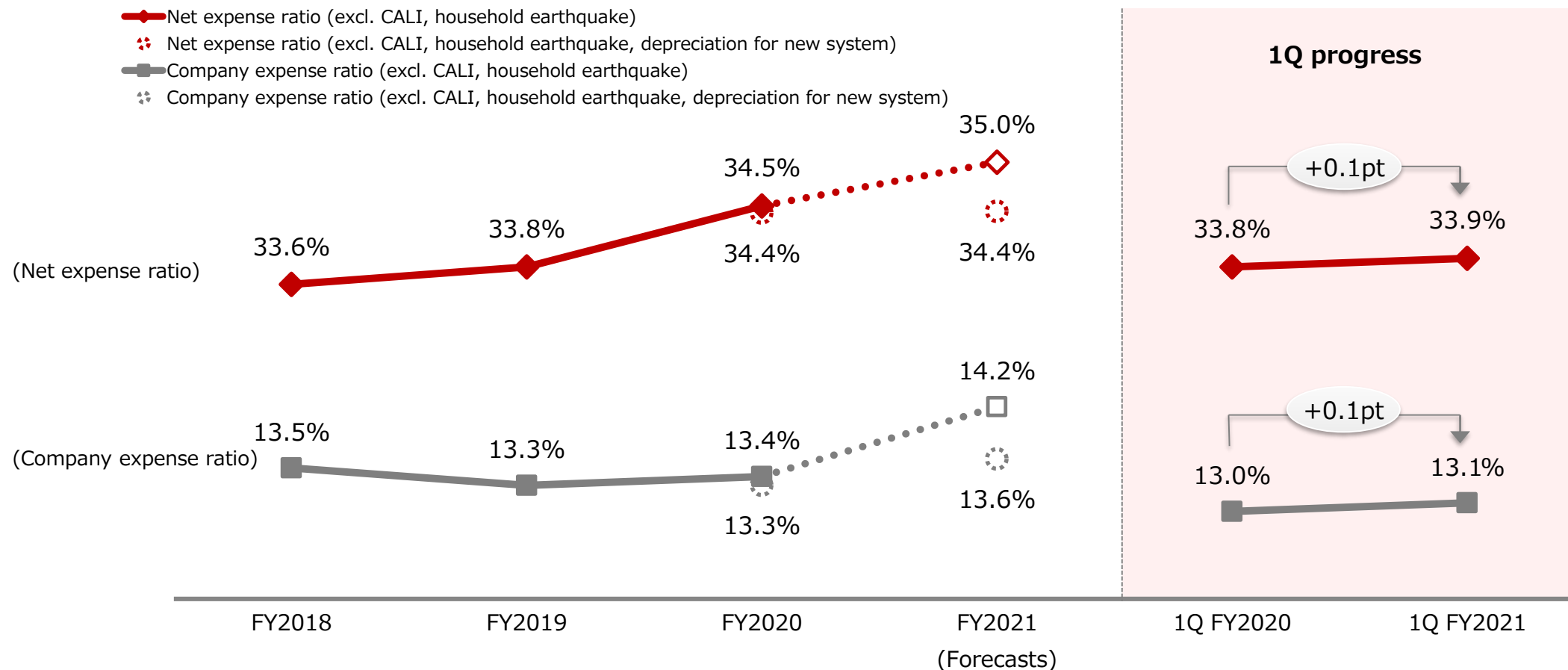
	1Q FY2021		FY2021 (Forecasts)
	Loss ratio	Change	Loss ratio
Fire and Allied lines (excl. household earthquake)	84.6%	+7.8pt	78.9%
Marine	44.0%	-13.0pt	63.9%
Personal Accident	39.9%	+1.9pt	47.5%
Voluntary Automobile	53.1%	+2.8pt	58.2%
Other	42.0%	-2.3pt	59.4%
Total (excl. CALI, household earthquake)	53.7%	+2.4pt	61.0%

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

Net Expense Ratio

- Progress of net expense ratio has been generally on track.

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



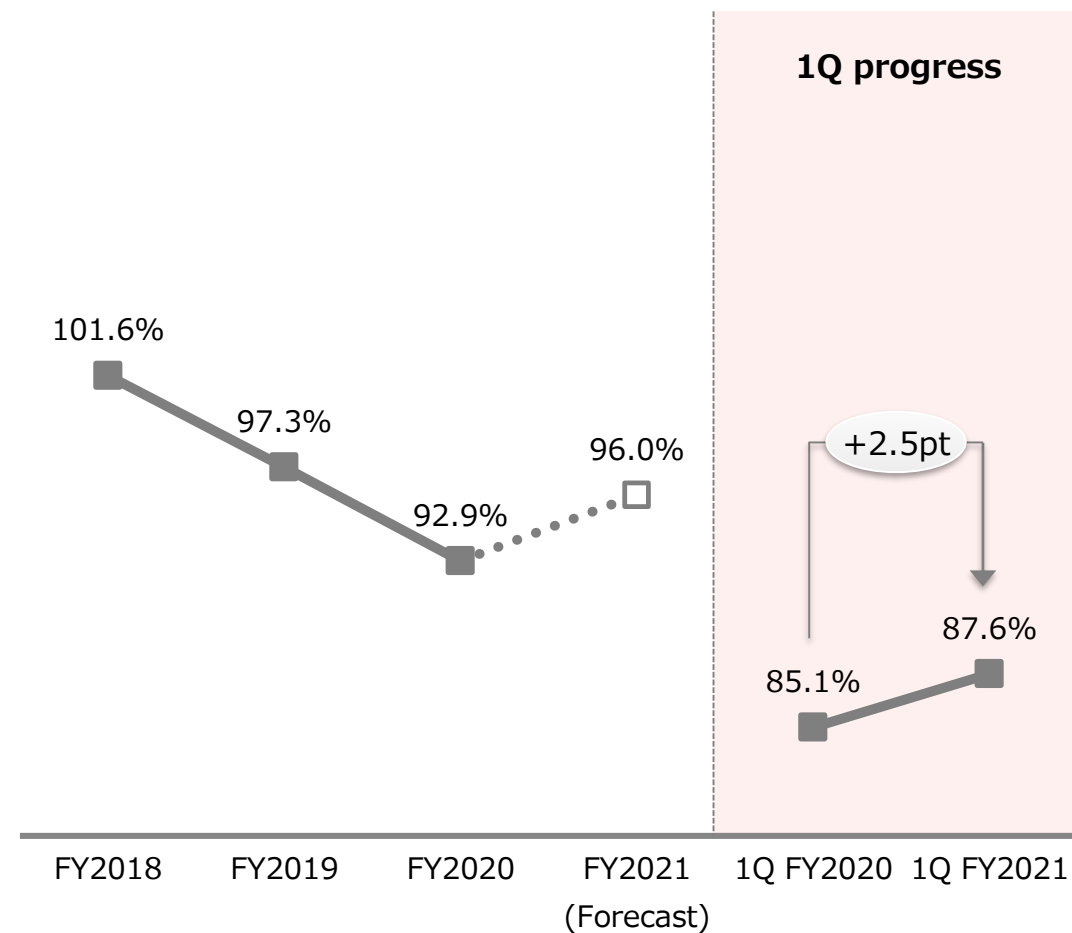
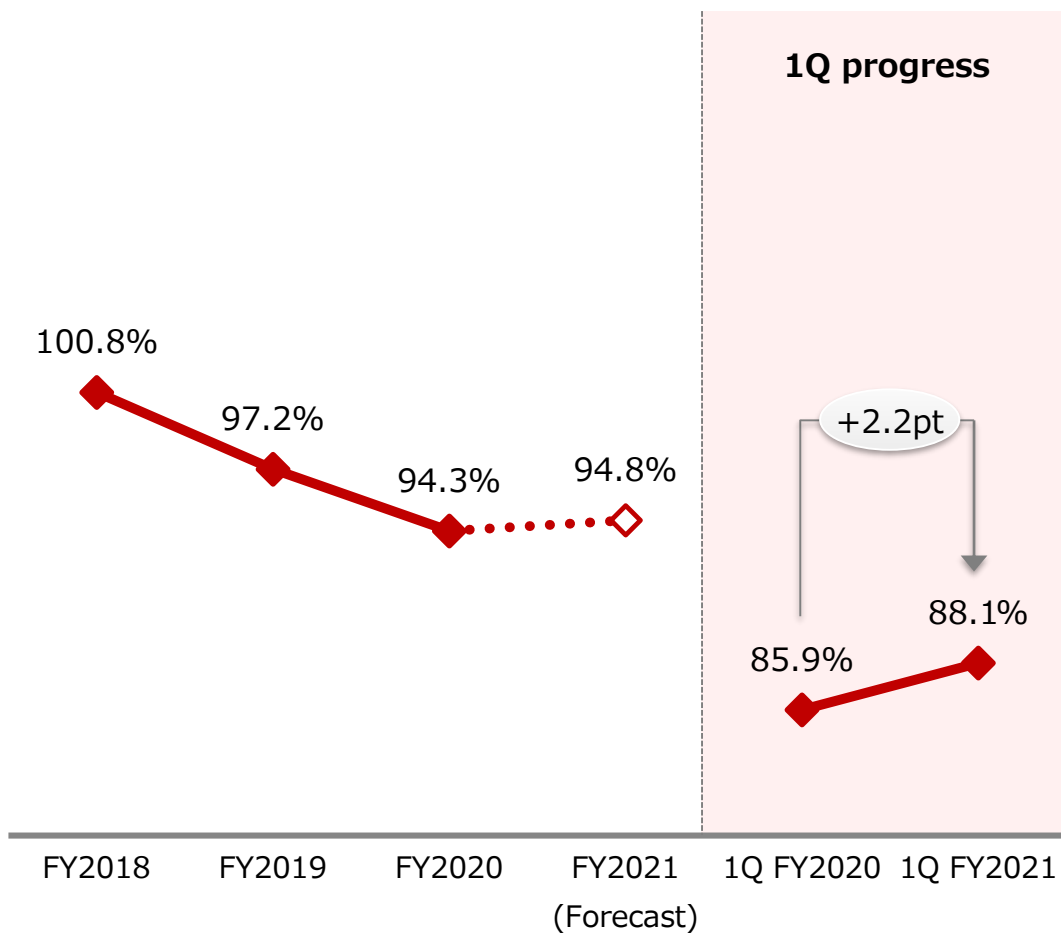
* Ratio of general administrative and selling expense related with underwriting to net premiums written

Combined Ratio

- While combined ratio rose against 1Q FY2020, has been on-track.

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

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



Investment Profit/Loss

- Mainly due to an increase in net interest and dividend income related to the redemption of investment fund, investment profit has been on track.

Investment profit (Sompo Japan, non-consolidated)

(¥ billion)		1Q FY2020	1Q FY2021	Change	FY2021 (Forecasts)
Net interest and dividend income	1	19.7	31.3	+11.6	93.9
Interest and dividend income*1		28.2	39.0	+10.7	124.9
of which, dividends from overseas subsidiaries		1.1	0.0	-1.1	30.0
Gains on sales of securities*2	2	7.5	1.5	-6.0	30.7
of which, domestic stocks		7.0	1.2	-5.8	33.0
Impairment losses on securities	3	-1.1	-2.0	-0.9	-3.0
of which, domestic stocks		-0.3	-2.0	-1.7	-2.0
Gains on derivatives	4	-0.3	0.9	+1.2	-5.2
Other investment income	5	-0.6	1.9	+2.5	4.2
Investment profit	1+2+3+4+5	25.2	33.6	+8.4	120.7

→(Reference) Reduction of strategic-holding stocks

Spot*2	¥0.6 bn.
Stock future*3	¥6.9 bn.
Total	¥7.5 bn.

*2 Net reduction on fair value basis
(market value of sales minus market value of purchase)
The target amount of reduction in FY2021
on a full-year basis : around ¥50.0 bn.

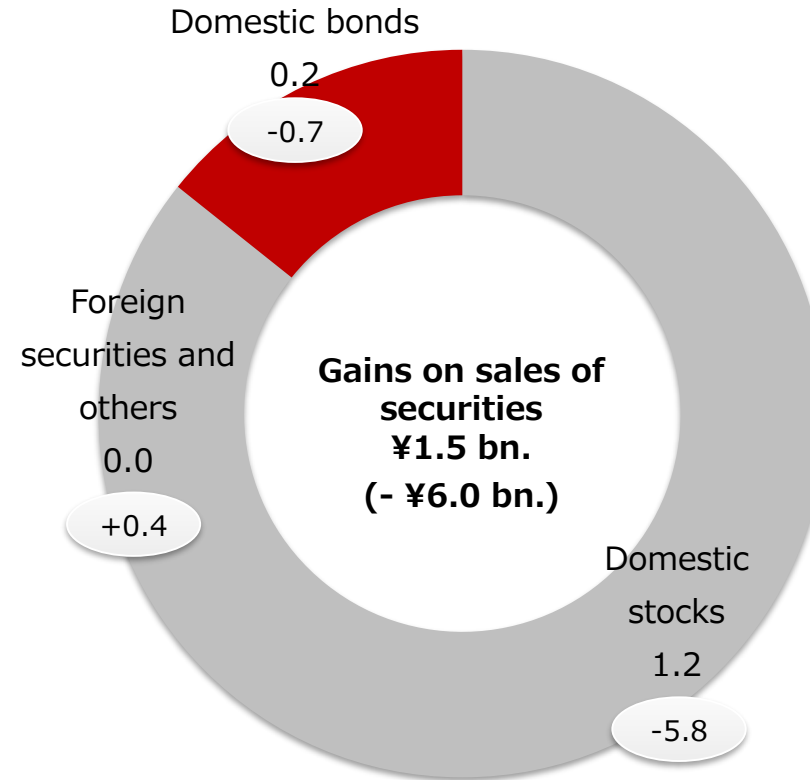
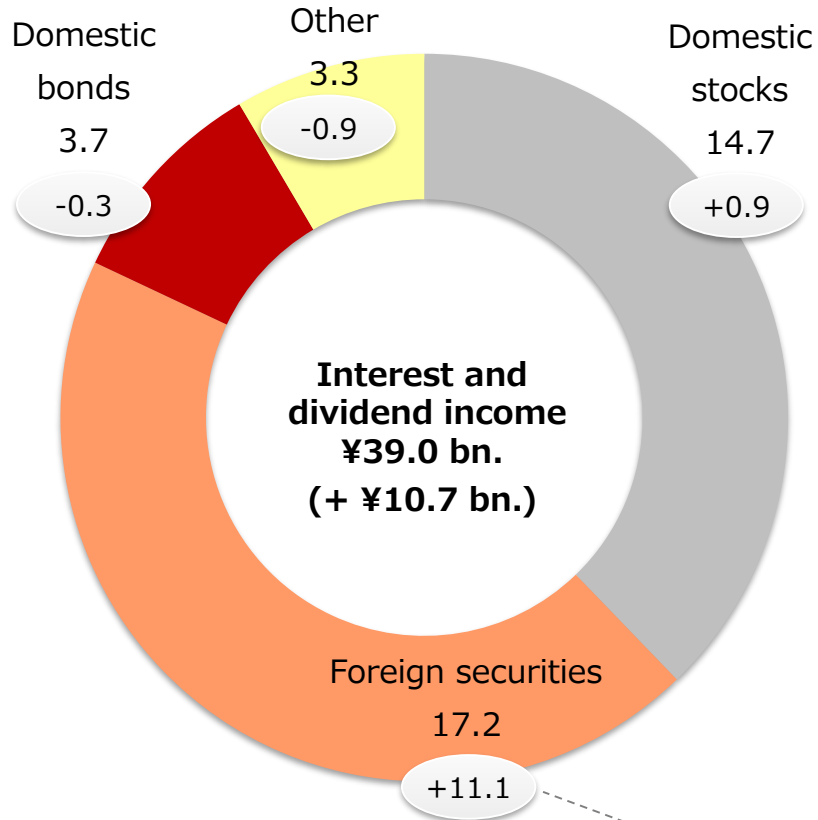
*3 Short position of Nikkei 225 Futures

*1 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 (1Q FY2021)

(¥ billion)



:Changes from 1Q FY2020

Mainly due to an increase in net interest and dividend income related to the redemption of investment fund

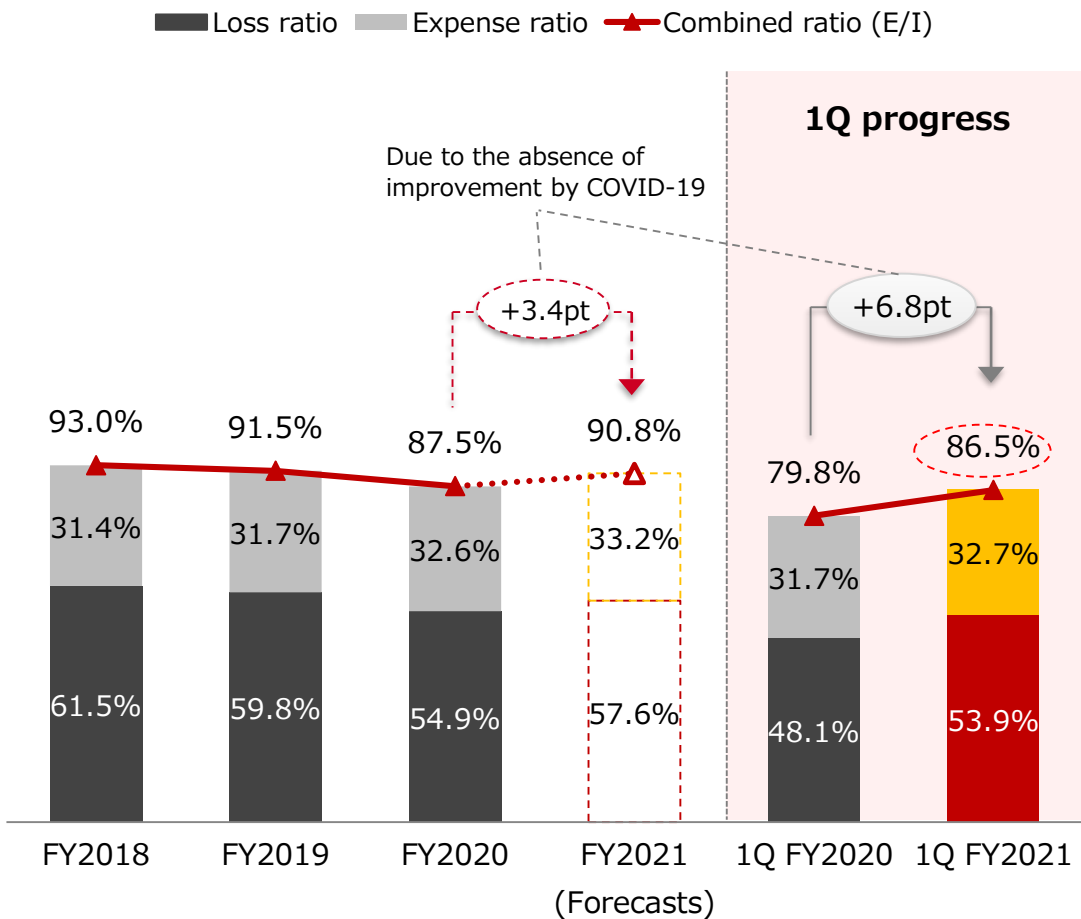
(Reference) Business Forecasts for FY2021 – Sompo Japan

(¥ 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
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 (E/I) (excl. CALI, household earthquake)	94.3%	94.8%	+0.5pt
(Reference) Combined ratio (W/P) (excl. CALI, household earthquake)	92.9%	96.0%	+3.1pt
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) Indicator Related to Automobile Insurance

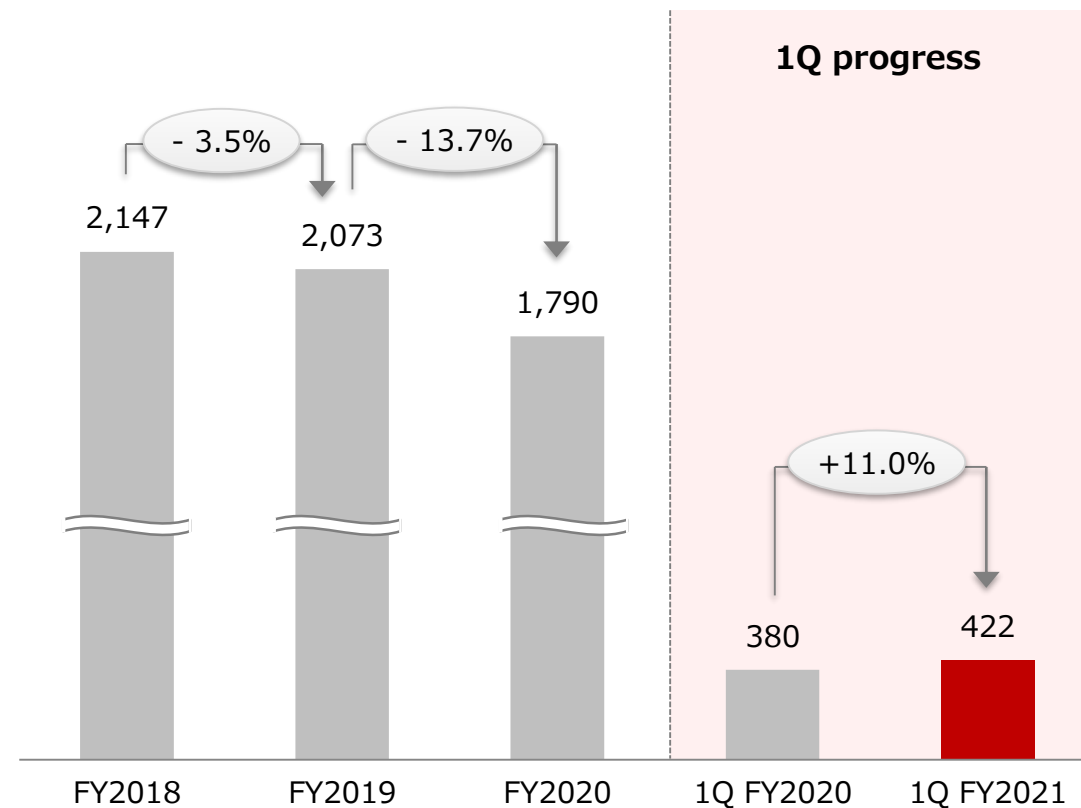
Combined ratio (E/I)



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

The number of reported claims

(Thousands)



* Excl. certain natural disasters, incurred loss of which exceeds certain threshold

(Reference) Domestic Natural Disasters

Net claims paid for natural disasters that occurred in the current fiscal year (excl. CALI, household earthquake)*

(¥ billion)	1Q FY2020	1Q FY2021	Change
Fire and Allied lines	1.4	0.0	-1.3
Marine	-	-	-
Personal Accident	0.0	0.0	+0.0
Voluntary Automobile	0.0	-	-0.0
Other	0.0	0.0	-0.0
Total	1.5	0.0	-1.4

* Assumption of FY 2021 business forecasts for net losses incurred from domestic natural disasters (occurring in the fiscal year) : ¥84.0 billion.
 Since outstanding loss reserve is worked out by compendium method in 1Q results, incurred losses related to natural disasters were not aggregated.

(Reference) Fund and Reserve

Underwriting reserves, reserve for outstanding losses and claims (at the end of 1Q FY2021)

(¥ 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	770.3	-4.9	107.2	+3.6	119.1	-23.2
Marine	17.0	-2.9	44.4	+0.3	22.6	+1.1
Personal accident	137.2	+9.8	77.9	+1.5	45.3	+0.5
Voluntary automobile	326.1	+5.7	80.0	+8.9	370.2	-0.9
CALI* ²	461.2	-0.8	-	-	62.6	-
Other	364.1	+18.0	202.0	+3.2	234.6	+4.7
Total	2,076.1	+24.9	511.7	+17.7	854.6	-17.7
Total (excluding CALI and household earthquake)	1,611.2	+25.7	511.7	+17.7	792.0	-15.6
	Amount	Change				Change
Reserve for saving-type products* ³	1,127.0	-11.4		Impact of exchange rates on reserve for outstanding losses and claims		-0.0

*1 Incl. 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 & seniors

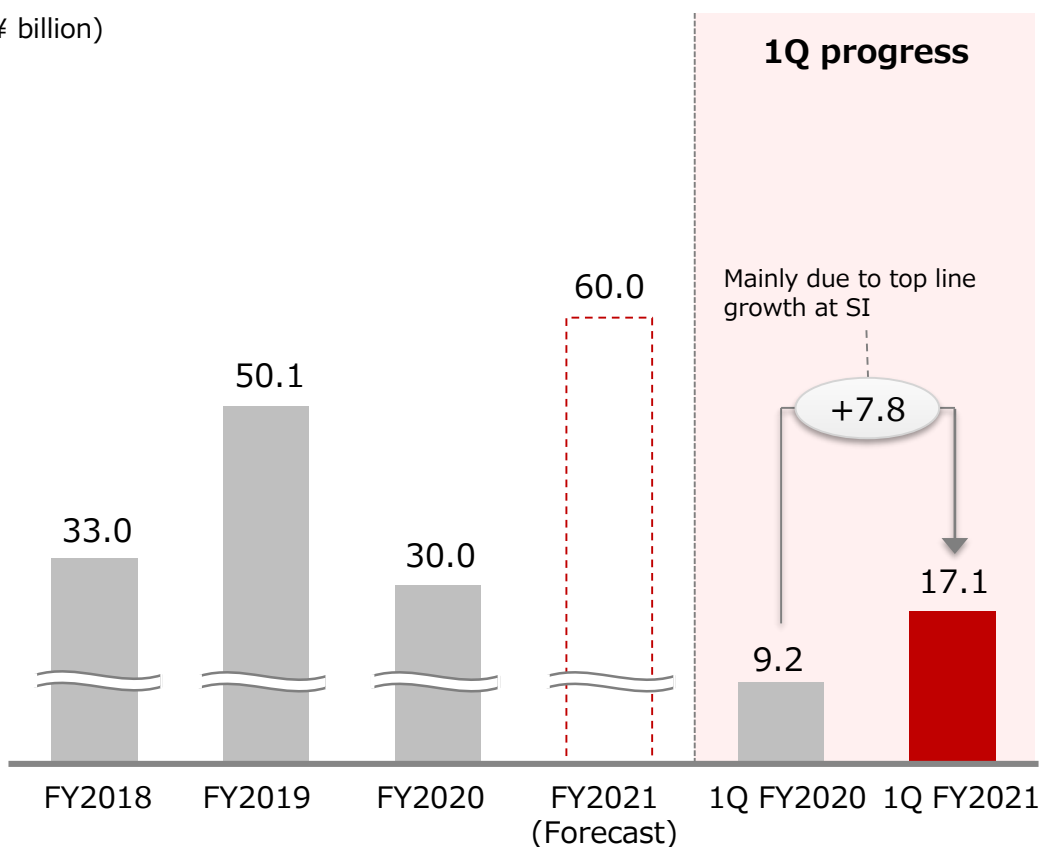
6. ERM & asset management

Performance Overview – Overseas Insurance

- Top-line of overseas insurance business increased by ¥44.7 billion, mainly due to rate improvement better than the plan at SI and the acquisition of Diversified.
- Adjusted profit of overseas insurance business increased by ¥7.8 billion to ¥17.1 billion, partly due to an increase in SI earned premium base and investment profit.

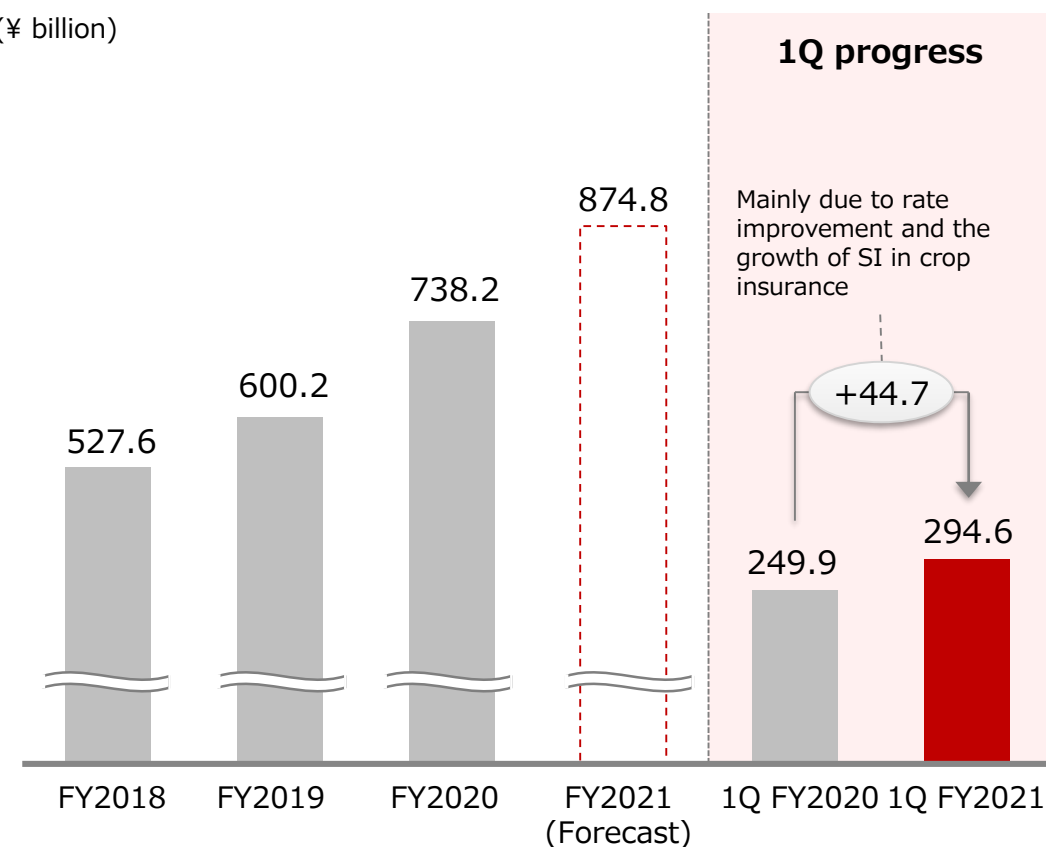
Adjusted profit*

(¥ billion)



(Reference) Net premiums written*

(¥ billion)



* 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

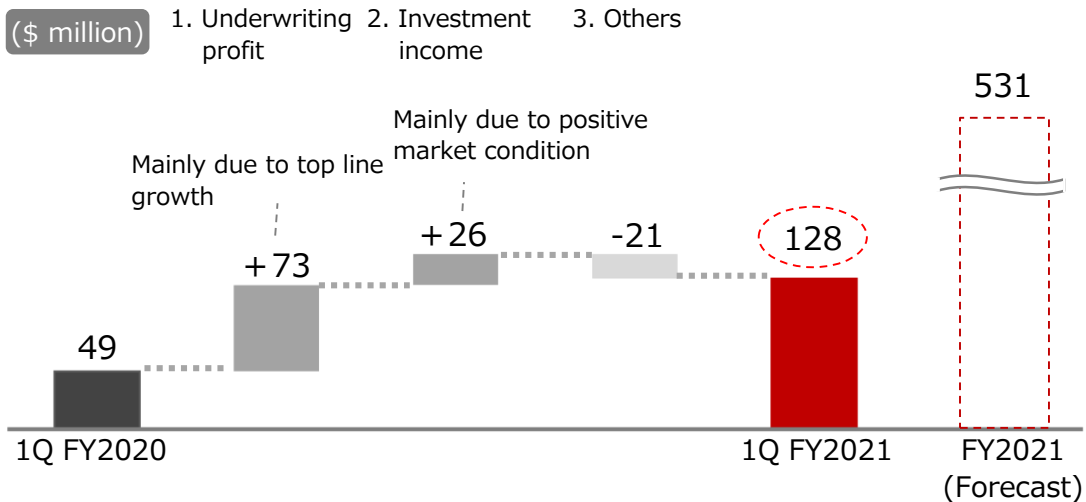
(¥ billion)		Net premiums written			Adjusted profit			Highlights of 1Q FY2021 results	(Reference) Exchange rate	
		1Q FY2021		FY2021	1Q FY2021		FY2021		Mar. 2021*2 (YOY Change)	
		Actual	Change	Forecasts	Actual	Change	Forecasts			
North America & Europe	SI	268.3	+51.8	741.4	14.1	+8.8	58.8	Refer page P31 & 32	110.71 JPY/USD	(+1.7%)
Middle East	Sompo Sigorta (Turkey)	5.6	-3.0	29.3	1.4	-0.6	4.2	Top line decreased due to competitive environment in auto insurance. Adjusted profit decreased mainly due to an increase in accident in auto insurance and impact of local currency exchange rate.	13.27 JPY/TRY	(-19.7%)
Asia	Berjaya Sompo (Malaysia), etc.	10.4	+0.8	47.6	2.1	+0.7	5.1	Top line progressed steadily. Adjusted profit increased mainly due to improvement of loss ratio of Berjaya Sompo.	-	-
Latin America	Sompo Seguros (Brazil)	9.1	-5.1	49.9	-0.7	+0.0	-1.7	Top line decreased due to change of underwriting standard and reinsurance protection strategy. Adjusted profit remained flat against 1Q FY2020, partly due to an increase in accident in auto insurance.	19.17 JPY/BRL	(-8.5%)
Other (non-consolidated)*1		1.0	+0.2	6.5	0.1	-0.0	-0.0	-	-	-
Total		294.6	+44.7	874.8	17.1	+7.8	60.0	-	-	-

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

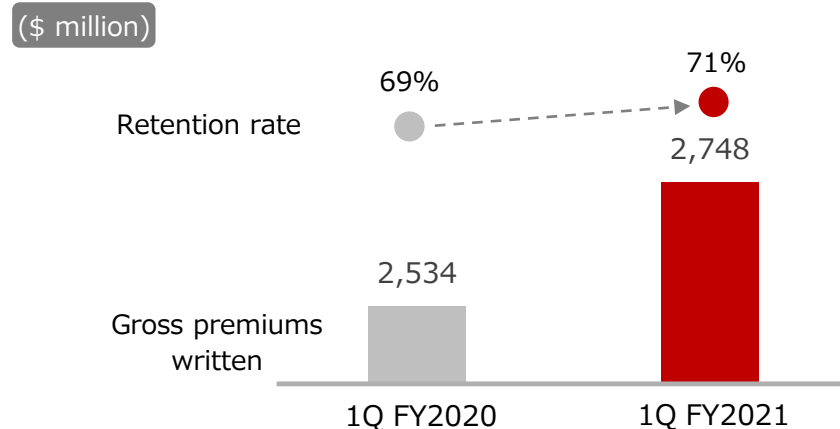
*2 Exchange rate for forecasts for FY2021 : end of March 2021.

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

Increase/decrease factors of adjusted profit

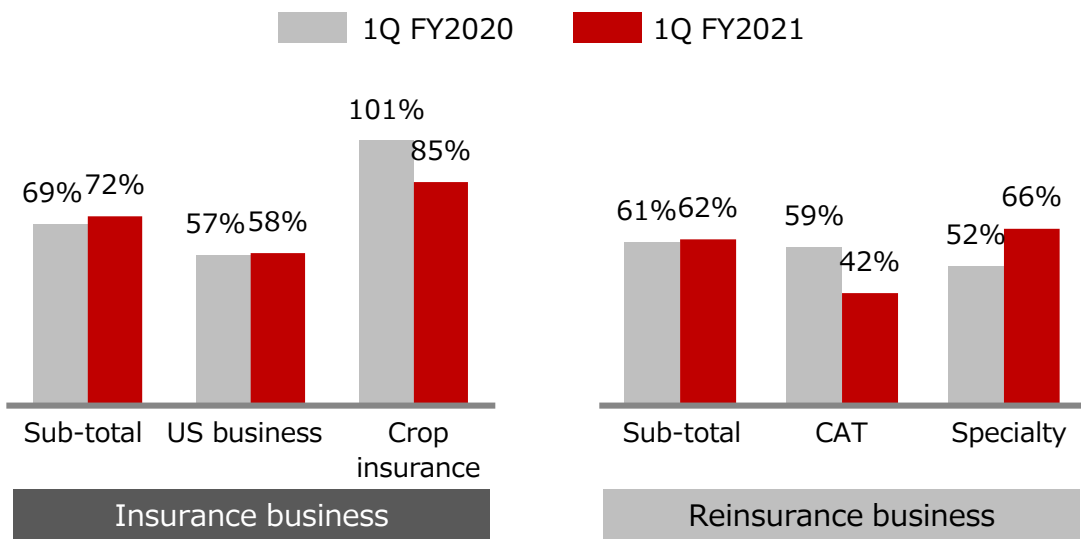


Gross premiums written and retention rate*1

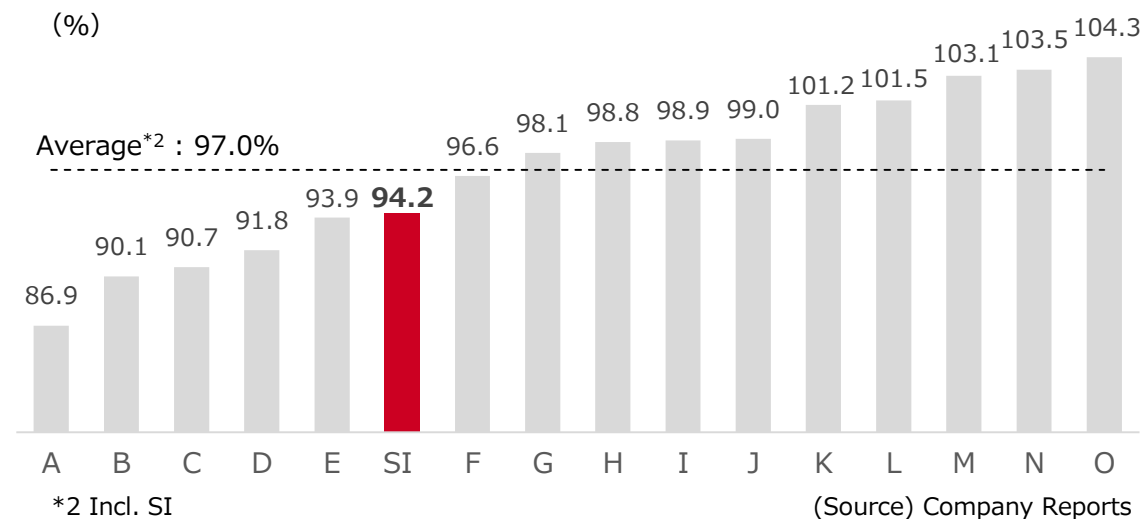


*1 Excl. crop insurance (insurance business)

Loss ratio (Main lines of business)



(Reference) Peers Comparison (Combined ratio of 1Q FY2021)



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

(\$ million)		FY2020		1Q FY2021		FY2021		
		(Actual)	(Actual)	YOY Change		(Forecasts)	YOY Change	
	Gross premiums written	9,354	4,279	+1,217	(+39.7%)	10,312	+957	Driven mainly by rate improvement and the growth in crop insurance due to the acquisition of Diversified and increase in crop commodity prices
	Net premiums written	5,882	2,424	+434	(+21.9%)	6,696	+814	
	Net premiums earned	4,642	1,404	+464	(+49.3%)	6,315	+1,673	
	Net losses and loss expenses	3,326	936	+327	(+53.8%)	4,102	+776	
	Expense	1,212	386	+97	(+33.9%)	1,686	+474	
	Loss ratio*1	71.7%	66.7%	+1.9pt	-	65.0%	-6.7pt	Mainly due to Texas winter storm
	Expense ratio*1	26.1%	27.5%	-3.2pt	-	26.7%	+0.6pt	
	Combined ratio*1	97.8%	94.2%	-1.2pt	-	91.7%	-6.1pt	
	Underwriting income	58	84	+73	(+675.7%)	518	+459	Mainly due to lower unrealized losses on securities compared to FY2020, which is not recorded in Sompo HD consolidated basis based on J-GAAP, and net foreign exchange gains
	Net investment income	245	89	+26	(+41.7%)	249	+4	
	Other income	43	-135	+96	-	-123	-166	
	Net income	285	35	+181	-	531	+245	
(Reference) Adjusted profit	Net foreign exchange gains	+32	-20	-36	-	-	-	
	Net realized and unrealized gains, net impairment losses, etc.*2	-154	+132	-65	-	-	-	
	Tax (loss) benefit	+18	-18	-0	-	-	-	
	Adjusted profit	182	128	+78	(+160.4%)	531	+349	

*1 The denominator of loss ratio, expense ratio and combined ratio is net premiums earned (Reference) Timing of recognizing net premiums earned in crop insurance (Seasonality)

*2 Includes unrealized gains and losses of securities

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 & seniors

6. ERM & asset management

Performance Overview – Himawari Life

- Adjusted profit increased by ¥1.5 billion to ¥9.4 billion, partly due to increase in policies of protection-type products.
- Annualized new premium increased steadily, centered on insurhealth® products.

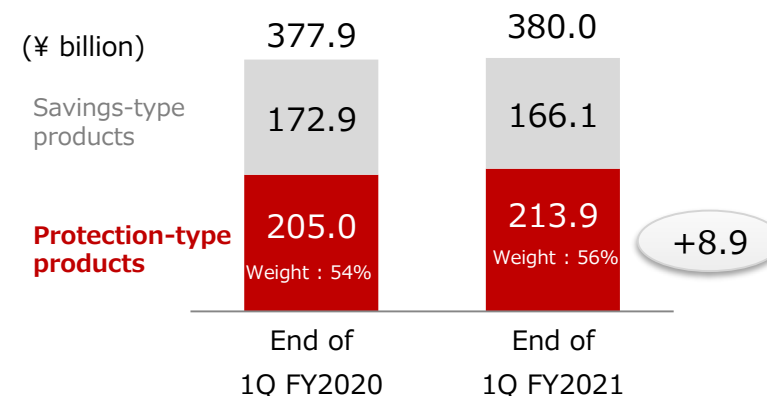
Major indicators

(¥ billion)	1Q FY2020	1Q FY2021	Change		FY2021 (Forecasts)
Annualized new premium	4.2	6.5	+2.2	(+53.8%)	40.1
Premium and other income*1	104.6	105.1	+0.5	(+0.5%)	459.5
Provision for policy reserve, etc.*2	68.0	66.4	-1.6	(-2.4%)	301.5
Paid claims, etc.	18.6	18.9	+0.3	(+1.7%)	78.0
Expense	19.4	22.3	+2.8	(+14.8%)	102.5
Investment profit	12.1	12.4	+0.3	(+3.1%)	52.4
of which, general account	10.9	12.0	+1.1	(+10.0%)	47.5
Basic profit	8.8	8.7	-0.1	(-1.2%)	21.1
Ordinary profit*1	8.2	8.3	+0.1	(+1.8%)	20.1
Net income	5.1	5.0	-0.0	(-1.5%)	11.6
Adjusted profit	7.9	9.4	+1.5	(+19.8%)	32.5

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

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

(Reference) Annualized premium in force



(Reference) Annualized new premium

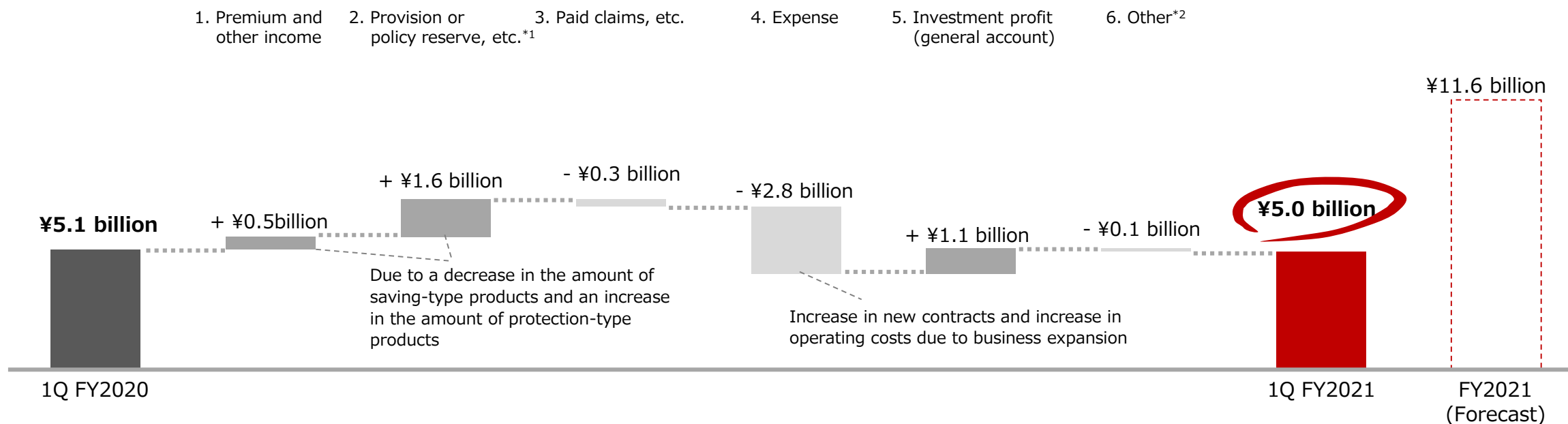


○ : Changes from 1Q FY2020

Net Income (J-GAAP) – Himawari Life

- Net income remained flat against 1Q FY2020 due to expansion of policies of protection-type product, offset by an increase in expenses.

Increase/decrease factors of net income



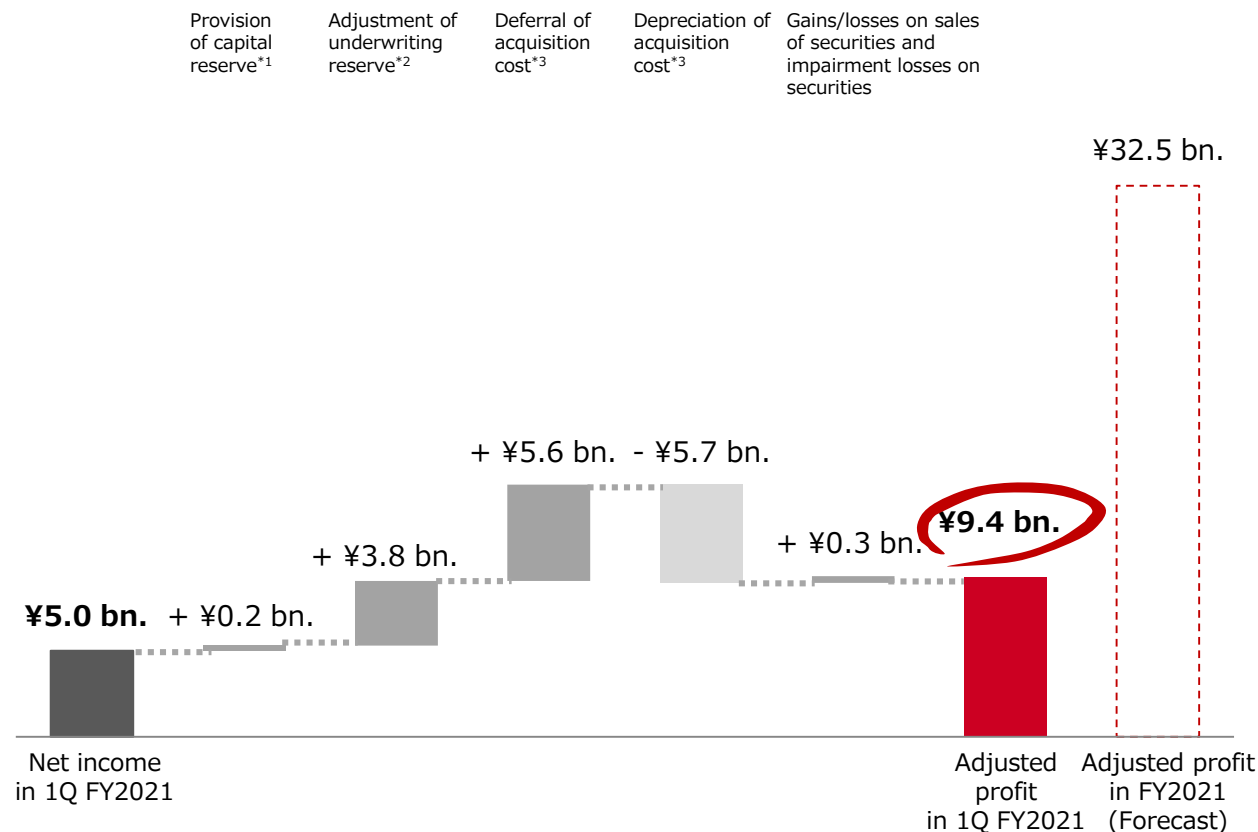
	1. Premium and other income	2. Provision or policy reserve, etc.	3. Paid claims, etc.	4. Expense	5. Investment profit (general account)	6. Other	Net income
1Q FY2020	¥104.6 billion	- ¥68.0 billion	- ¥18.6 billion	- ¥19.4 billion	¥10.9 billion	- ¥4.1 billion	¥5.1 billion
1Q FY2021	¥105.1 billion	- ¥66.4 billion	- ¥18.9 billion	- ¥22.3 billion	¥12.0 billion	- ¥4.3 billion	¥5.0 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 Incl. the impact of cancellation refund, maturity insurance amount, survival benefits, pension and other refund and gains or losses on investments in separate accounts
 *2 The sum of other ordinary profit/expense, special gains and losses, provision for reserve of policy holder dividend, corporate tax, etc.

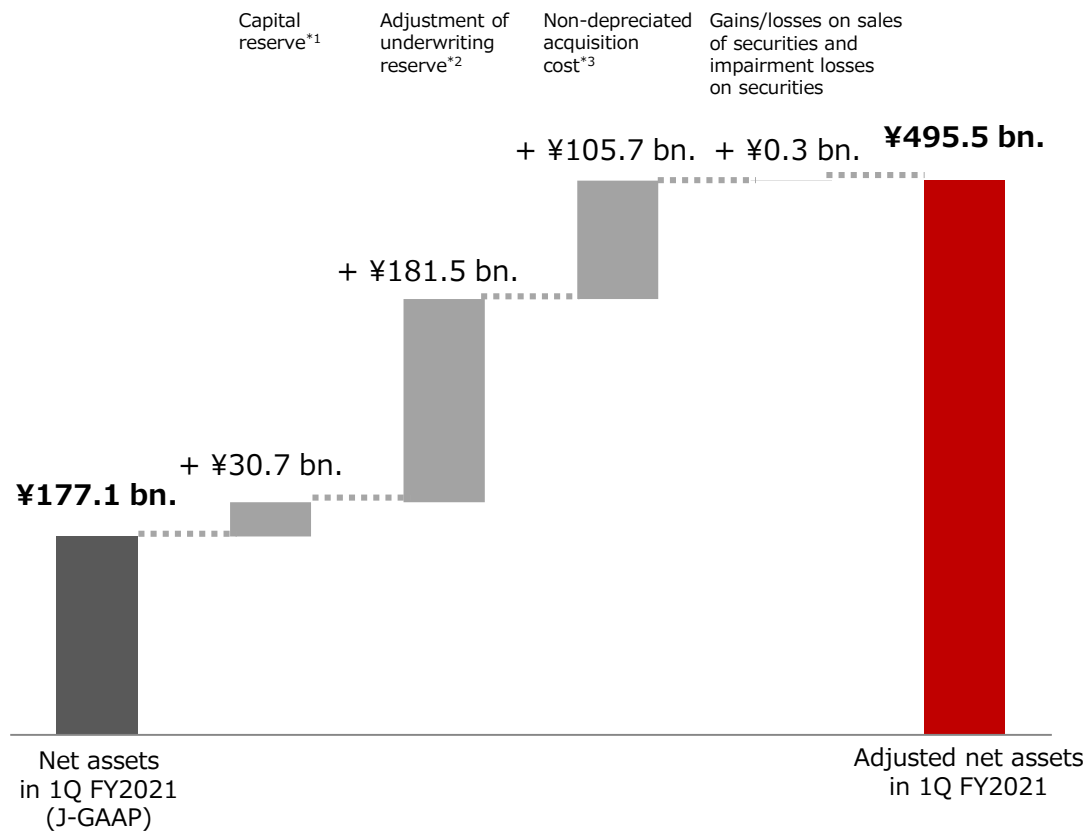
Adjusted Profit and Adjusted Net Assets – Himawari Life

- Adjusted profit reached ¥9.4 billion, and the progress of which was 29% against full FY forecasts (¥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)

1. Consolidated financial results

2. Domestic P&C insurance

3. Overseas insurance

4. Domestic life insurance

5. Nursing care & seniors

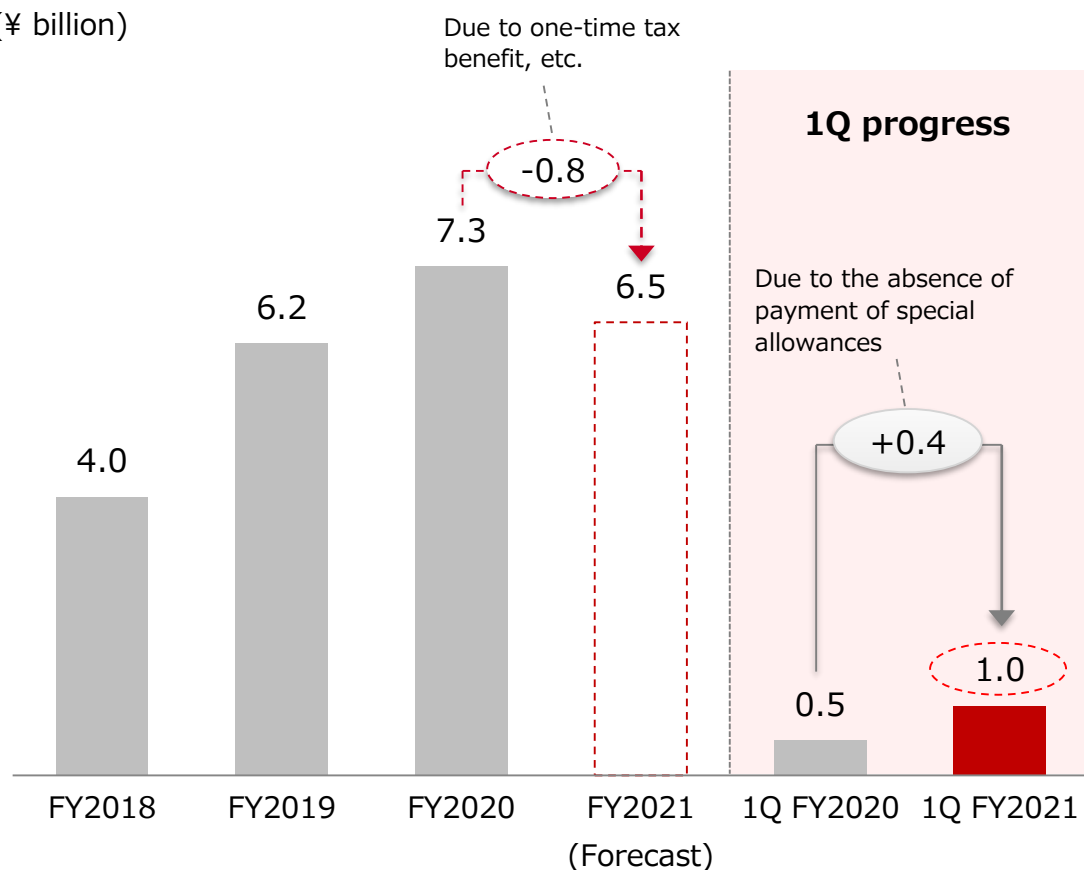
6. ERM & asset management

Performance Overview – Nursing Care & Seniors

- Adjusted profit of SOMPO Care increased by ¥0.4 billion, partly due to the absence of payment of special allowances which was the case in 1Q FY2020.

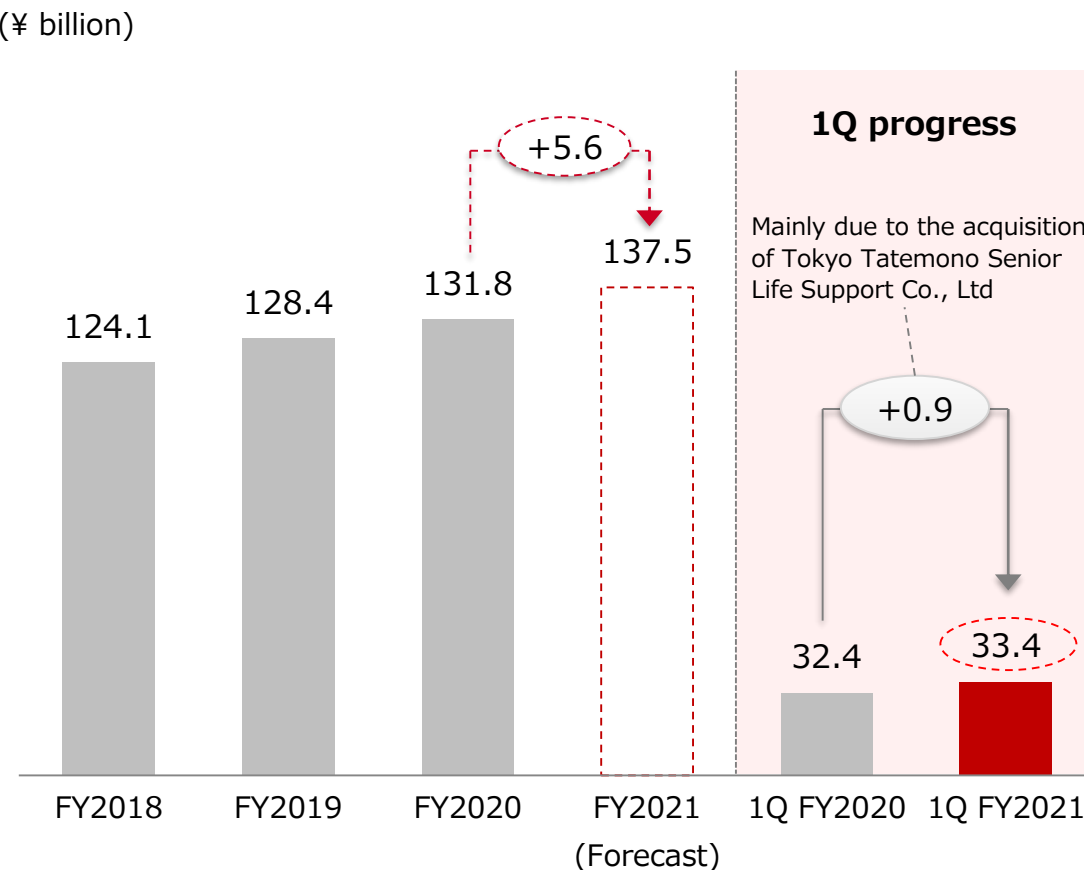
Adjusted profit of SOMPO Care

(¥ billion)



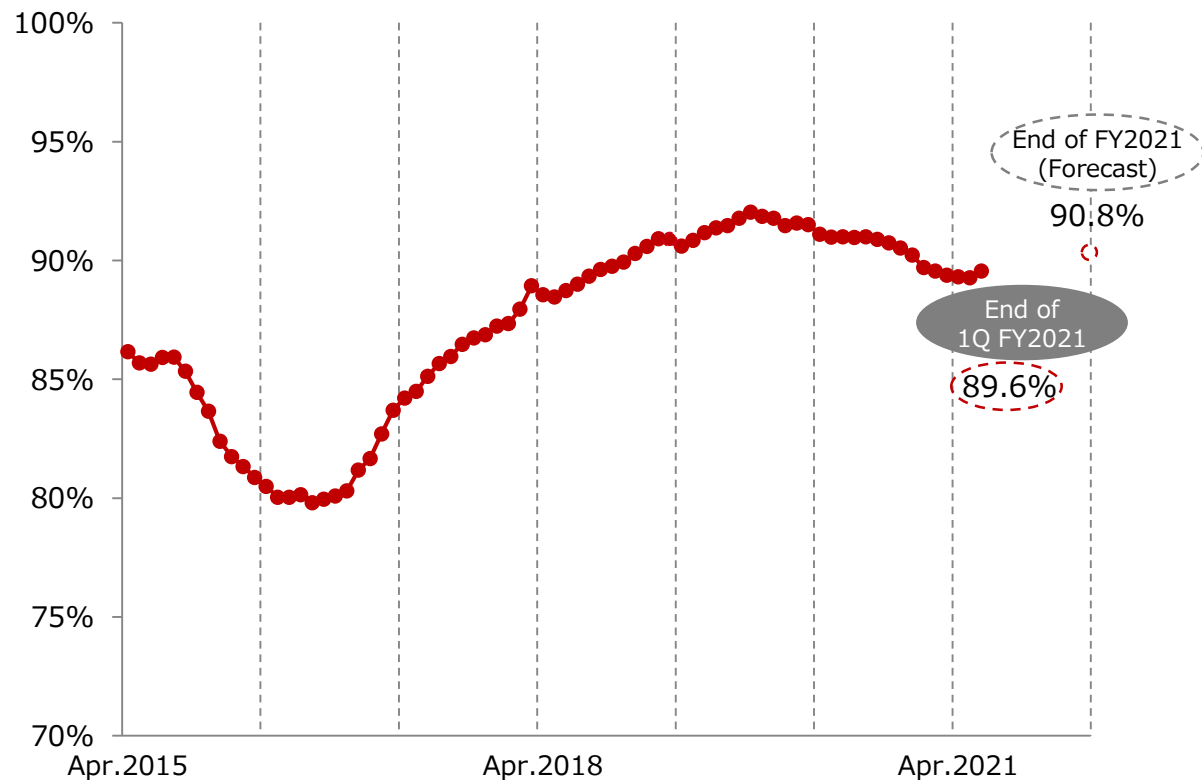
Sales of SOMPO Care

(¥ billion)

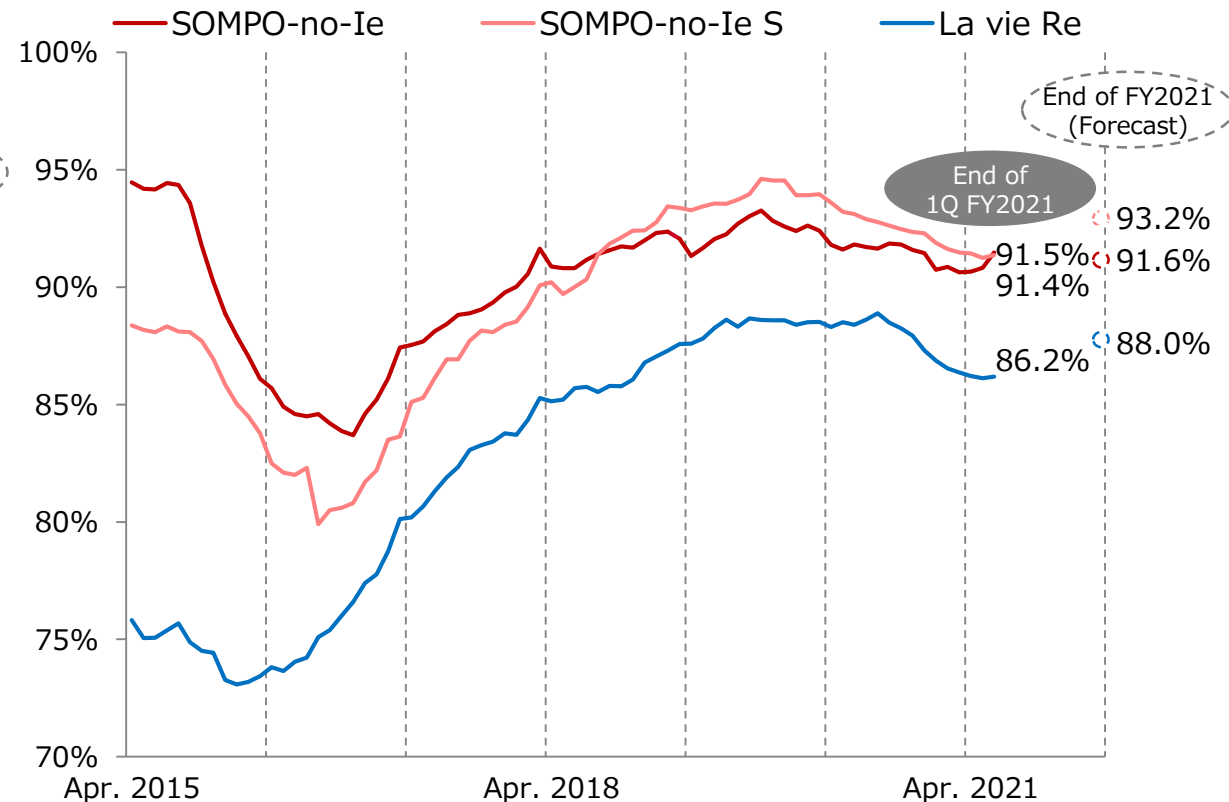


Major Indicators of SOMPO Care

Occupancy rate*1*2



(Reference) Occupancy rate by brand*3



*1 Occupancy rate = the number of residents / capacity of facilities
 *2 Integrate the occupancy rate of former SOMPO Care and SOMPO Care Next

*3 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.

1. Consolidated financial results

2. Domestic P&C insurance

3. Overseas insurance

4. Domestic life insurance

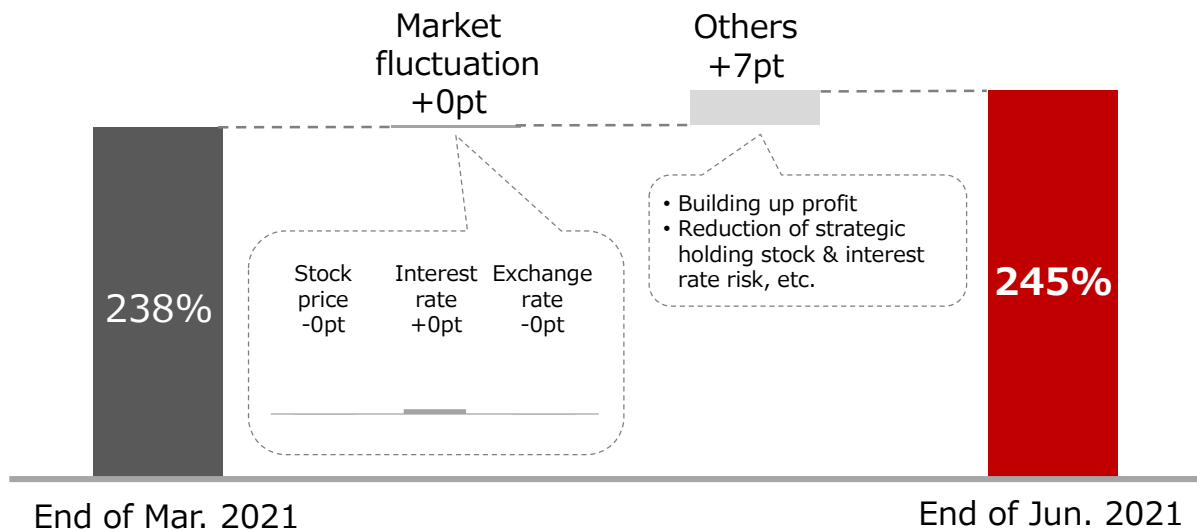
5. Nursing care & seniors

6. ERM & asset management

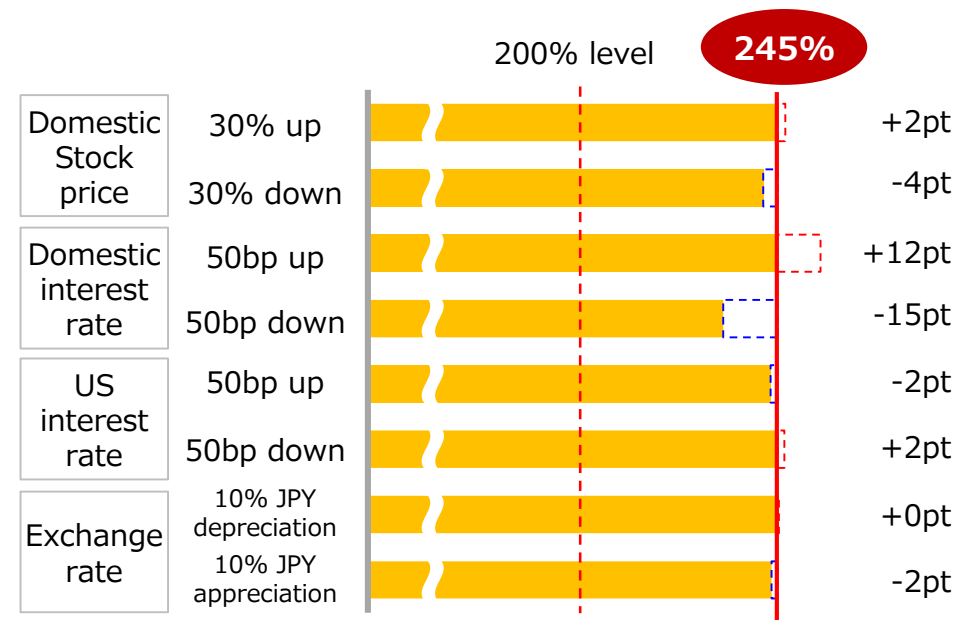
Financial soundness – ESR (99.5% VaR)

• ESR (99.5%VaR) as of end of 1Q FY2021 was 245%, within target range level.

Trend of ESR (99.5%Var)*1



Sensitivity of ESR (99.5%VaR)



*1 In accordance with Solvency II
 Target range is 200% to 270% (99.5VaR).
 270% level : The level set based on capital efficiency (Adjusted consolidated ROE).
 200% 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 270% level> Consider additional risk-take (investments in business expansion) and shareholder returns.

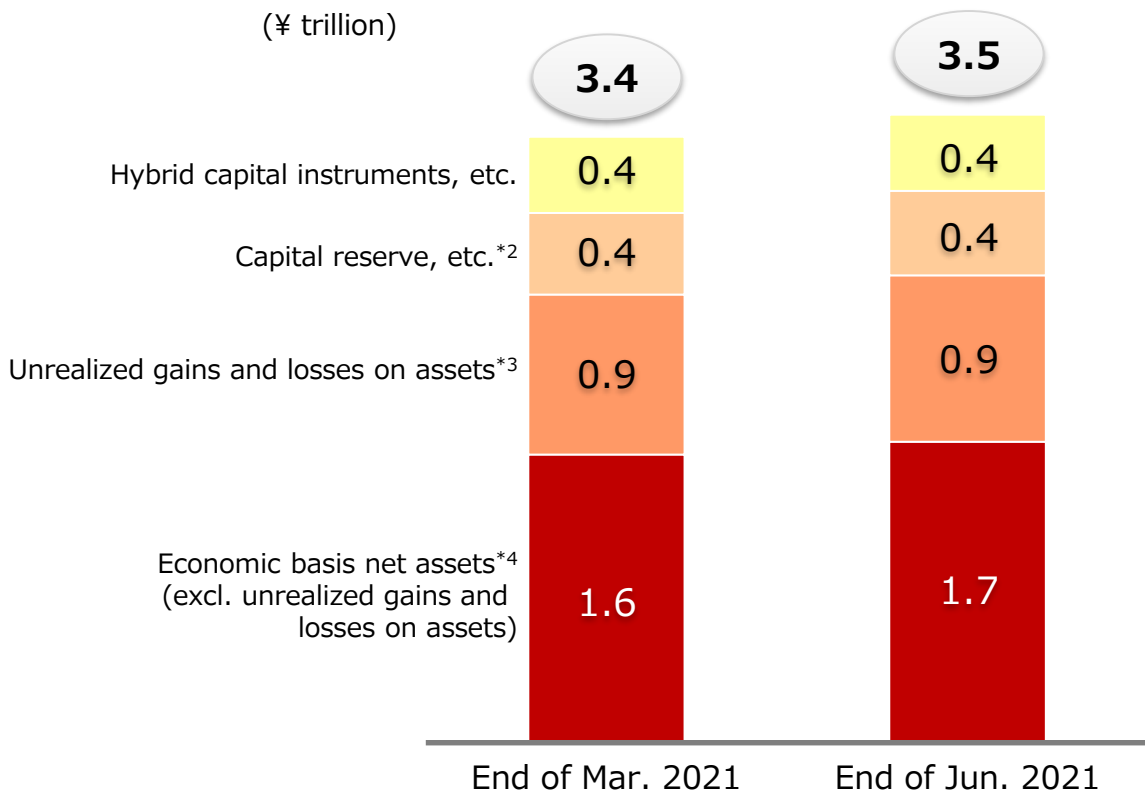
<Under 200% level> Execute a variety of measures to reduce risks, consider enhancing capital buffer by hybrid bond issuance, etc. and retain more earnings and others.

(Reference) Market indicators	End of Jun. 2021	(Change*2)
Domestic stock price (Nikkei 225)	¥28,791	(-1.3%)
Domestic interest rate (30y JGB)	0.69%	(+2bp)
US interest rate	1.47%	(-27bp)
Exchange rate (JPY/USD)	¥110.58	(-0.1%)

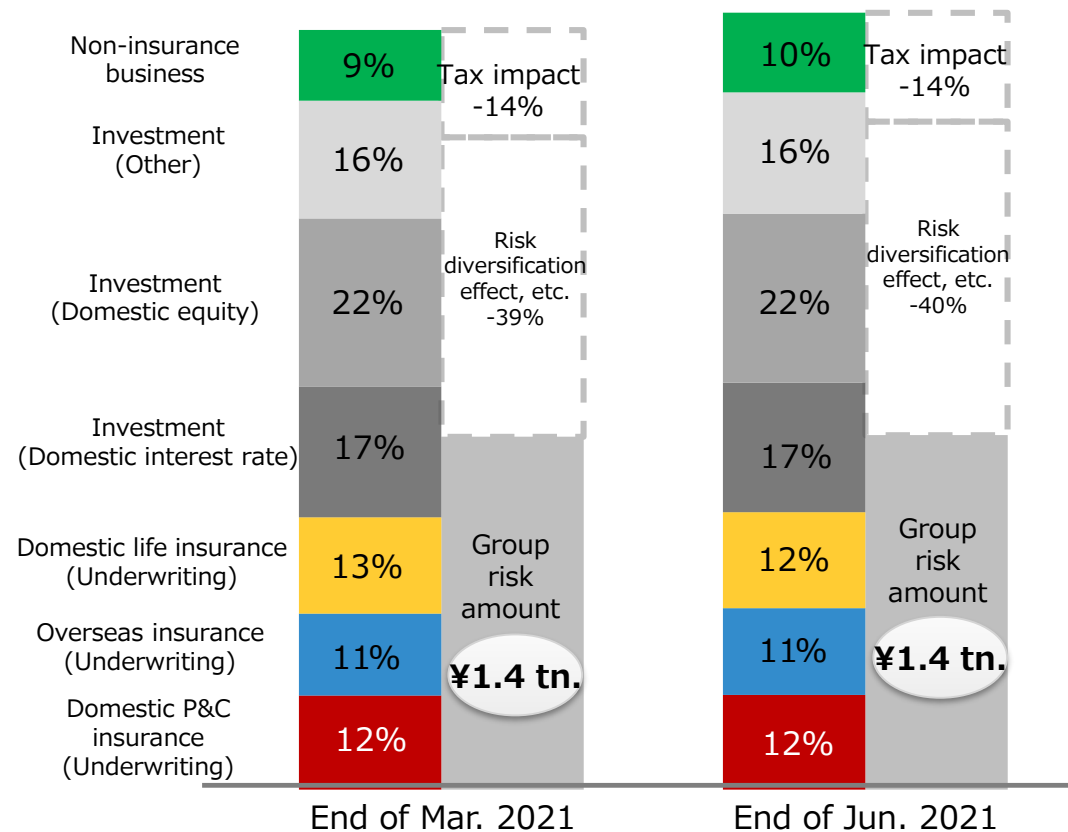
*2 Against the end of Mar. 2021

(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%VaR

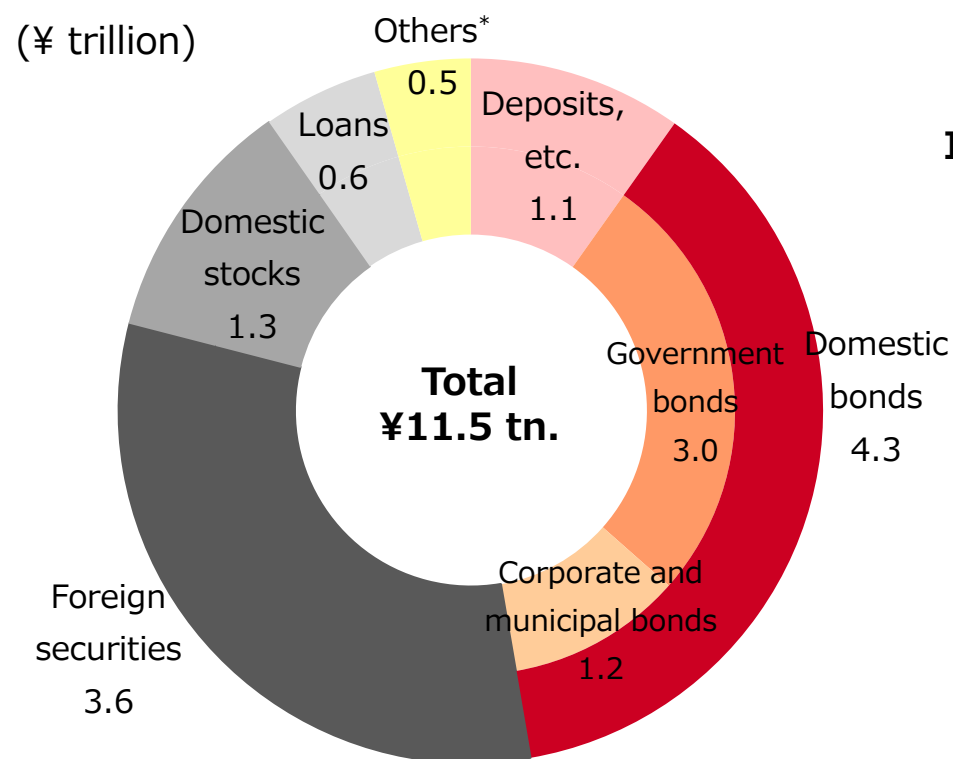
•Risk amount of each risk factor : Before reflecting risk diversification effect among risk factors and before-tax basis.

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

Asset Portfolio – Group Consolidated

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

Amount of investment assets (as of end of June 2021, group consolidated basis)



Investment assets by company

(¥ billion)

	Amount of investment assets	Composition
Sompo Japan	5,523.4	47.8%
Overseas subsidiaries	1,758.9	15.2%
Himawari Life (General account)	3,751.5	32.5%
Saison Automobile & Fire	66.0	0.6%
Other domestic subsidiaries	457.0	4.0%
Total	11,556.9	100%

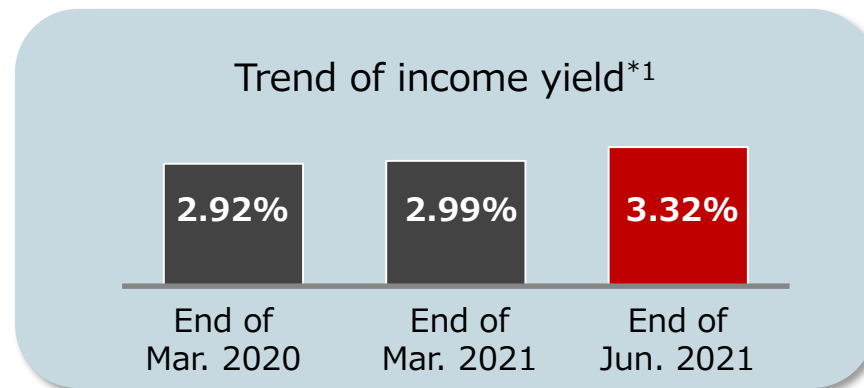
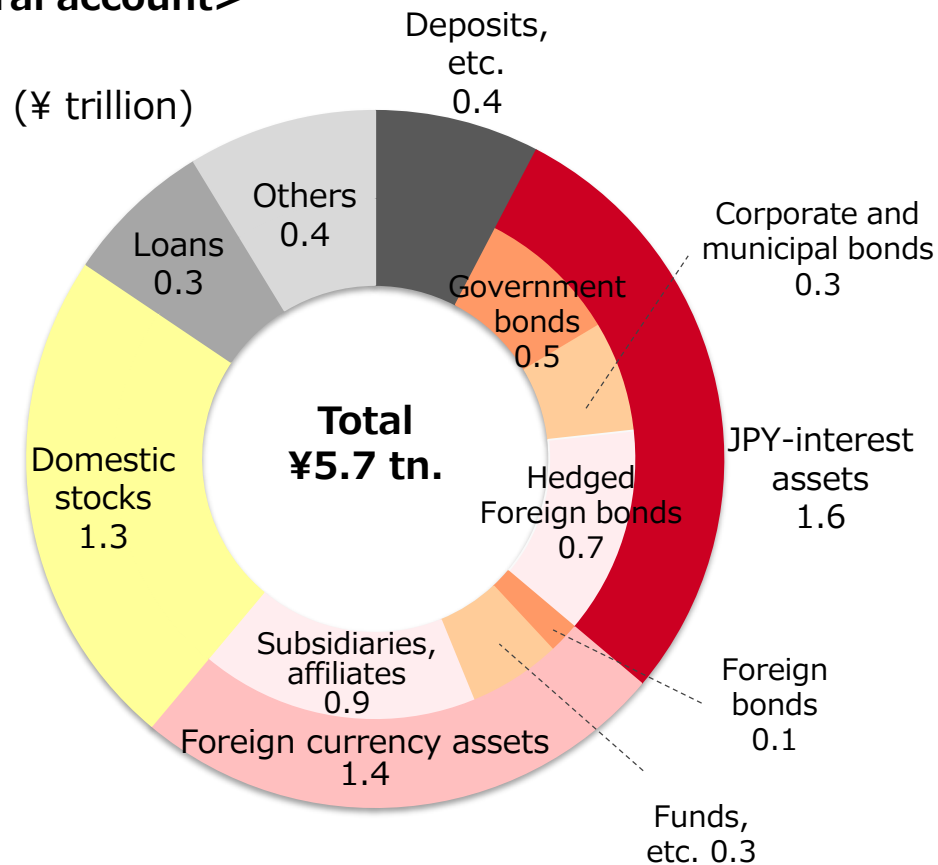
* Others include lands, buildings and stocks of non-consolidated subsidiaries, etc.

Asset Portfolio – Sompo Japan

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

Amount of investment assets (as of end of June 2021, Sompo Japan, non-consolidated)

<General account>



Composition of ratings*2

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

Duration (years)

	End of Mar. 2021	End of Jun. 2021
Asset	8.2	7.9
Liability	8.3	8.1

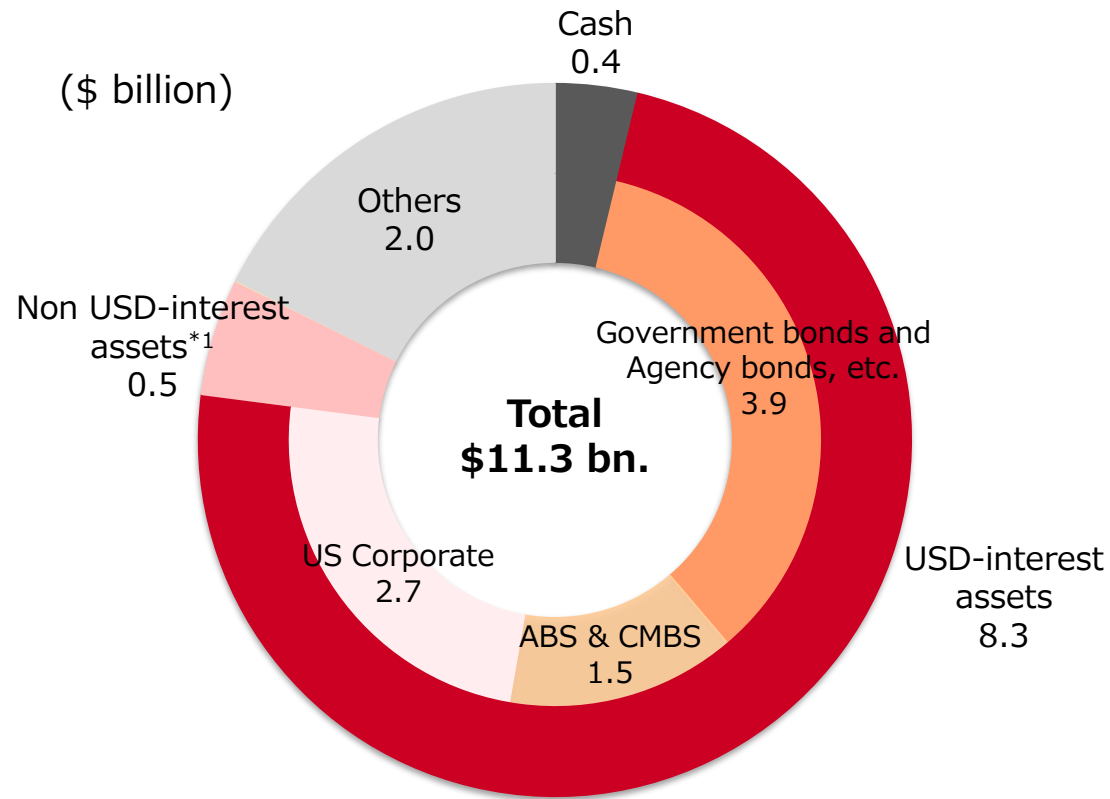
*1 Excl. overseas subsidiaries' shares, etc.

*2 Total of JPY-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 March 2021, SI, consolidated)



(Reference) Income yield*2 at the end of March 2021 : 2.63%

Composition of ratings*2

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

Duration (years)

	End of Dec. 2020	End of Mar. 2021
Asset	2.9	3.2
Liability	3.4	3.1

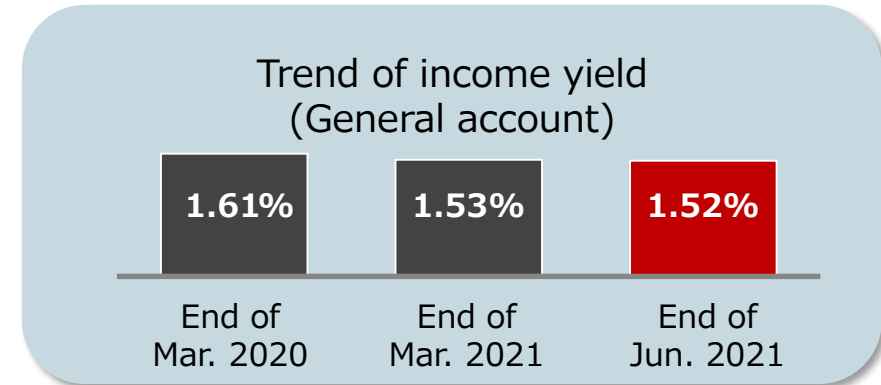
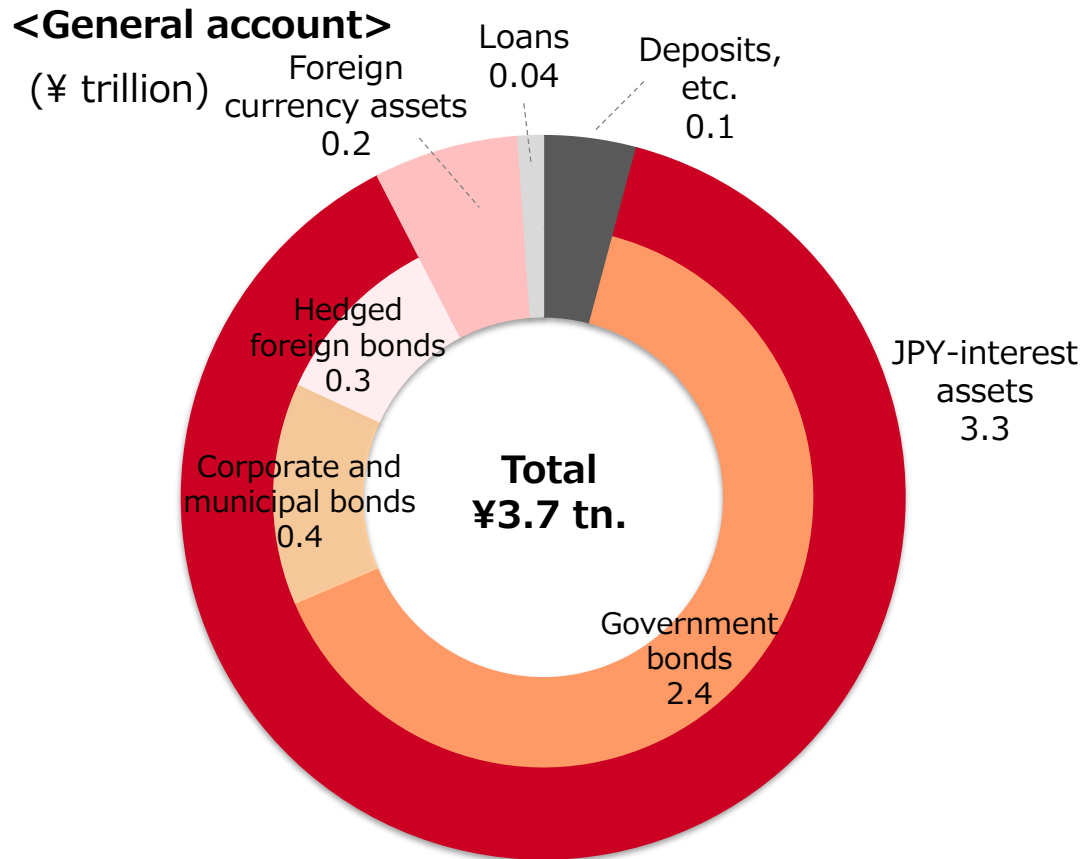
*1 Incl. cash

*2 Total of bond assets

Asset Portfolio – Himawari Life

- Manages the portfolio which mainly consists of JPY-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 June 2021, Himawari Life, non-consolidated)



Composition of ratings*

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

Duration (years)

	End of Mar. 2021	End of Jun. 2021
Asset	15	16
Liability	26	26

(Reference) Amount of separate account (End of Jun. 2021) : ¥24.9 bn.
(mainly investment in domestic stocks and bonds in the separate account)

* Total of JPY-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



Investor Relations Department

Telephone : +81-3-3349-3913

E-Mail : ir@sompo-hd.com

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