

Highlights of 3Q FY2021 Results

February 14, 2022
Sompo Holdings, Inc.



Table of Contents

Highlights of 3Q FY2021 results	2
---------------------------------	---

KPIs by Business	3
------------------	---

1. Consolidated financial results

Overview of 3Q 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 Revised 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 3Q 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)

3Q FY2021 Actual	115.02 (YOY +11.1%)	End of Dec. 2021
	– for overseas entities 111.92 (YOY +5.8%)	End of Sep. 2021
FY2021 full year forecast	111.92	End of Sep. 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 3Q FY2021 Results

- Net written premium for the 3Q FY2021 increased by ¥190.5 bn. to ¥2,455.1 bn. due to large topline growth in SI
- Due to profit growth of Sompo Japan and SI as well as partial sale of stocks held at HD during 2Q, consolidated ordinary profit for 3Q FY2021 increased by ¥118.3 bn. to ¥261.8 bn. and consolidated net income for 3Q FY2021 increased by ¥97.9 bn. to ¥183.7 bn.
- Adjusted consolidated profit, which is the source of shareholder return, increased by ¥56.0 bn. to 205.1 ¥bn.

Sompo Japan

- Partial absence of loss ratio decrease by COVID-19 compared to last year was offset by a decrease in the impact of natural disasters in Japan
(Reference) Loss Ratio of automobile insurance (E/I) : 1.9pt increase from 3Q FY2020 (4.5pt decrease from 3Q FY2019)
No. of automobile claims : 2.7% increase from 3Q FY2020 (14.2% decrease from 3Q FY2019)
- Investment profit increased by ¥30.3 bn. mainly due to an increase in dividend income from the investment fund
- Adjusted profit in Domestic P&C business increased by ¥25.2 bn.

Overseas Insurance

- In addition to the rate increase at SI, the integration effect of Diversified also contributed to the continued expansion of the top line
- Due to appropriate control of natural catastrophe risks, SI's combined ratio is superior to peers
- Adjusted profit in Overseas Insurance increased by ¥28.8 bn. partly due to the absence of the COVID-19 negative impact

Domestic Life Insurance

- Annualized new premium increased steadily, focused on Insurhealth® products
- Purchased ¥238.2 bn. in super-long-term bonds (30-year bond equivalent) and continued to reduce the amount of interest rate risk as planned

Nursing care & Seniors

- Occupancy ratio continued to improve steadily

KPIs by Business

- As of 3Q FY2021, the all businesses has been successfully on track toward achieving the FY2021 forecast

Domestic P&C	3Q FY2021 Actual	FY2021 Forecast	FY2023 Plan	Overseas Insurance	3Q FY2021 Actual	FY2021 Forecast	FY2023 Plan
Adjusted profit by business	¥127.8 bn.	¥112.5 bn.	¥150.0 bn. +	Adjusted profit by business	¥44.4 bn.	¥56.5 bn.	¥100.0 bn. +
Net premiums written*1	¥1,466.4 bn.	¥1,951.4 bn.	¥2,000 bn.	Gross premium written growth*5	+33.2%	+27.9%	Approx. +9% p.a.
E/I combined ratio*1	92.2%	95.0%	91.7%	E/I combined ratio*5	94.7%	94.0%	88% level
Reduction of strategic shareholdings	¥46.3 bn.*2	¥50 bn.	¥50.0 bn p.a. 3-year cum. total:¥150.0 bn.				
Domestic Life	3Q FY2021 Actual	FY2021 Forecast	FY2023 Plan	Nursing Care & Seniors	3Q FY2021 Actual	FY2021 Forecast	FY2023 Plan
Adjusted profit by business	¥26.8 bn.	¥32.5 bn.	¥40.0 bn. +	Adjusted profit by business	¥4.5 bn.	¥6.5 bn.	¥8.0 bn. +
Annualized new premiums*3	¥25.5 bn.	¥43 bn.	¥50.0 bn.	Revenue	¥101.9 bn.	¥137.7 bn.	¥162.0 bn.
No. of policies in force	4.37 mn.	4.43 mn.	5.00 mn.	Occupancy rate	91.3%	92.0%*6	93.8%*6
Increase in ALM assets*4	¥238.2 bn.	¥300 bn.	¥300.0 bn p.a. 3-year cum. Total:¥900.0 bn.				
New Customer Value Creation				FY2023 plan			
3Q FY2021		Nursing Care RDP: Continue to approach external nursing care providers for alliance building in parallel with product development		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 bn.+	

*1 Sampo Japan (excl. CALI, household earthquake) *2 Includes futures *3 Sales performance basis *4 30-year bond equivalent *5 SI Commercial *6 As of fiscal yearend

1. Consolidated financial results

2. Domestic P&C insurance

3. Overseas insurance

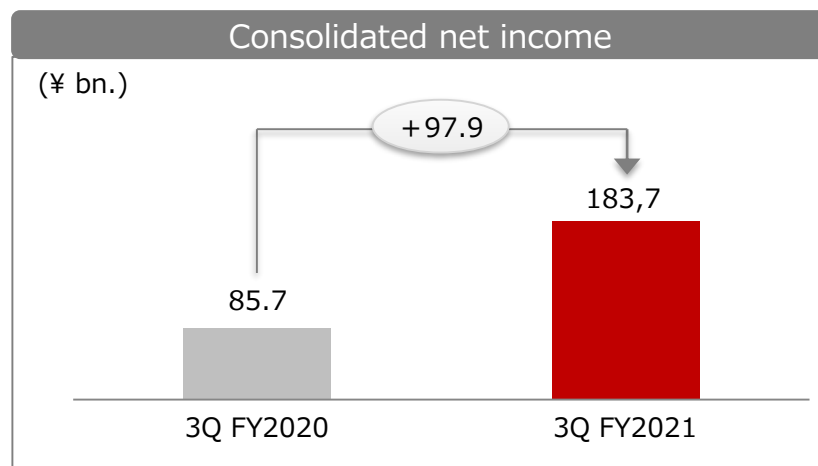
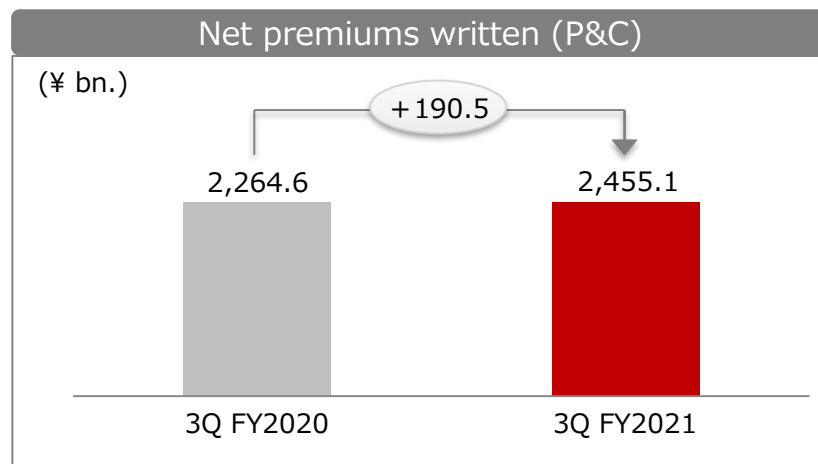
4. Domestic life insurance

5. Nursing care & seniors

6. ERM & asset management

Overview of 3Q FY2021 Results – Consolidated Basis

- Net premiums written increased by ¥190.5 bn., mainly due to top line growth of SI as well as Sompo Japan's growth in Fire and Allied lines and Casualty lines
- Consolidated ordinary profit and consolidated net income significantly increased partly due to sale of stocks held at HD during the 2Q



(¥ bn.)	3Q FY2020	3Q FY2021	Change	FY2021 (Forecasts)
Consolidated ordinary income	2,909.6	3,157.2	+247.5 (+8.5%)	-
Net premiums written (P&C)	2,264.6	2,455.1	+190.5 (+8.4%)	3,181.0
Life insurance premiums	253.7	238.5	-15.2 (-6.0%)	331.0
Consolidated ordinary profit	143.5	261.8	+118.3	267.0
Sompo Japan	120.8	140.6	+19.7	181.0
Overseas insurance subsidiaries	34.0	46.2	+12.1	59.4
Himawari Life	24.5	20.5	-4.0	17.2
SOMPO Care	6.2	7.0	+0.7	8.8
Consolidated adjustment ^{*1} /Others	-42.2	47.4	+89.6	0.4
Consolidated net income ^{*2}	85.7	183.7	+97.9	178.0
Sompo Japan	87.6	106.5	+18.9	137.0
Overseas insurance subsidiaries	20.8	32.1	+11.2	39.4
Himawari Life	17.1	14.1	-3.0	11.6
SOMPO Care	2.1	4.5	+2.4	5.3
Consolidated adjustment/Others	-42.0	26.3	+68.4	-15.3
(Reference) Adjusted consolidated profit	149.0	205.1	+56.0	210.0
Domestic P&C insurance	102.5	127.8	+25.2	112.5
Overseas insurance	15.6	44.4	+28.8	56.5
Domestic life insurance	26.8	26.8	+0.0	32.5
Nursing care & seniors	4.0	4.5	+0.4	6.5
Digital, etc.	-	1.4	+1.4	1.0

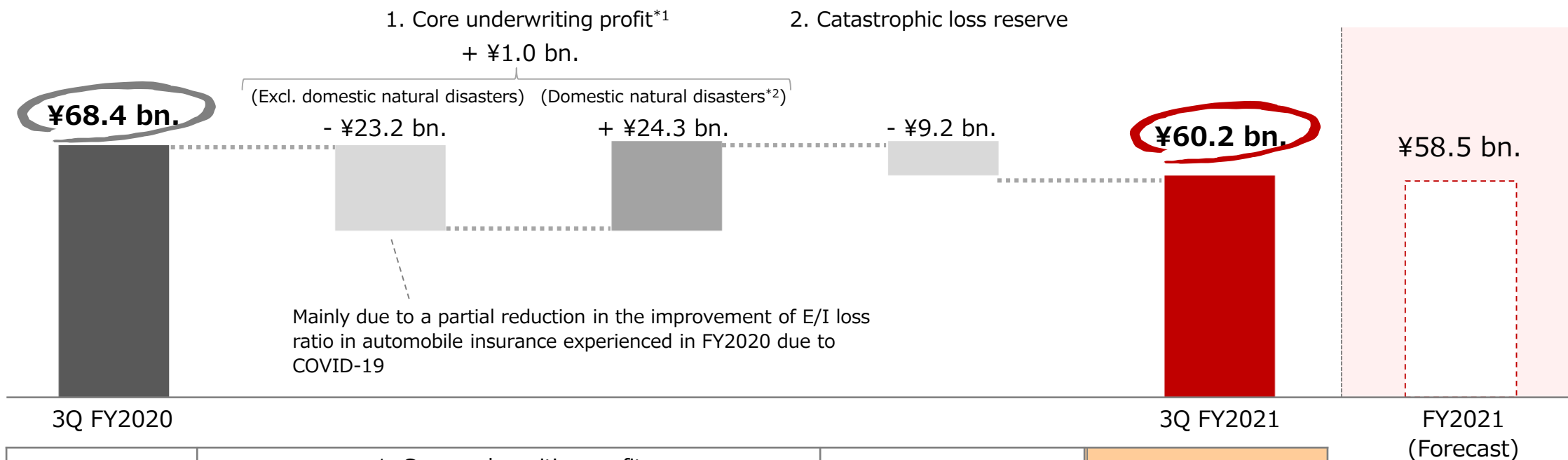
*1 Incl. profits and losses of consolidated companies other than the above and adjustments due to consolidation adjustments, etc.

*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)

- Core underwriting profit increased by ¥1.0 bn. to ¥107.2 bn. as a smaller positive COVID-19 impact was offset by a decrease in the impact of natural disasters in Japan

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)		
3Q FY2020	¥106.1 bn.	¥147.1 bn.	- ¥40.9 bn.	- ¥37.7 bn.	¥68.4 bn.
3Q FY2021	¥107.2 bn.	¥123.8 bn.	- ¥16.6 bn.	- ¥47.0 bn.	¥60.2 bn.

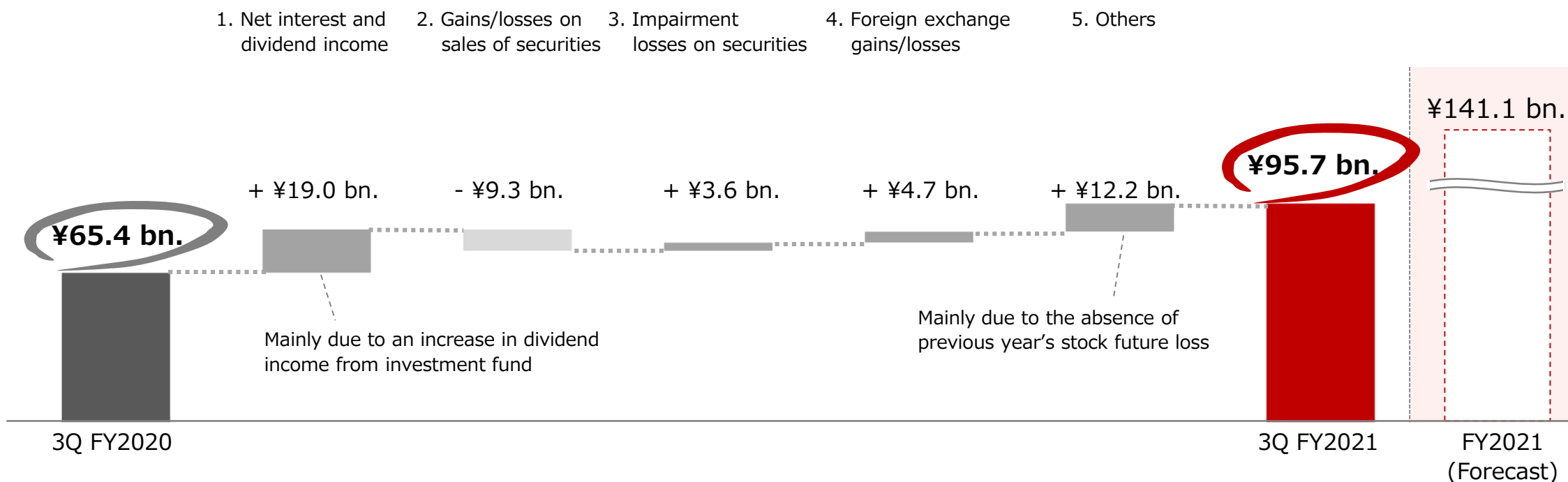
*1 Core underwriting profit is underwriting profit less the impact related to catastrophic loss reserve.

*2 Domestic natural disasters is the 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 ¥30.3 bn. to ¥95.7 bn., mainly due to an increase in net interest and dividend income

Increase/decrease factors of investment profit (Sompo Japan)

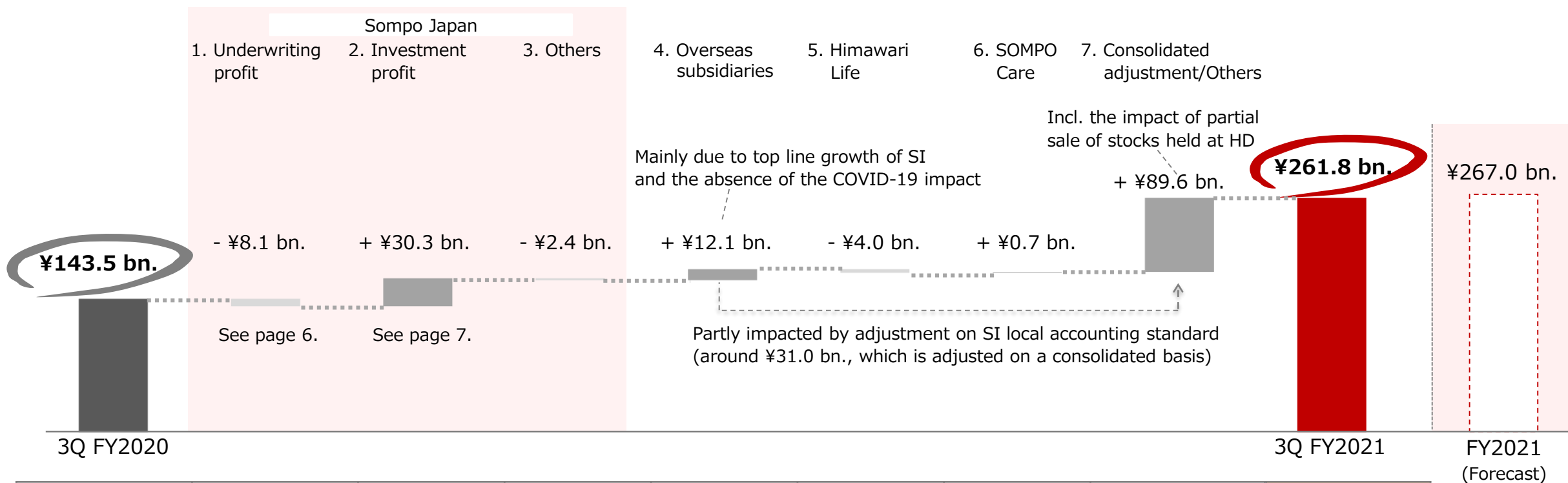


	1. Net interest and dividend income	2. Gains/losses on sales of securities	3. Impairment losses on securities	4. Foreign exchange gains/losses	5. Others	Investment profit
3Q FY2020	¥45.9 bn.	¥35.5 bn.	- ¥5.8 bn.	- ¥1.6 bn.	- ¥8.5 bn.	¥65.4 bn.
3Q FY2021	¥65.0 bn.	¥26.1 bn.	- ¥2.1 bn.	¥3.0 bn.	¥3.7 bn.	¥95.7 bn.

Main Points of Consolidated Results – (3) Ordinary Profit

- Consolidated ordinary profit significantly increased by ¥118.3 bn., mainly due to profit growth of Sompo Japan and SI and partial sale of stocks held at HD during 2Q

Increase/decrease factors of consolidated ordinary profit



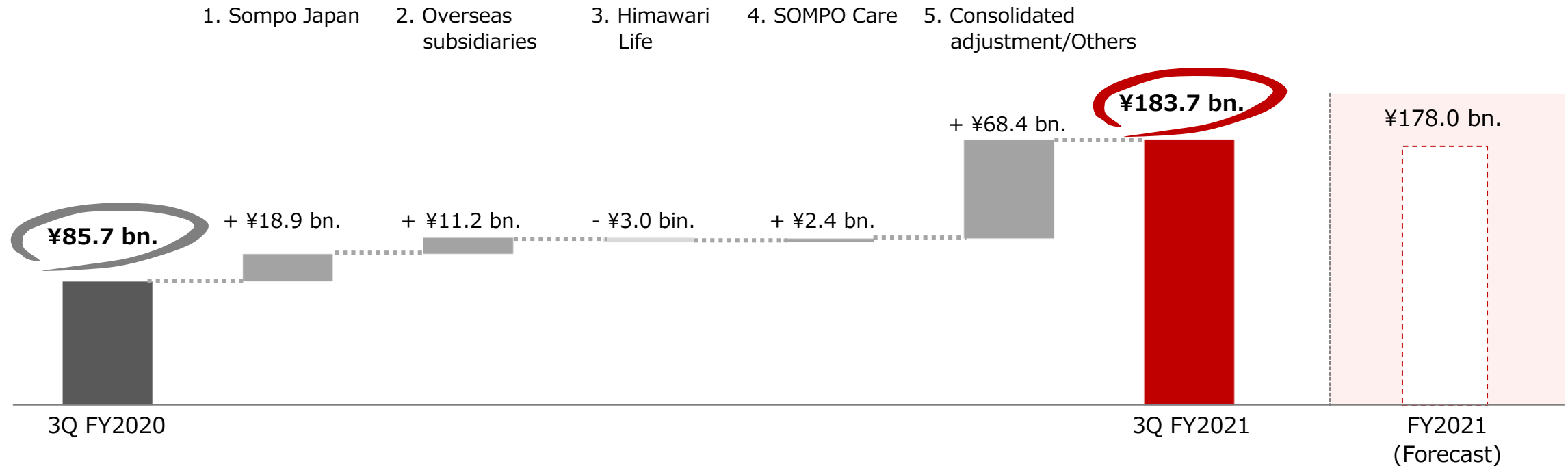
	1. Underwriting profit	2. Investment profit	3. Others	4. Overseas subsidiaries	5. Himawari Life	6. SOMPO Care	7. Consolidated adjustment/Others	Consolidated ordinary profit
3Q FY2020	¥68.4 bn.	¥65.4 bn.	- ¥12.9 bn.	¥34.0 bn.	¥24.5 bn.	¥6.2 bn.	- ¥42.2 bn.	¥143.5 bn.
3Q FY2021	¥60.2 bn.	¥95.7 bn.	- ¥15.3 bn.	¥46.2 bn.	¥20.5 bn.	¥7.0 bn.	¥47.4 bn.*	¥261.8 bn.

* Net amortization amount (before tax) of goodwill and intangible assets, etc. of SI for 3Q FY2021: ¥18.2 bn.

Main Points of Consolidated Results – (4) Net Income

- Consolidated net income was ¥183.7 bn.

Increase/decrease factors of consolidated net income



	1. Sompo Japan	2. Overseas subsidiaries	3. Himawari Life	4. SOMPO Care	5. Consolidated adjustment/Others	Consolidated net income
3Q FY2020	¥87.6 bn.	¥20.8 bn.	¥17.1 bn.	¥2.1 bn.	- ¥42.0 bn.	¥85.7 bn.
3Q FY2021	¥106.5 bn.	¥32.1 bn.	¥14.1 bn.	¥4.5 bn.	¥26.3 bn.	¥183.7 bn.

(Reference)Business Forecasts for FY2021 – Consolidated Basis

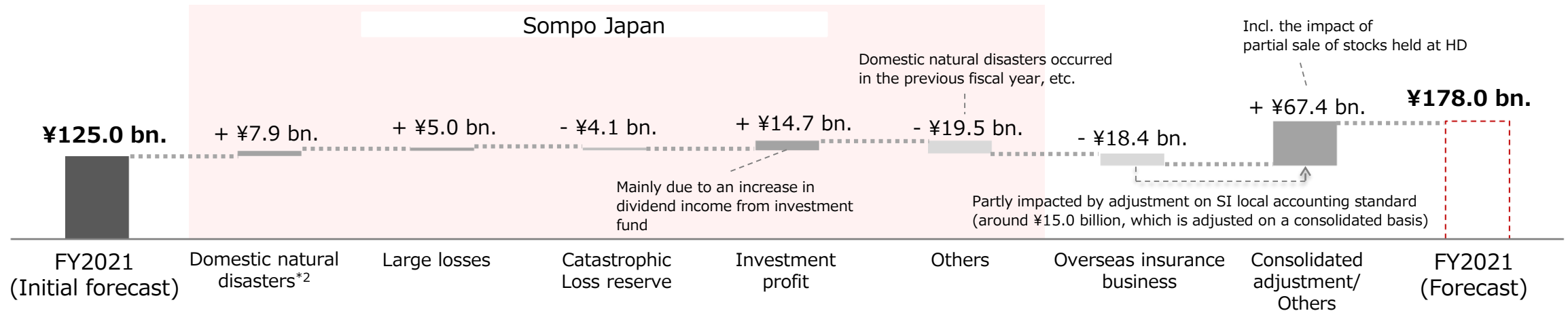
- Revised upward full year business forecast to reflect business performances as well as partial sale of stocks held at HD
- Consolidated net income for FY2021 is expected to be ¥178.0 bn.

(¥ bn.)	FY2020 Actual	FY2021 Forecasts	Change
Net premiums written (P&C)	2,923.5	3,181.0	+257.4
Life insurance premiums	346.1	331.0	-15.1
Consolidated ordinary profit	215.0	267.0	+51.9
Sompo Japan	197.4	181.0	-16.4
Overseas subsidiaries	52.2	59.4	+7.1
Himawari Life	28.9	17.2	-11.6
SOMPO Care	8.7	8.8	+0.1
Consolidated adjustment/Others	-72.3	0.4	+72.7
Consolidated net income	142.4	178.0	+35.5
Sompo Japan	146.9	137.0	-9.9
Overseas subsidiaries	35.8	39.4	+3.6
Himawari Life	20.0	11.6	-8.4
SOMPO Care	5.3	5.3	-0.0
Consolidated adjustment/Others	-65.6	-15.3	+50.2
(Reference) Adjusted consolidated profit	202.1	210.0	+7.8
Domestic P&C insurance	130.1	112.5	-17.6
Overseas insurance	30.0	56.5	+26.4
Domestic life insurance	33.8	32.5	-1.3
Nursing care & seniors	8.1	6.5	-1.6
Digital, etc.	-	1.0	+1.0

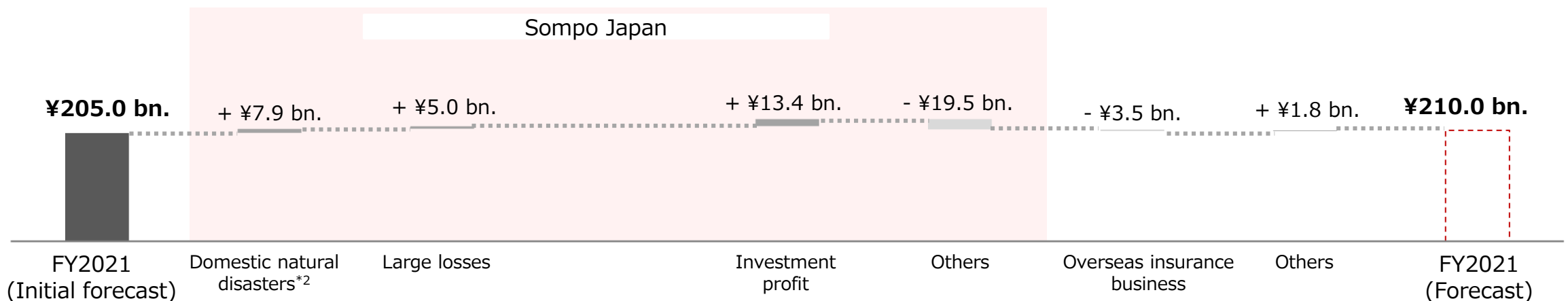
(Reference)Main Points of Revised Business Forecasts for FY2021

- Revised upward full year business forecast mainly due to partial sale of stocks held at HD as well as steady net interest and dividend income
- Adjusted consolidated profit, which provides shareholder returns, is expected to be ¥210.0 bn., an increase of ¥5.0 bn. against the initial forecast

Revised factors (figures after tax*1) : Consolidated net income

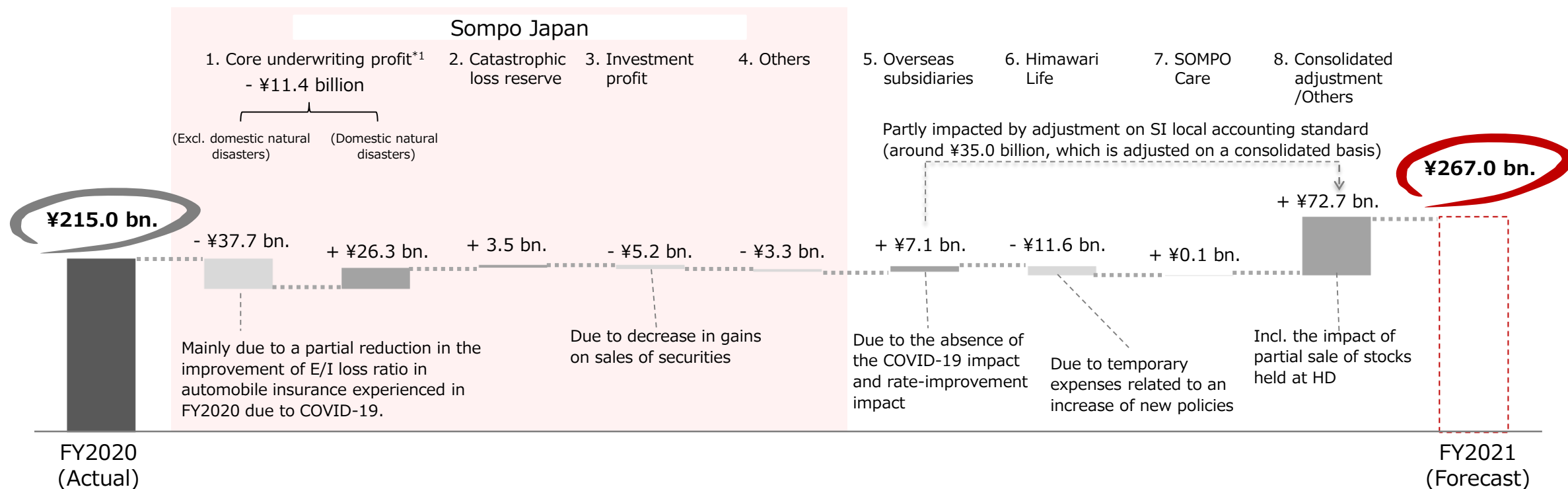


Revised factors (figures after tax*1) : Adjusted consolidated profit



(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 bn.	- ¥99.3 bn.	- ¥36.1 bn.	¥146.4 bn.	- ¥15.3 bn.	¥52.2 bn.	¥28.9 bn.	¥8.7 bn.	- ¥72.3 bn.	¥215.0 bn.
FY2021 Forecasts	¥164.0 bn.	- ¥73.0 bn.	- ¥32.5 bn.	¥141.1 bn.	- ¥18.6 bn.	¥59.4 bn.	¥17.2 bn.	¥8.8 bn.	¥0.4 bn.*2	¥267.0 bn.
(Reference) FY2021 Initial forecasts	¥182.2 bn.	- ¥84.0 bn.	- ¥26.7 bn.	¥120.7 bn.	- ¥17.7 bn.	¥72.3 bn.	¥17.2 bn.	¥8.6 bn.	- ¥87.7 bn.*2	¥185.0 bn.

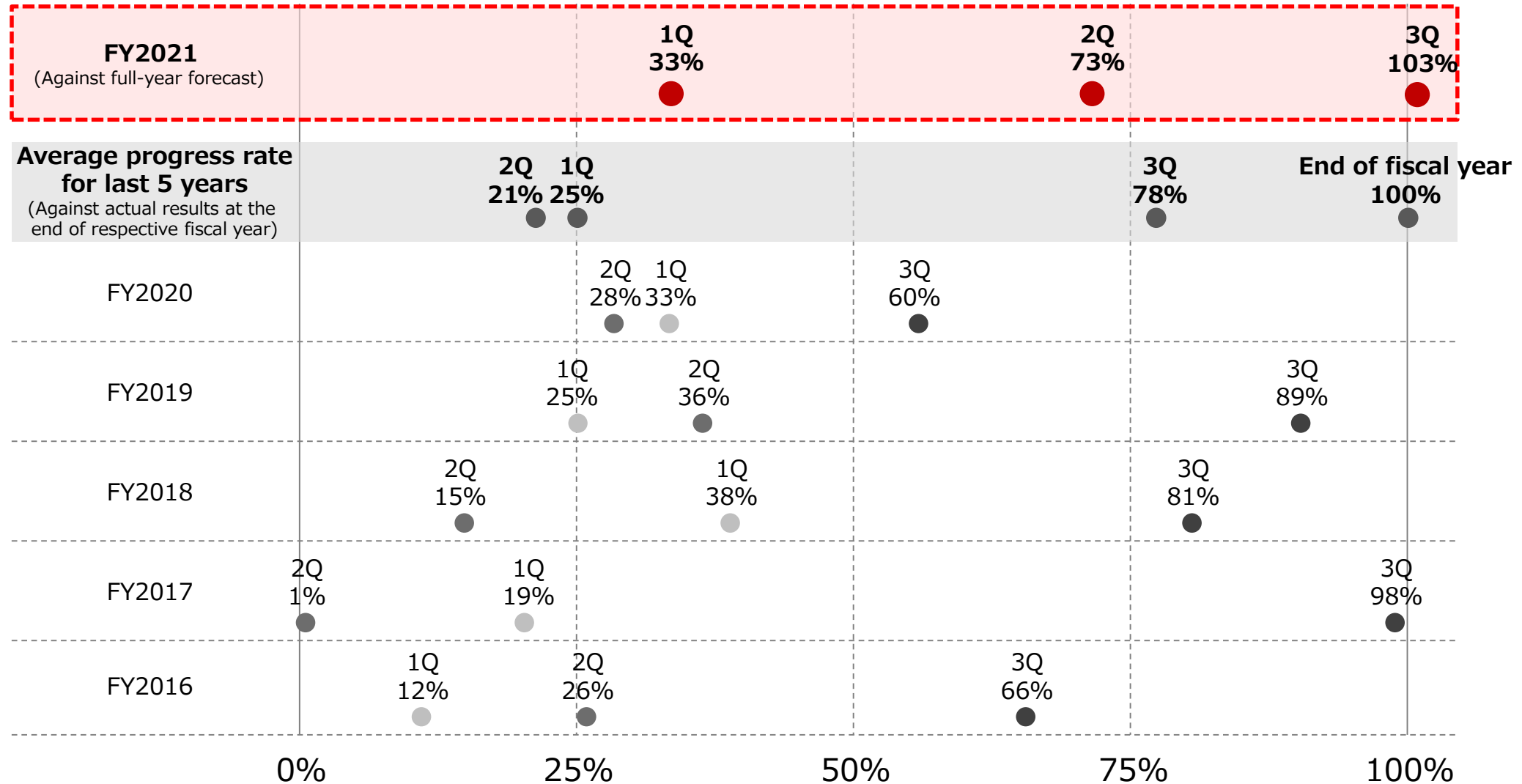
*1 Core underwriting profit is underwriting profit less the impact related to catastrophic loss reserve.

*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 ¥24.3 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

(¥ bn.)	3Q FY2021		FY2021		FY2023	
	(Actual)	(Change)	(Forecasts)	(Segment ROE)* ⁵	(Plan)* ⁶	(Segment ROE)
Domestic P&C insurance	127.8	+25.2	112.5	8.4%	150.0+	11.4%
Overseas insurance	44.4	+28.8	56.5	6.6%	100.0+	11.6%
Domestic life insurance	26.8	+0.0	32.5	4.3%	40.0+	5.7%
Nursing care & seniors* ³	4.5	+0.3	6.5	11.5%	8.0+	14.3%
Digital, etc.	1.4	+1.4	1.0	-	2.0+	-
Total (Adjusted consolidated profit)	205.1	+56.0	210.0	-	300.0+	-
Adjusted consolidated ROE*⁴	-	-	7.4%	-	10%+	-
ROE (J-GAAP)	-	-	8.6%	-	-	-

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 bn. in profit through M&A to offset downside risks (¥30.0 bn.) due to the impact of natural disasters and other factors beyond our assumptions.

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 3Q FY2021 Results – Sompo Japan

- Net income increased by ¥18.9 bn. to ¥106.5 bn., mainly due to an increase in investment profit

(¥ bn.)	3Q FY2020	3Q FY2021	Change	FY2021 (Forecasts)	
Net premiums written	1,620.9	1,632.4	+11.4 (+0.7%)	2,173.0	
(excl. CALI, household earthquake)	1,441.5	1,466.4	+24.9 (+1.7%)	1,951.4	
Net premiums earned (excl. CALI, household earthquake)	1,413.2	1,454.7	+41.5 (+2.9%)	1,934.0	
E/I loss ratio (excl. CALI, household earthquake)	58.3%	58.1%	-0.1pt	60.1%	
W/P Loss ratio	60.0%	59.2%	-0.7pt	62.3%	
(excl. CALI, household earthquake)	57.4%	56.8%	-0.6pt	59.2%	
Net expense ratio	33.1%	33.6%	+0.5pt	34.3%	
(excl. CALI, household earthquake)	33.9%	34.1%	+0.2pt	34.9%	
Combined ratio (E/I)* ¹ (excl. CALI, household earthquake)	92.1%	92.2%	+0.1pt	95.0%	
(Reference) Combined ratio (W/P) (excl. CALI, household earthquake)	91.2%	90.9%	-0.4pt	94.0%	
Underwriting profit	68.4	60.2	-8.1	58.5	
Investment profit	65.4	95.7	+30.3	141.1	
Ordinary profit	120.8	140.6	+19.7	181.0	
Net income	87.6	106.5	+18.9	137.0	
(Reference) Adjusted profit	Provisions for catastrophic loss reserve (after tax)	+27.4	+34.0	+6.6	+23.7
	Provisions for reserve for price fluctuation (after tax)	+2.1	+2.2	+0.1	+2.9
	Gains/losses on sales of securities and impairment losses on securities (after tax)	-19.8	-16.7	+3.0	-24.3
	Special factors (after tax)* ²	+5.6	+2.7	-2.8	-24.8
	Adjusted profit	102.9	128.9	+25.9	114.5

*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 within Fire and Allied lines and Casualty (Other) lines led top line growth

Net premiums written by product line

(¥ bn.)	3Q FY2020	3Q FY2021	Change		FY2021 (Forecasts)
Fire and Allied Lines	236.2	245.2	+9.0	(+3.8%)	326.6
Marine	31.7	36.1	+4.4	(+14.1%)	46.0
Personal Accident	116.7	117.1	+0.4	(+0.4%)	155.3
Voluntary Automobile	813.8	814.1	+0.2	(+0.0%)	1,094.2
CALI	179.2	165.8	-13.3	(-7.5%)	221.2
Other	243.2	253.8	+10.6	(+4.4%)	329.4
Of which Liability	127.5	128.1	+0.5	(+0.4%)	159.1
Total	1,620.9	1,632.4	+11.4	(+0.7%)	2,173.0
Total(excl. CALI, household earthquake)	1,441.5	1,466.4	+24.9	(+1.7%)	1,951.4

(Reference) Year-on-Year comparison of voluntary automobile insurance (April 2021 – December 2021)

(Sales Performance basis)

	# of vehicles*	Unit premium	Total Premium
Non-fleet	-0.9%	+0.7%	-0.2%
Fleet	-0.8%	-1.4%	-2.3%
Total	-0.9%	+0.3%	-0.5%

* 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.

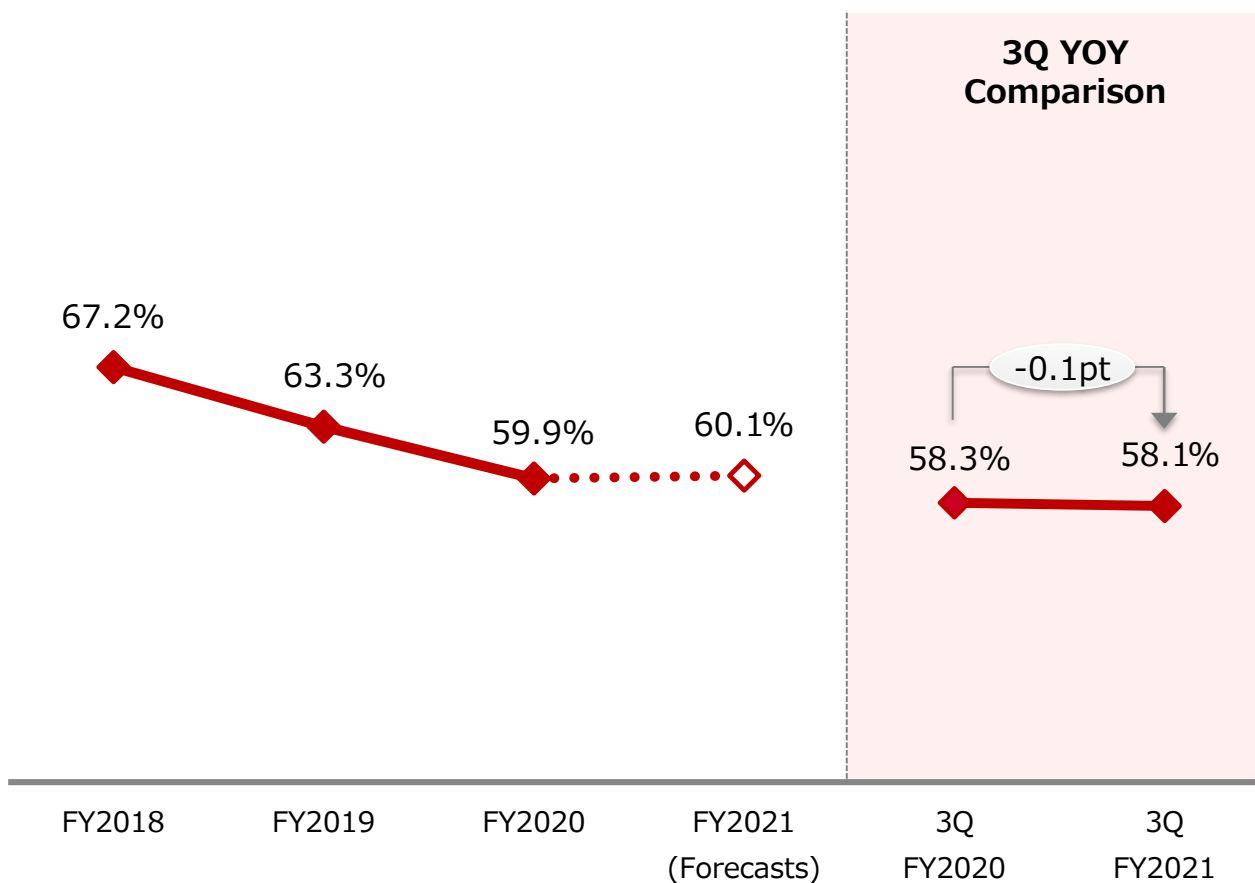
Voluntary automobile : Rate optimization was the positive impact.

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

Net Loss Ratio (E/I)

- While automobile accident rate increased due to a lower COVID-19 impact, E/I loss ratio improved overall by 0.1pt due to a decrease in the domestic natural disasters

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

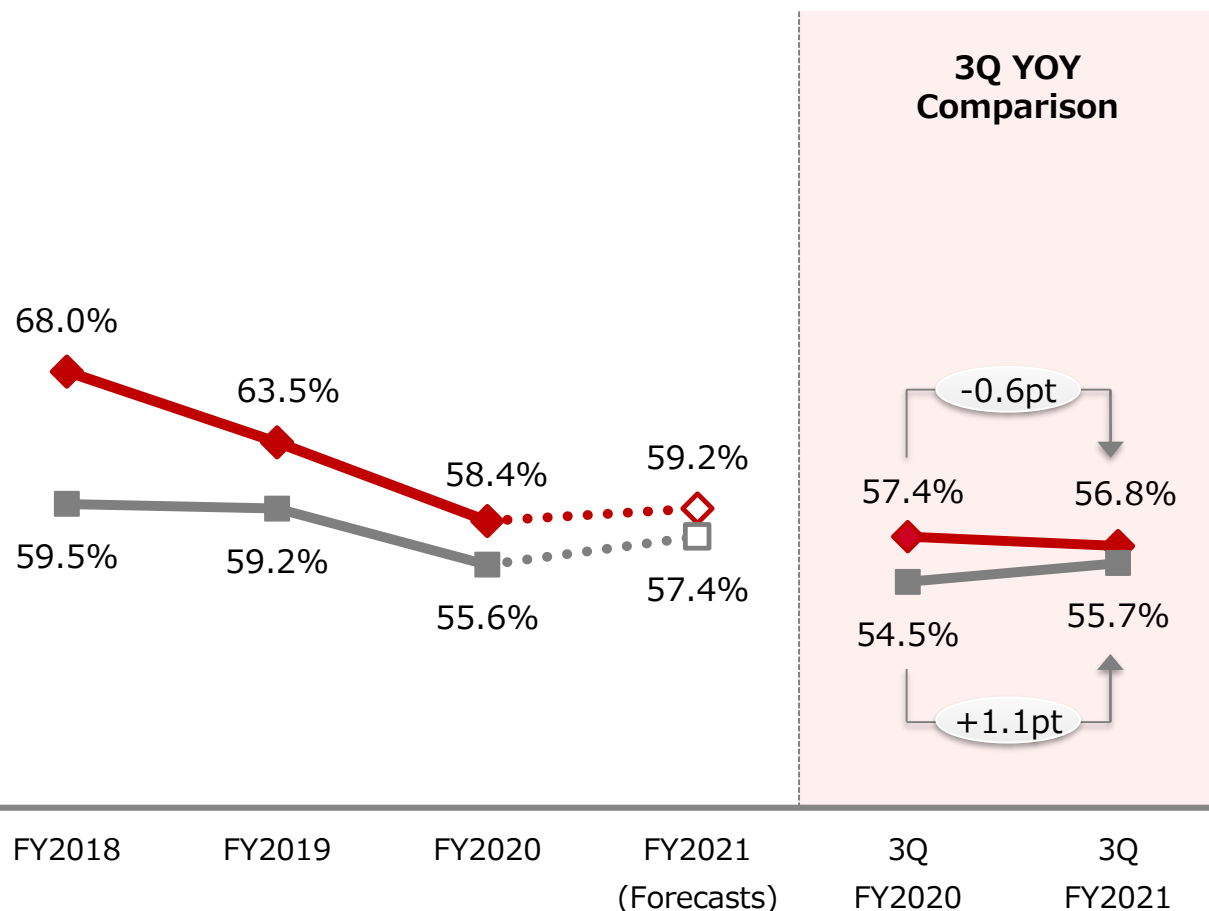


(Reference) Loss ratio (E/I)
by product line

	3Q FY2021		FY2021 (Forecasts)
	Loss ratio	Change	Loss ratio
Fire and Allied lines (excl. household earthquake)	64.2%	-10.1pt	72.3%
Marine	59.4%	+5.0pt	72.3%
Personal Accident	50.6%	+3.1pt	52.3%
Voluntary Automobile	57.6%	+1.9pt	56.7%
Other	57.3%	-1.0pt	61.2%
Total (excl. CALI, household earthquake)	58.1%	-0.1pt	60.1%

(Reference) Loss Ratio (W/P)

Loss ratio (W/P)



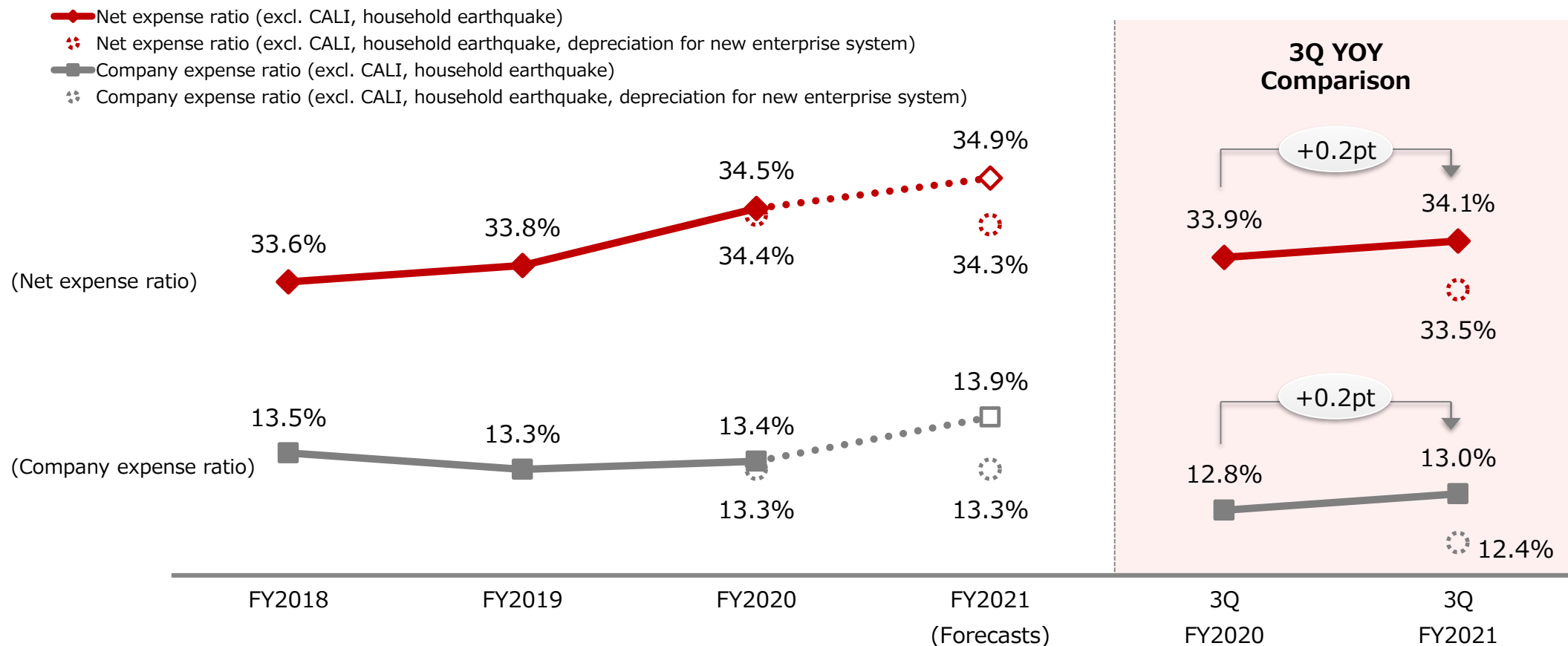
(Reference) Loss ratio (W/P) by product line	3Q FY2021		FY2021 (Forecasts)
	Loss ratio	Change	Loss ratio
Fire and Allied lines (excl. household earthquake)	70.0%	-1.8pt	69.6%
Marine	49.0%	-12.9pt	64.9%
Personal Accident	48.6%	-1.3pt	50.0%
Voluntary Automobile	55.7%	+0.9pt	57.4%
Other	52.5%	-2.4pt	58.1%
Total (excl. CALI, household earthquake)	56.8%	-0.6pt	59.2%

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

Net Expense Ratio

- Progress of net expense ratio and company expense ratio has been on track

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

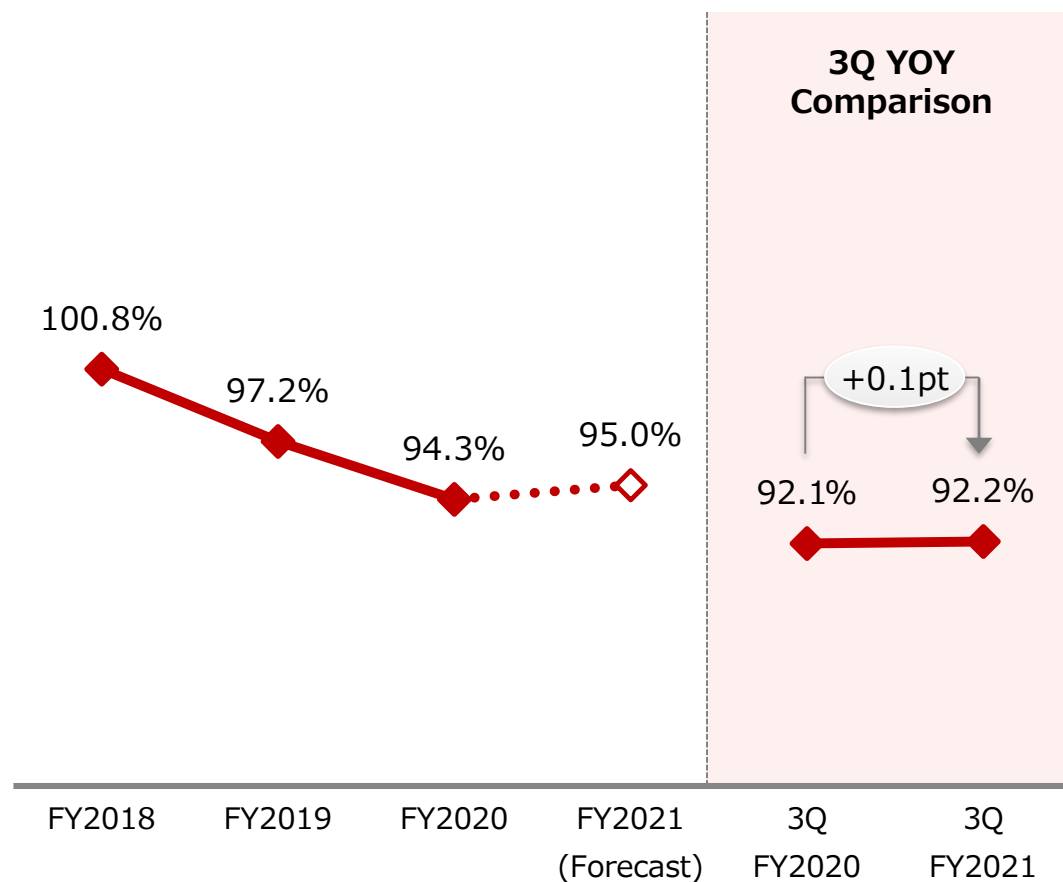


* Ratio of general administrative and selling expense related with underwriting to net premiums written

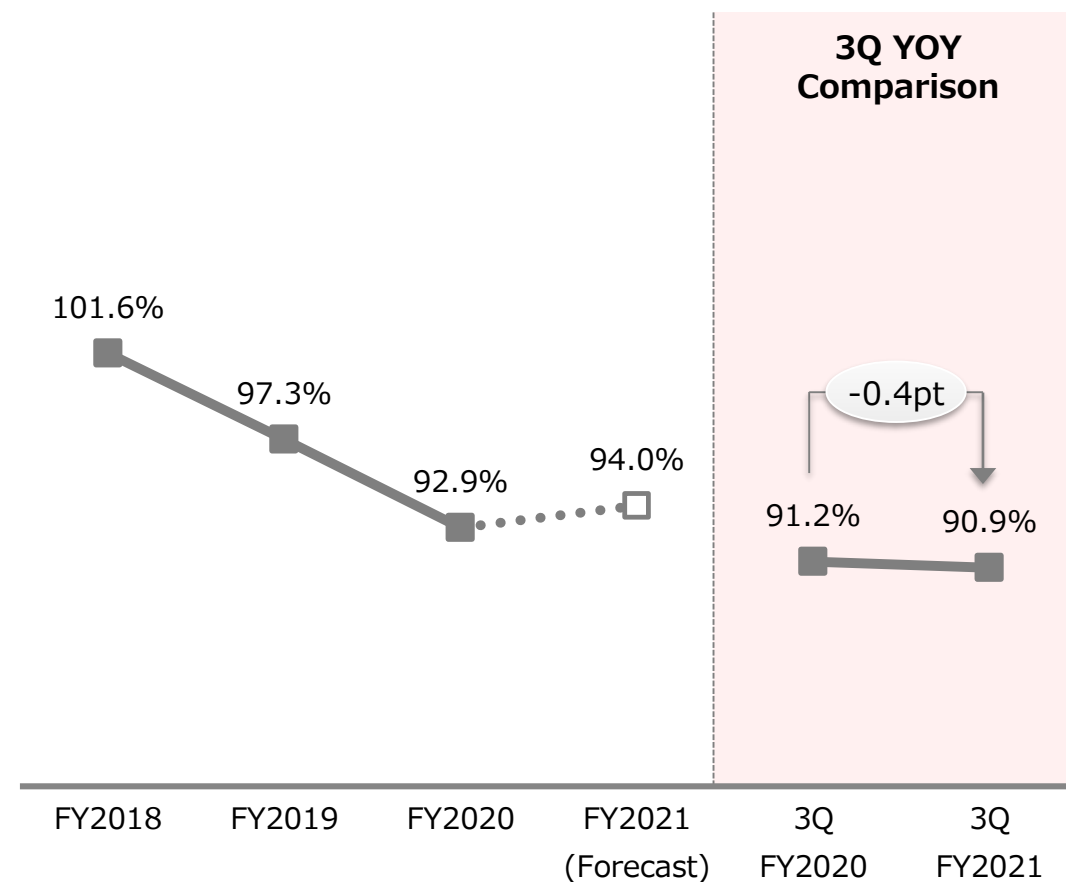
Combined Ratio

- Combined ratio was on track and similar to the same level as 3Q FY2020

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 dividend income from investment fund, net interest and dividend income has been on track

Investment profit (Sompo Japan)

(¥ bn.)		3Q FY2020	3Q FY2021	Change	FY2021 (Forecasts)
Net interest and dividend income	1	45.9	65.0	+19.0	104.8
Interest and dividend income ^{*1}		71.0	87.4	+16.3	135.9
of which, dividends from overseas subsidiaries		1.3	0.2	-1.0	26.3
Gains on sales of securities ^{*2}	2	35.5	26.1	-9.3	37.7
of which, domestic stocks		34.2	25.2	-9.0	38.0
Impairment losses on securities	3	-5.8	-2.1	+3.6	-4.0
of which, domestic stocks		-5.5	-2.1	+3.3	-4.0
Gains on derivatives	4	-8.3	0.2	+8.5	-1.3
Other investment income	5	-1.8	6.6	+8.4	3.9
Investment profit	1+2+3+4+5	65.4	95.7	+30.3	141.1

→ (Reference) Reduction of strategic-holding stocks

Spot ^{*2}	¥32.5 bn.
Stock future ^{*3}	¥13.7 bn.
Total	¥46.3 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.

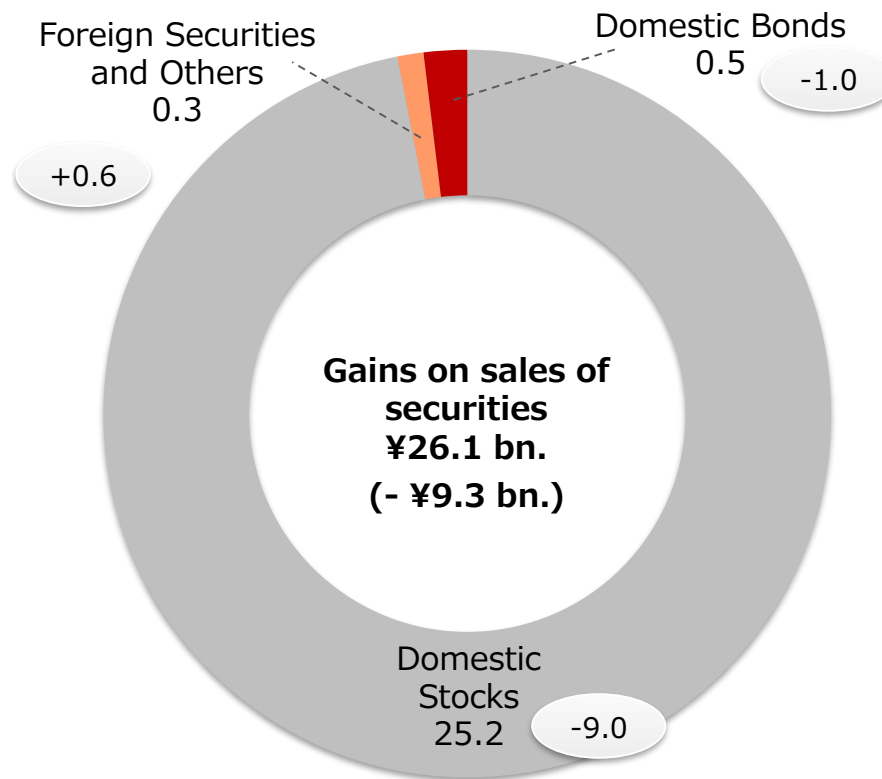
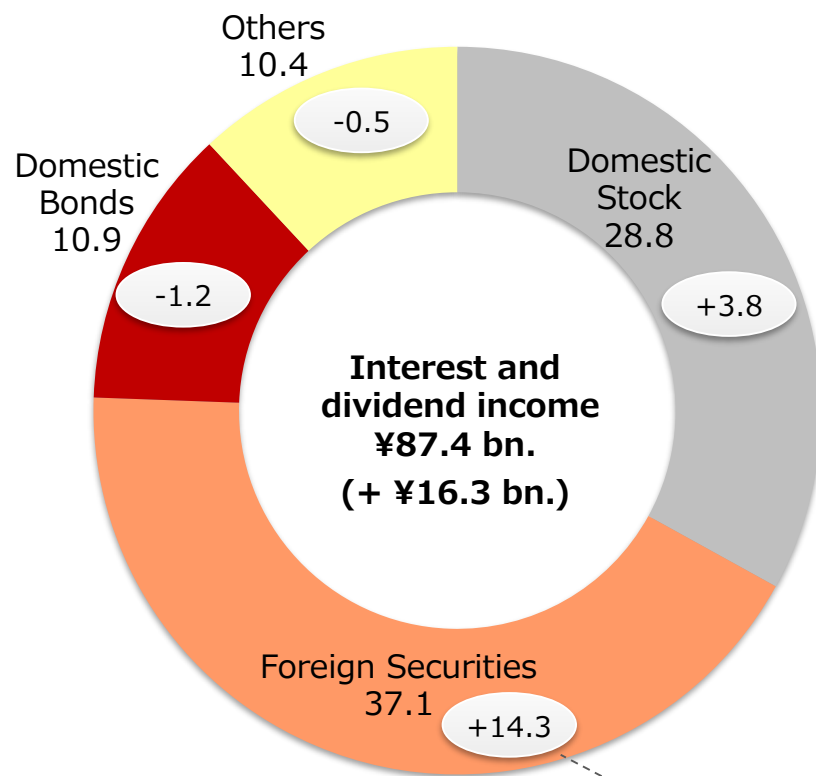
^{*3} Short position of Nikkei 225 Futures

^{*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 (3Q FY2021)

(¥ bn.)



○ :Changes from 3Q FY2020

Mainly due to an increase in dividend income from investment fund

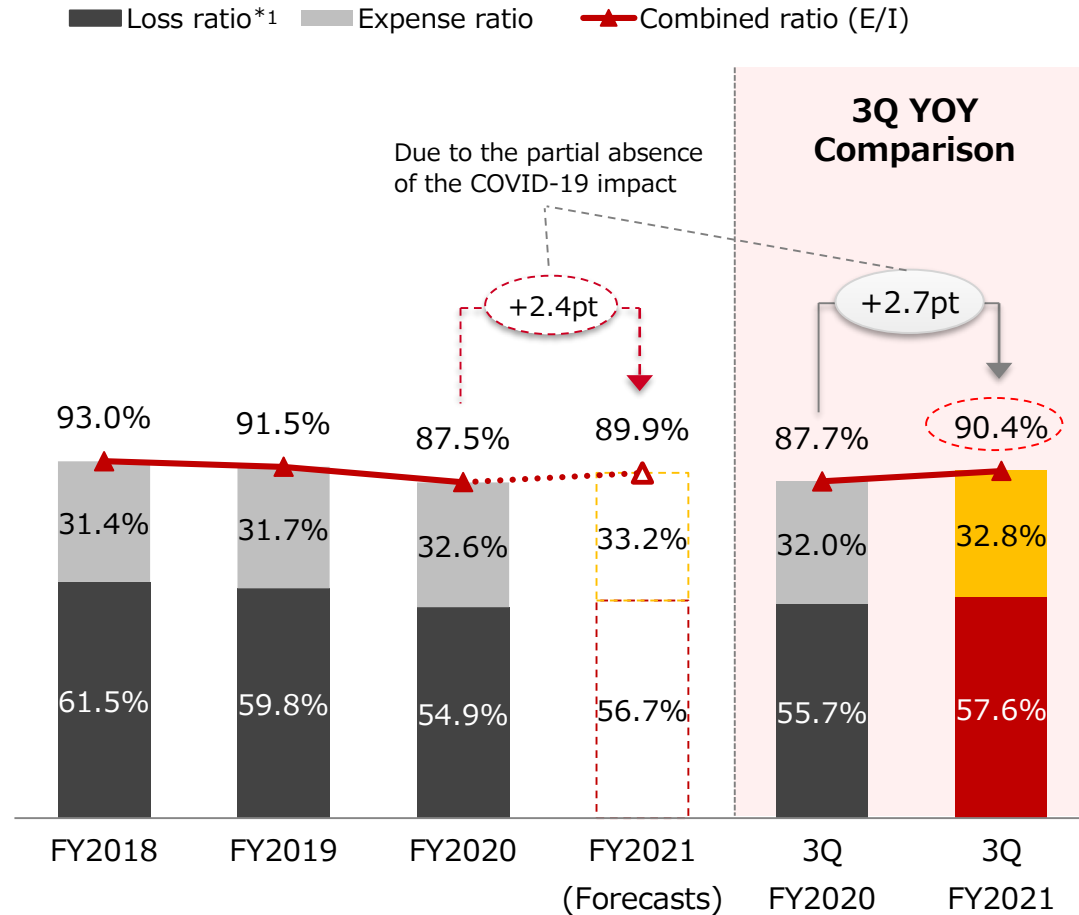
(Reference) Business Forecasts for FY2021 – Sompo Japan

(¥ bn.)	FY2020 Actual	FY2021 Forecasts	Change
Net premiums written	2,141.4	2,173.0	+31.5 (+1.5%)
(excl. CALI, household earthquake)	1,903.4	1,951.4	+47.9 (+2.5%)
Net premiums earned (excl. CALI, household earthquake)	1,885.7	1,934.0	+48.3 (+2.6%)
E/I loss ratio (excl. CALI, household earthquake)	59.9%	60.1%	+0.2pt
W/P Loss ratio	60.8%	62.3%	+1.5pt
(excl. CALI, household earthquake)	58.4%	59.2%	+0.8pt
Net expense ratio	33.6%	34.3%	+0.7pt
(excl. CALI, household earthquake)	34.5%	34.9%	+0.4pt
Combined ratio (E/I) (excl. CALI, household earthquake)	94.3%	95.0%	+0.6pt
(Reference) Combined ratio (W/P) (excl. CALI, household earthquake)	92.9%	94.0%	+1.2pt
Underwriting profit	66.3	58.5	-7.8 (-11.9%)
Investment profit	146.4	141.1	-5.2 (-3.6%)
Ordinary profit	197.4	181.0	-16.4 (-8.3%)
Net income	146.9	137.0	-9.9 (-6.8%)
Provisions for catastrophic loss reserve (after tax)	+26.2	+23.7	-2.5
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	-24.3	+19.2
Special factors (after tax)*	-4.4	-24.8	-20.3
Adjusted profit	128.1	114.5	-13.6

* Dividend from consolidated subsidiaries, etc.

(Reference) Indicator Related to Automobile Insurance

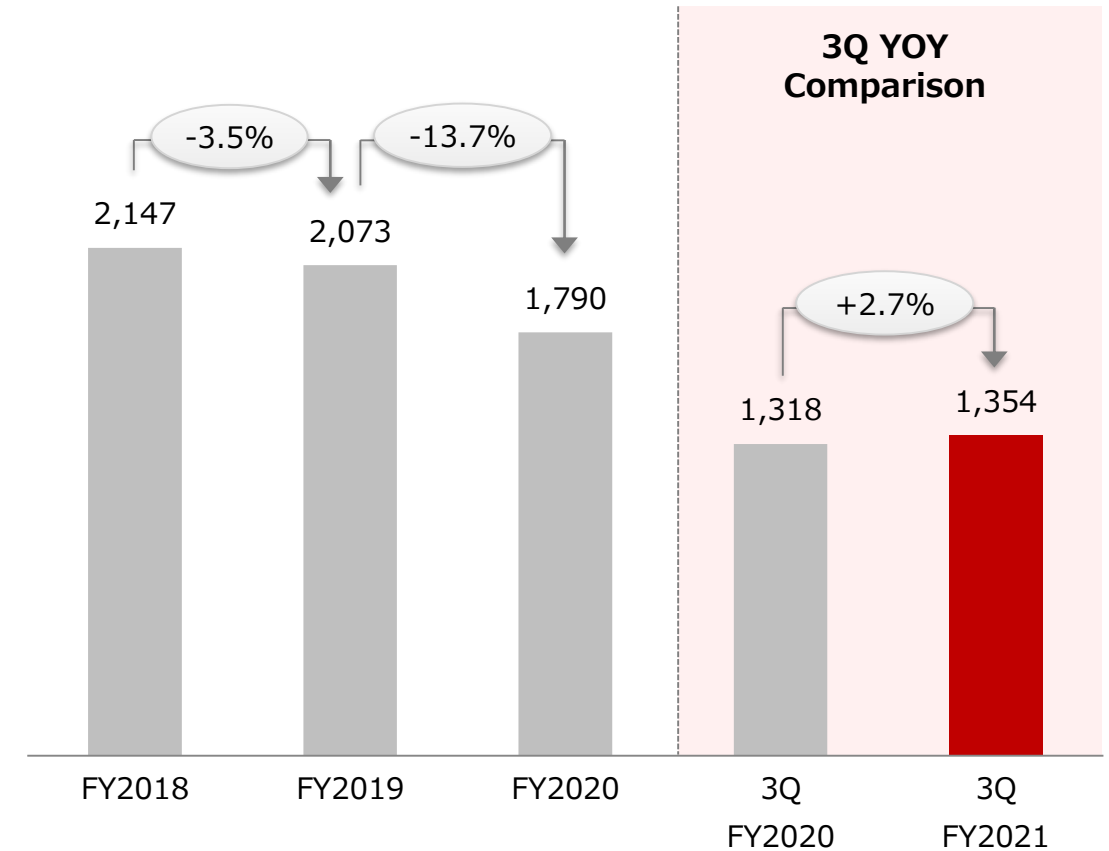
Combined ratio (E/I)



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

The number of reported claims*2

(Thousands)



*2 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)*

(¥ bn.)	3Q FY2020	3Q FY2021	Change
Fire and Allied lines	35.9	14.0	-21.9
Marine	0.0	-	-0.0
Personal Accident	0.0	0.0	-0.0
Voluntary Automobile	3.3	1.6	-1.6
Other	1.5	0.8	-0.7
Total	40.9	16.6	-24.3

* Assumption of FY 2021 business forecasts for net losses incurred from domestic natural disasters (occurring in the fiscal year) : ¥73.0 billion.
Since outstanding loss reserve is worked out by compendium method in 3Q results, incurred losses related to natural disasters were not incorporated.

(Reference) Fund and Reserve

Underwriting reserves, reserve for outstanding losses and claims (as of the end of 3Q FY2021)

(¥ bn.)	Ordinary underwriting reserve* ¹		Catastrophic loss reserve		Reserve for outstanding losses and claims	
	Amount	Change	Amount	Change	Amount	Change
Fire and allied lines* ²	782.9	+7.7	114.3	+10.6	123.7	-18.6
Marine	19.0	-0.9	45.2	+1.1	24.2	+2.8
Personal accident	131.3	+3.9	80.1	+3.7	45.1	+0.3
Voluntary automobile	314.6	-5.7	97.4	+26.3	389.8	+18.7
CALI* ²	454.1	-7.9	-	-	64.0	+1.4
Other	355.2	+9.1	203.8	+5.0	237.2	+7.2
Total	2,057.3	+6.2	541.0	+47.0	884.3	+11.9
Total (excluding CALI and household earthquake)	1,599.5	+13.9	541.0	+47.0	820.3	+12.6
	Amount	Change				Change
Reserve for saving-type products* ³	1,077.1	-61.3	Impact of exchange rates on reserve for outstanding losses and claims			+1.2

*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

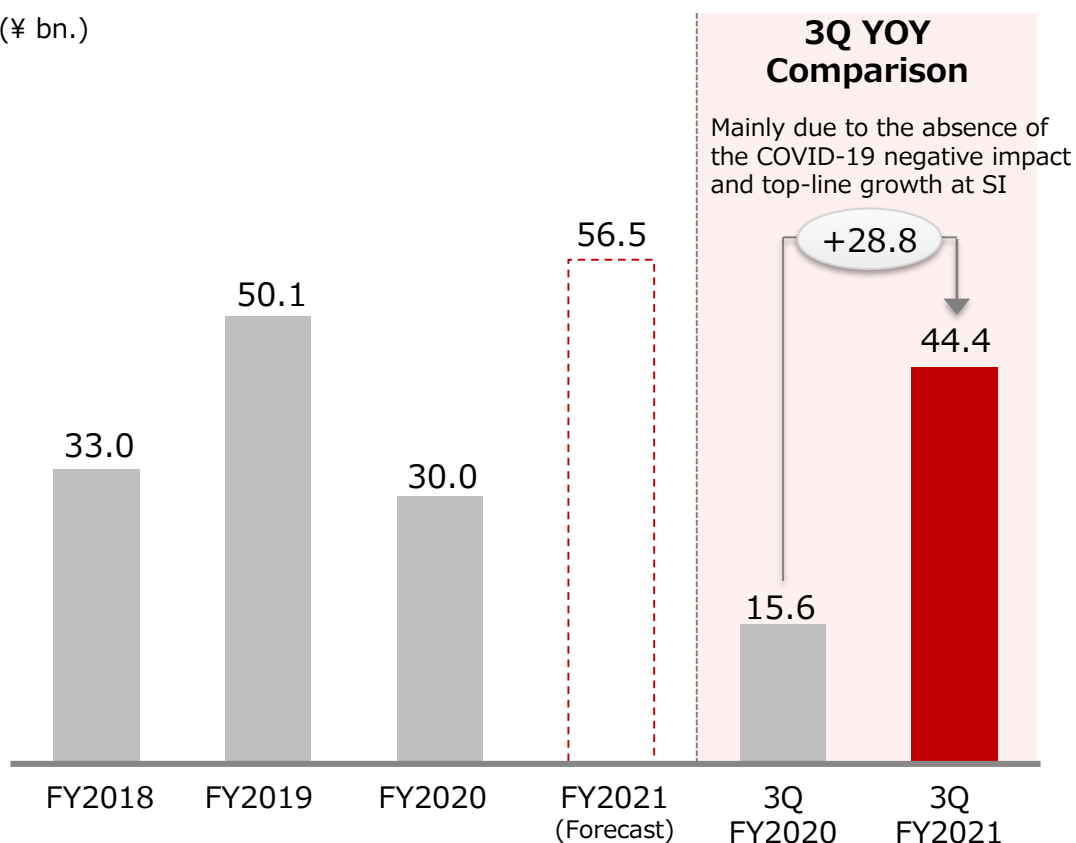
6. ERM & asset management

Performance Overview – Overseas Insurance

- Top-line of overseas insurance business increased by ¥178.6 bn., mainly due to rate improvement better than the plan at SI and the consolidation of Diversified
- Adjusted profit of overseas insurance business increased by ¥28.8 bn. due to an increase in SI's top-line growth, the absence of the COVID-19 negative impact, and higher net investment income

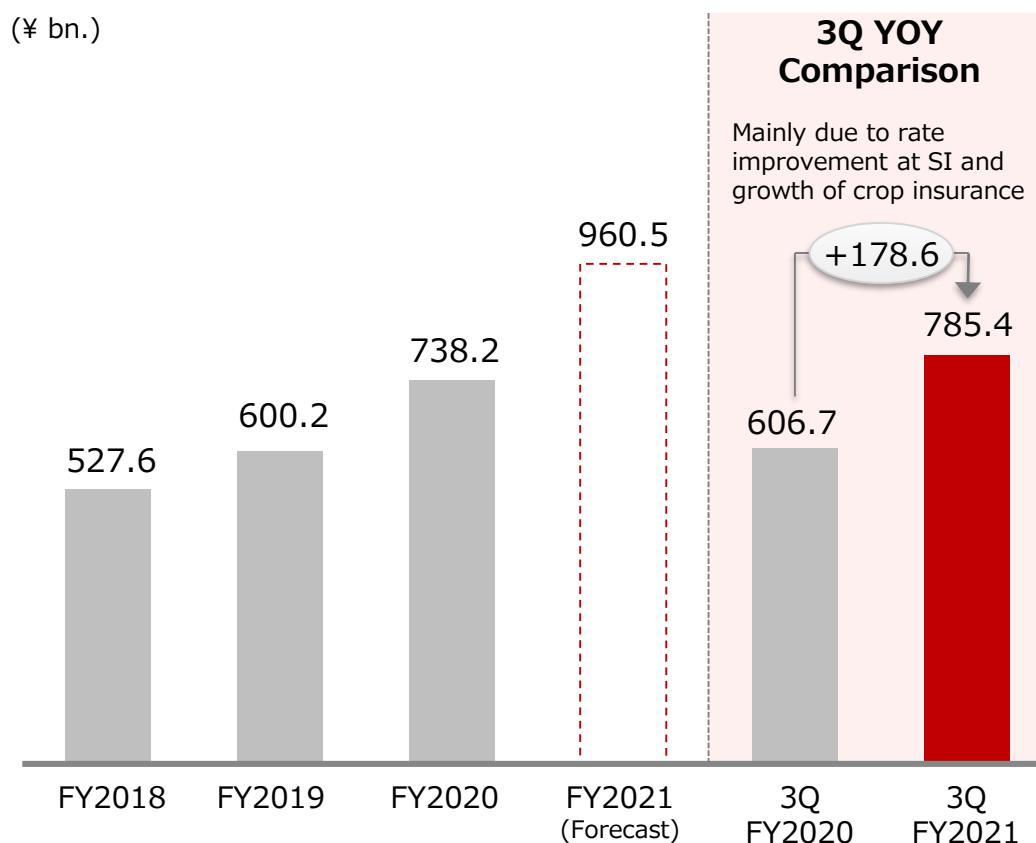
Adjusted profit*

(¥ bn.)



(Reference) Net premiums written*

(¥ bn.)



* 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

(¥ bn.)		Net premiums written			Adjusted profit			Highlights of 3Q FY2021 results	(Reference) Exchange rate	
		3Q FY2021		FY2021	3Q FY2021		FY2021		Sep. 2021*2 (YOY Change)	
		Actual	Change	Forecasts	Actual	Change	Forecasts			
North America & Europe	SI	690.6	+181.8	828.0	43.0	+37.8	59.5	See page 31 & 32	111.92 JPY/USD	(+5.8%)
Middle East	Sompo Sigorta (Turkey)	17.0	-6.5	23.9	3.3	-3.1	5.1	Top line decreased due to maintaining strict underwriting standards within auto insurance. Adjusted profit decreased mainly due to an increase in accidents within auto.	12.50 JPY/TRY	(-7.3%)
Asia	Berjaya Sompo (Malaysia), etc.	32.3	+3.0	44.7	6.1	+2.4	6.4	Top line has been approximately on track. Adjusted profit increased mainly due to improvement of loss ratio at Berjaya Sompo.	-	-
Latin America	Sompo Seguros (Brazil)	42.0	-0.6	59.0	-8.9	-7.2	-15.5	Top line decreased due to change of reinsurance protection strategy. Adjusted profit decreased mainly due to increase of motor accident and lodging reserve strictly.	20.67 JPY/BRL	(+10.1%)
Other (non-consolidated)*1		3.3	+0.8	4.7	0.7	-0.0	0.6	-	-	-
Total		785.4	+178.6	960.5	44.4	+28.8	56.5	-	-	-

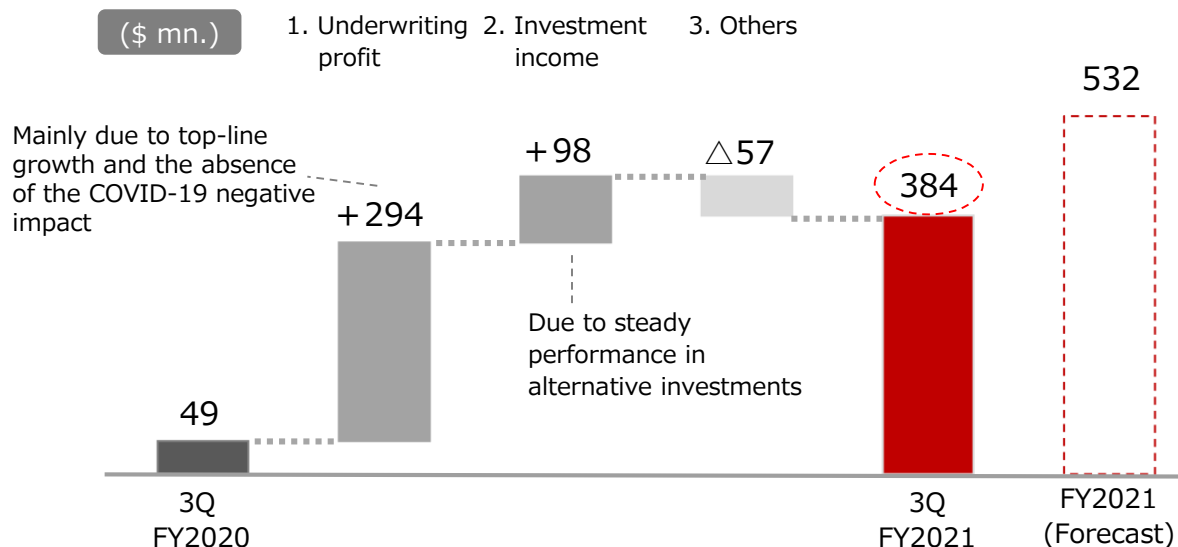
(Reference) Net incurred losses for overseas natural catastrophe: ¥44.0 billion.
(Texas Freeze, Hurricane Ida, European Flood, etc. on SI)

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

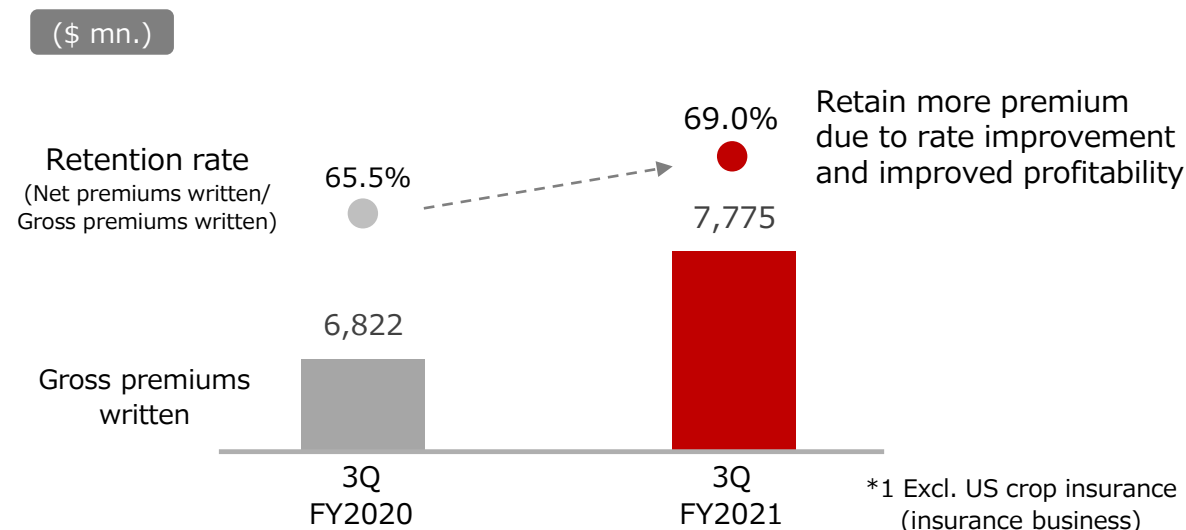
*2 The months of application of the conversion rates for some countries in Asia are different.

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

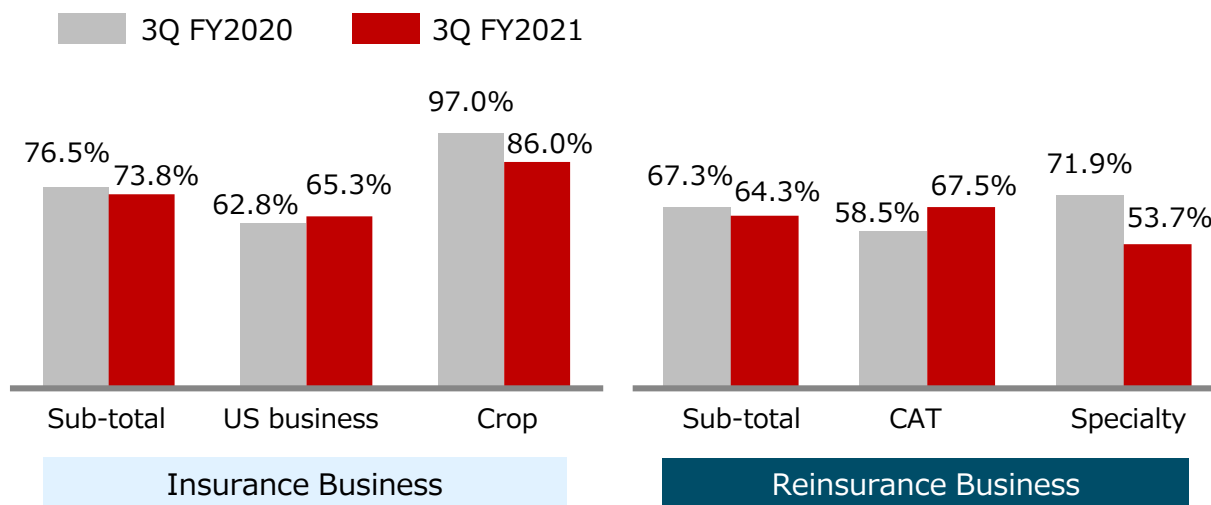
Increase/decrease factors of adjusted profit



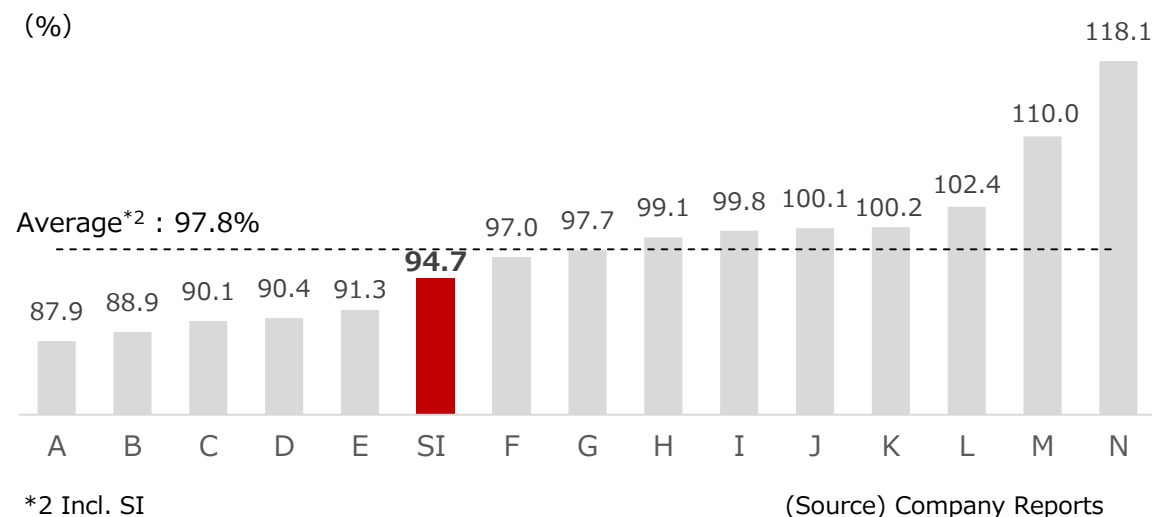
Gross premiums written and retention rate*1



Loss ratio (Main lines of business)



(Reference) Peers Comparison (Combined ratio of 3Q FY2021)



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

(\$ mn.)

	3Q FY2020	3Q FY2021			FY2021
	Actual	Actual	Change		Forecasts
Gross premiums written	7,603	10,129	+2,526	(+33.2%)	11,963
Net premiums written	4,809	6,171	+1,361	(+28.3%)	7,398
Net premiums earned	3,292	5,101	+1,809	(+55.0%)	6,857
Net losses and loss expenses	2,374	3,533	+1,159	(+48.8%)	4,691
Expense	895	1,298	+402	(+45.0%)	1,753
Loss ratio* ¹	72.1%	69.3%	-2.8pt	-	68.4%
Expense ratio* ¹	27.2%	25.5%	-1.7pt	-	25.6%
Combined ratio* ¹	99.3%	94.7%	-4.6pt	-	94.0%
Underwriting income	-19	275	+294	-	416
Net investment income	159	257	+98	(+61.7%)	320
Other income	26	-152	-179	-	-176
Net income	119	321	+201	(+168.6%)	469
Net foreign exchange gains	+16	-41	-57	-	-41
Net realized and unrealized gains, net impairment losses, etc.* ²	-100	+121	+222	-	+121
Tax (loss) benefit	13	-17	-31	-	-17
Adjusted profit	49	384	+335	(+678.9%)	532

Driven mainly by rate improvement and the growth in crop insurance including the integration effect of Diversified and increase in crop commodity prices

Mainly due to top-line growth and the absence of the COVID-19 negative impact, resulting in year-on-year improvement

Due to steady performance in alternative investments

Mainly due to unrealized losses on securities, which is not recorded in SOMPO HD consolidated basis based on J-GAAP

(Reference)
Adjusted profit

*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 & seniors

6. ERM & asset management

Performance Overview – Himawari Life

- Annualized new premium increased, led by Insurhealth® products such as new cancer insurance launched in October 2021
- Adjusted profit made steady progress due to increase in policies of protection-type products

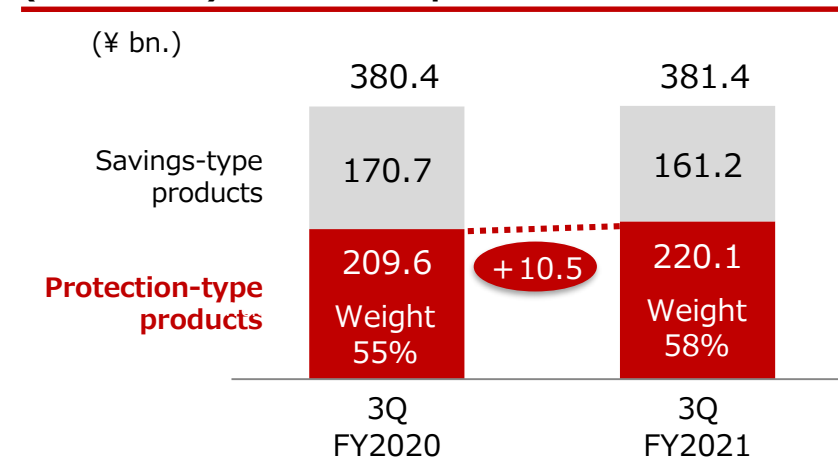
Major indicators

(¥ bn.)	3Q FY2020	3Q FY2021	Change		FY2021 (Forecasts)
Annualized new premium	18.9	22.5	+3.6	(+19.3%)	40.1
Premium and other income* ¹	323.3	321.1	-2.2	(-0.7%)	444.2
Provision for policy reserve, etc.* ²	211.9	204.8	-7.0	(-3.3%)	286.7
Paid claims, etc.	53.5	58.0	+4.5	(+8.4%)	78.5
Expense	62.9	68.1	+5.2	(+8.3%)	101.0
Investment profit	38.0	37.2	-0.8	(-2.2%)	52.4
of which, general account	35.3	36.0	+0.6	(+1.9%)	47.5
Basic profit	27.3	24.3	-3.0	(-11.0%)	21.4
Ordinary profit* ¹	27.1	23.1	-3.9	(-14.7%)	20.1
Net income	17.1	14.1	-3.0	(-17.8%)	11.6
Adjusted profit	26.8	26.8	+0.0	(+0.2%)	32.5

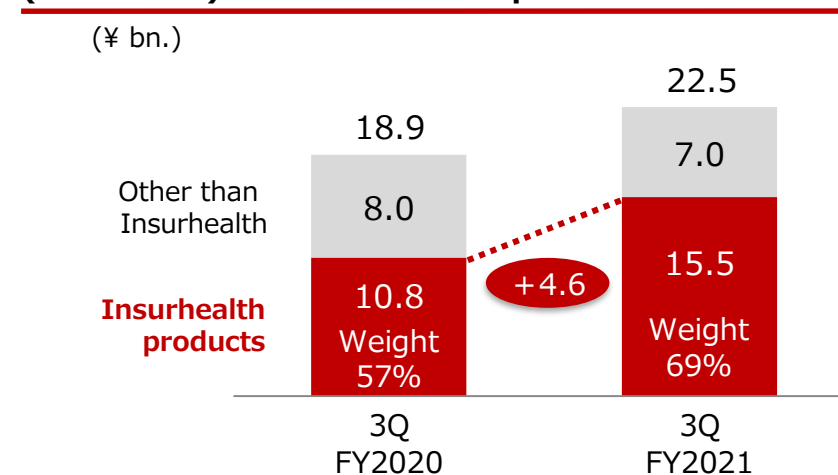
*1 Figures based on legally required format for life insurance companies (which differs from the consolidated statement format).

*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



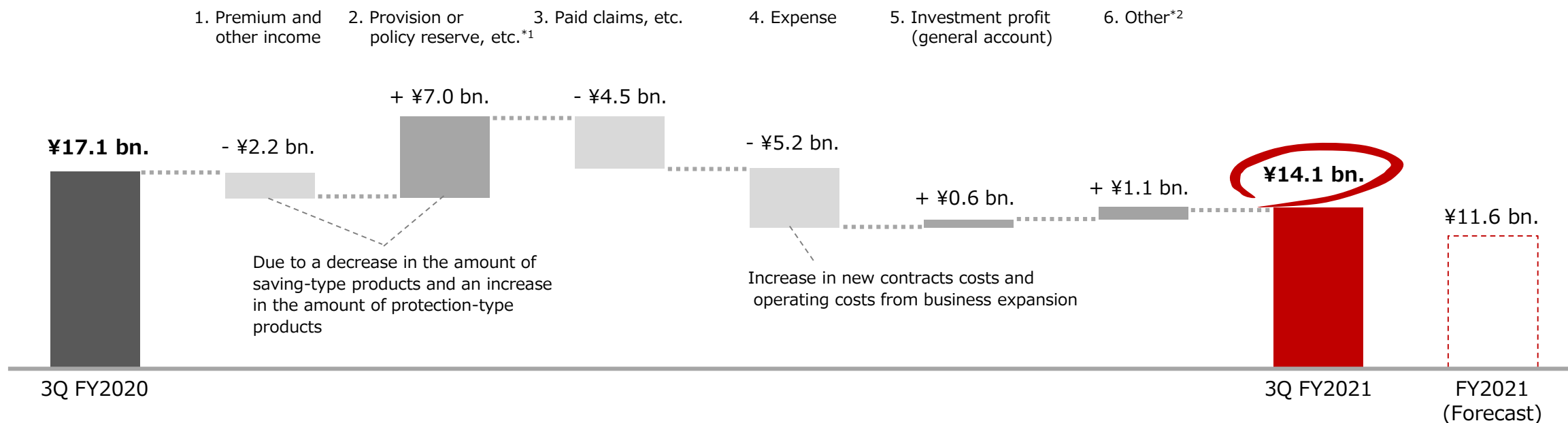
(Reference) Annualized new premium



Net Income (J-GAAP) – Himawari Life

- Net income decreased by ¥3.0 bn. to ¥14.1 bn. due to an increase in expenses, which was partially offset by expansion of protection-type product policies

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
3Q FY2020	¥323.3 bn.	- ¥211.9 bn.	- ¥53.5 bn.	- ¥62.9 bn.	¥35.3 bn.	- ¥13.2 bn.	¥17.1 bn.
3Q FY2021	¥321.1 bn.	- ¥204.8 bn.	- ¥58.0 bn.	- ¥68.1 bn.	¥36.0 bn.	- ¥12.1 bn.	¥14.1 bn.
FY2021(Forecasts)	¥444.2 bn.	- ¥286.7 bn.	- ¥78.5 bn.	- ¥101.0 bn.	¥47.5 bn.	- ¥13.6 bn.	¥11.6 bn.

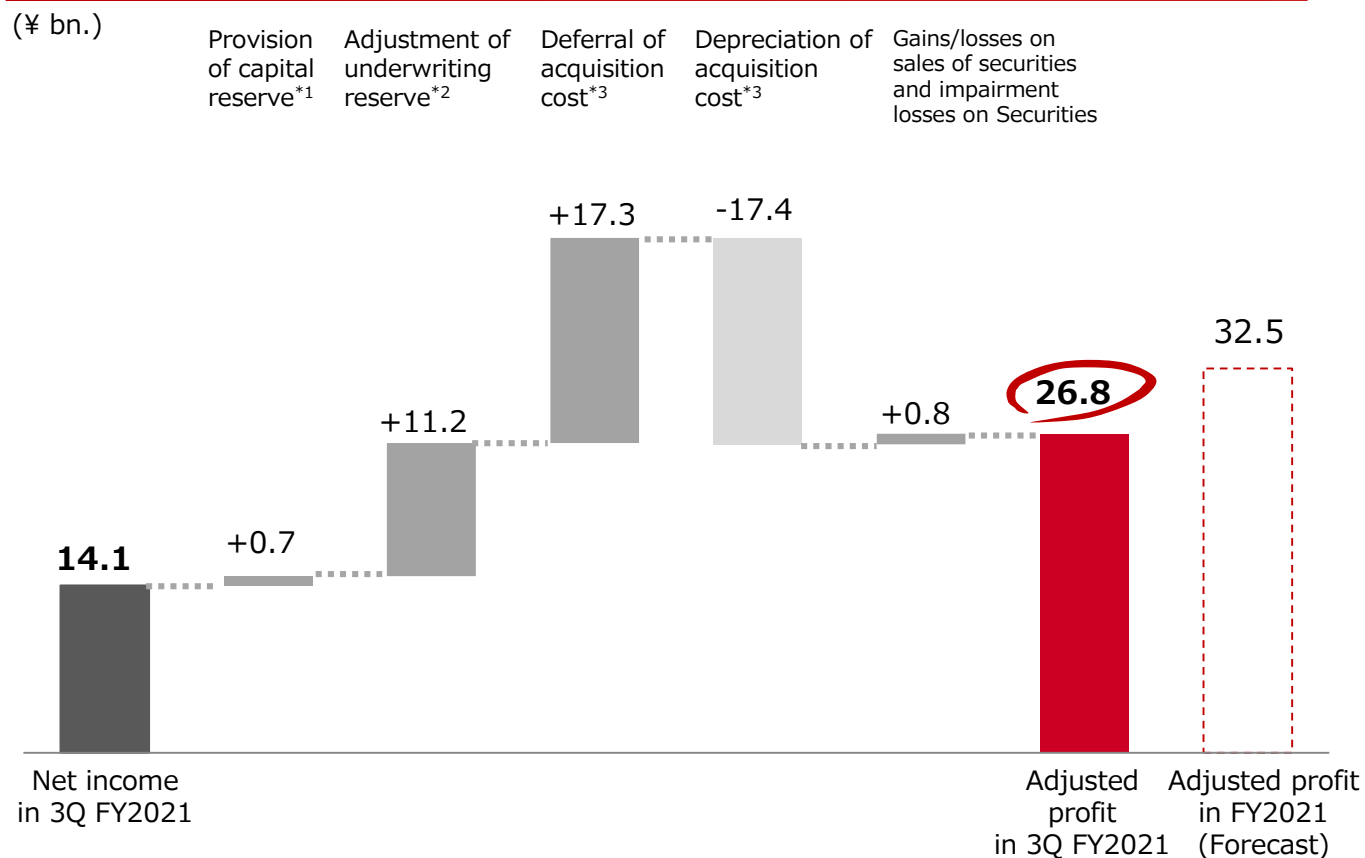
*1 Incl. the impact of cancellation refund, maturity insurance amount, survival benefits, pension and other refund and gains or losses on investments in separate accounts.

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

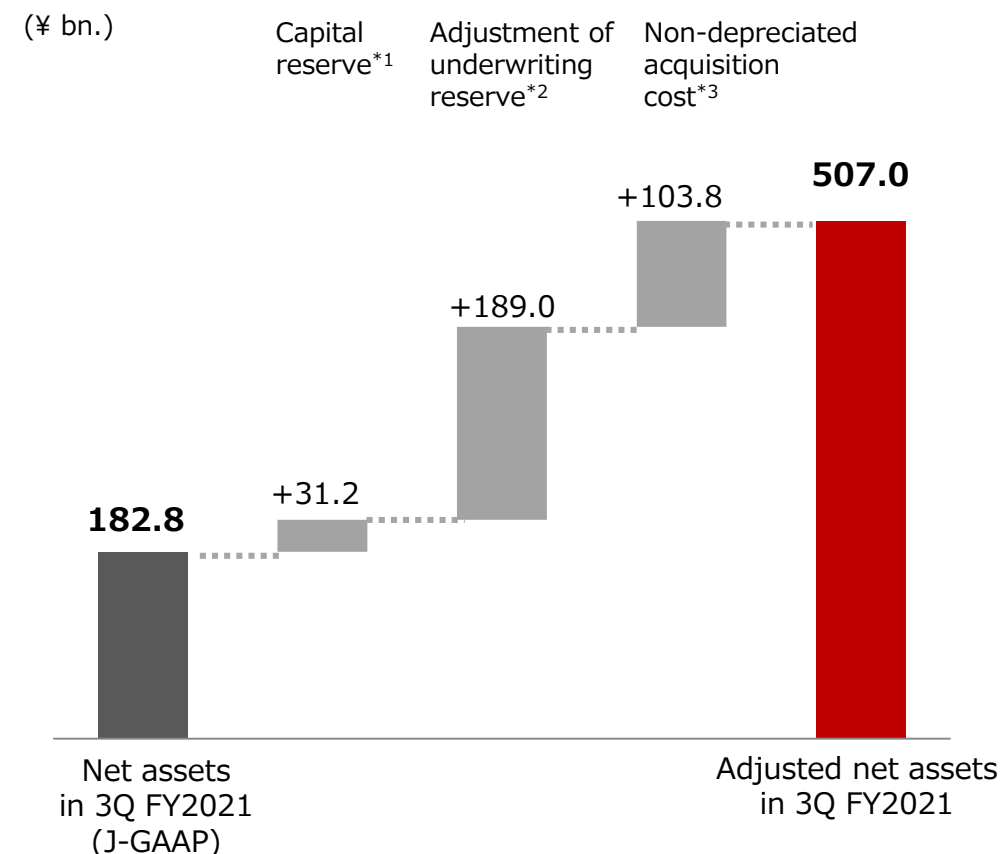
Adjusted Profit and Adjusted Net Assets – Himawari Life

- Adjusted profit reached ¥26.8 bn., and the progress towards full year forecast was 83%

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

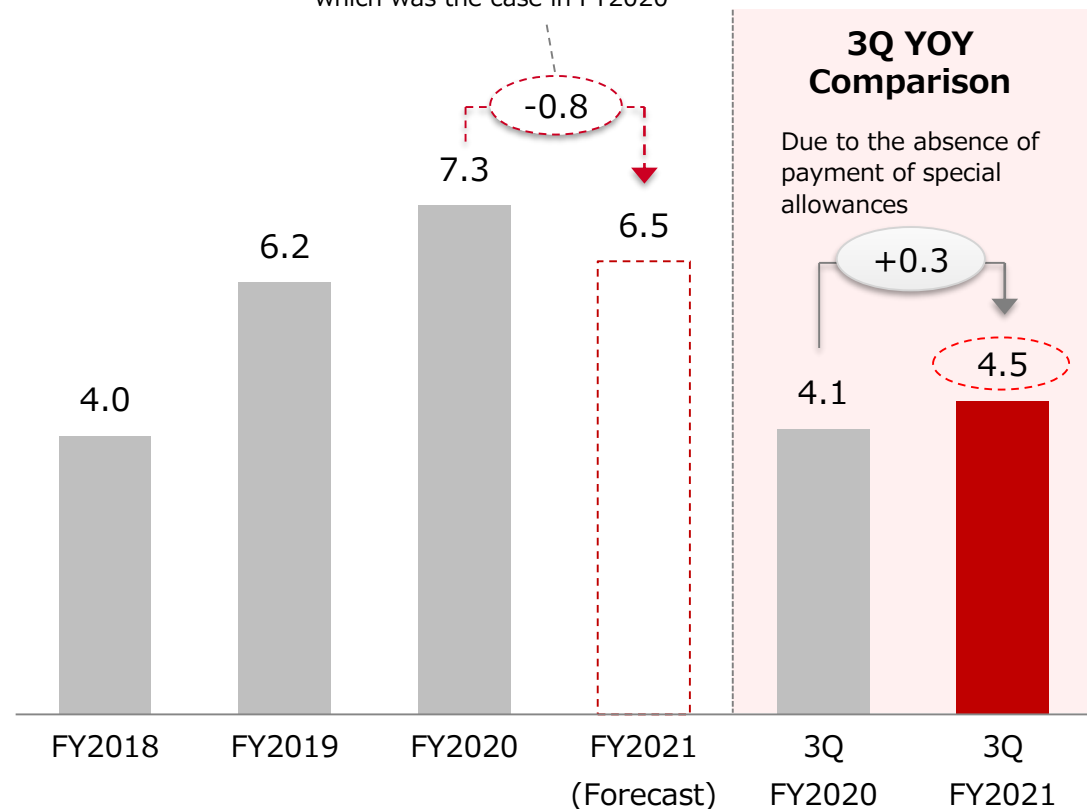
Performance Overview – Nursing Care & Seniors

- Adjusted profit of SOMPO Care increased by ¥0.3 bn., partly due to the absence of payment of special allowances which was the case in FY2020

Adjusted profit of SOMPO Care

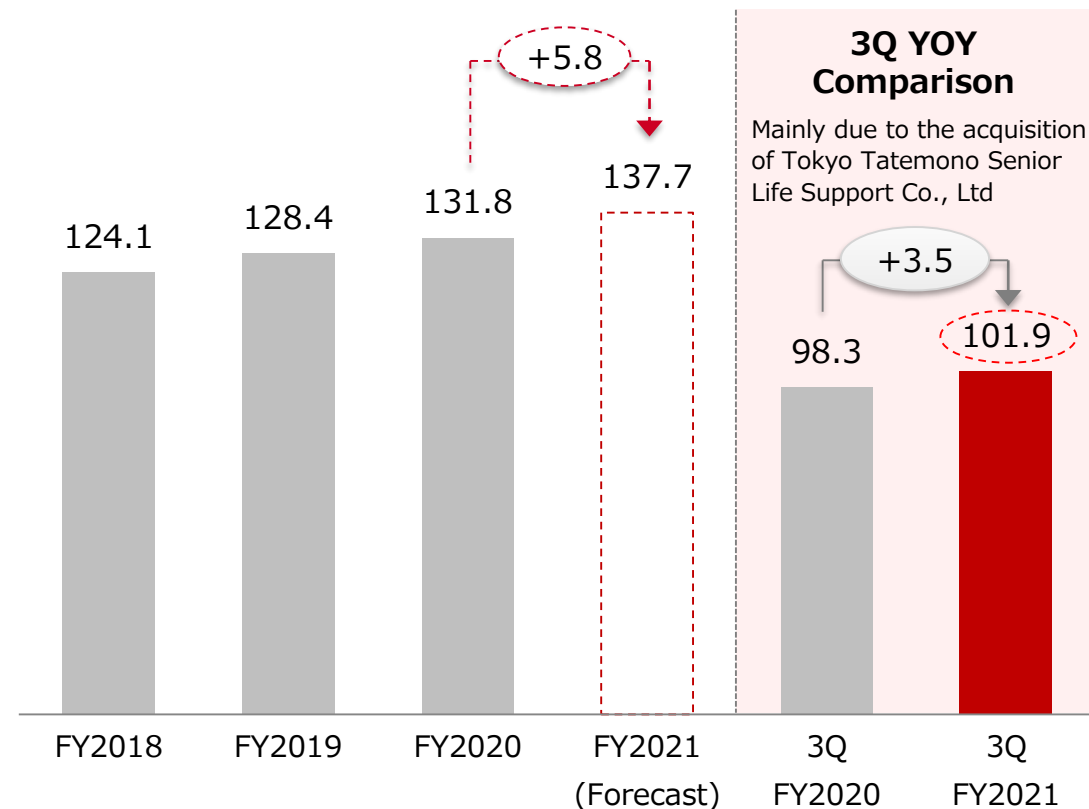
(¥ bn.)

Due to absence of tax benefit,
which was the case in FY2020



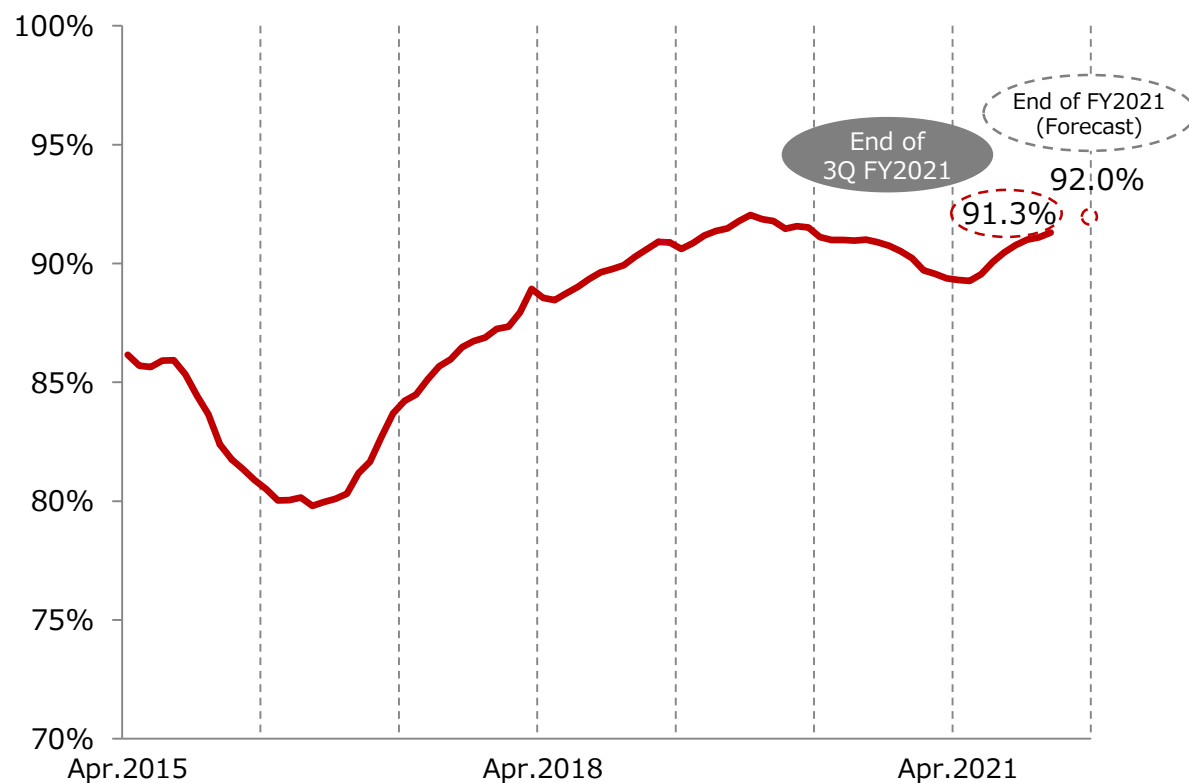
Sales of SOMPO Care

(¥ bn.)

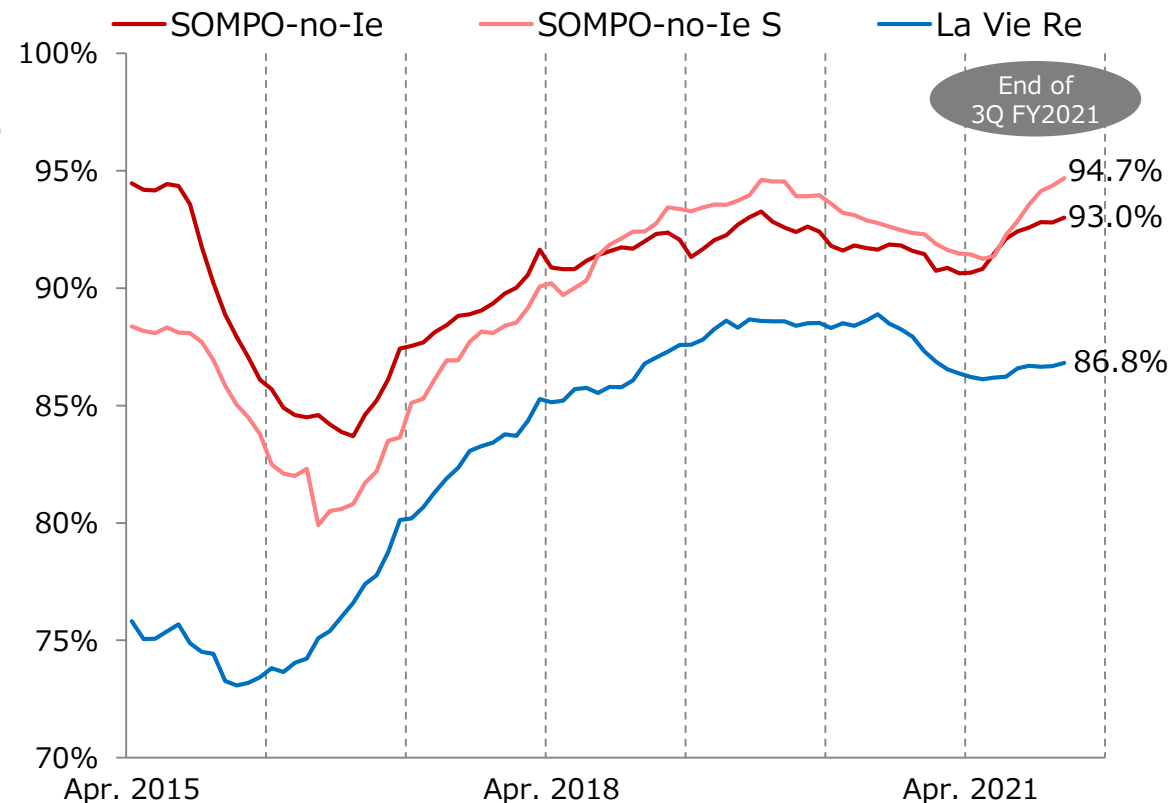


Major Indicators of SOMPO Care

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

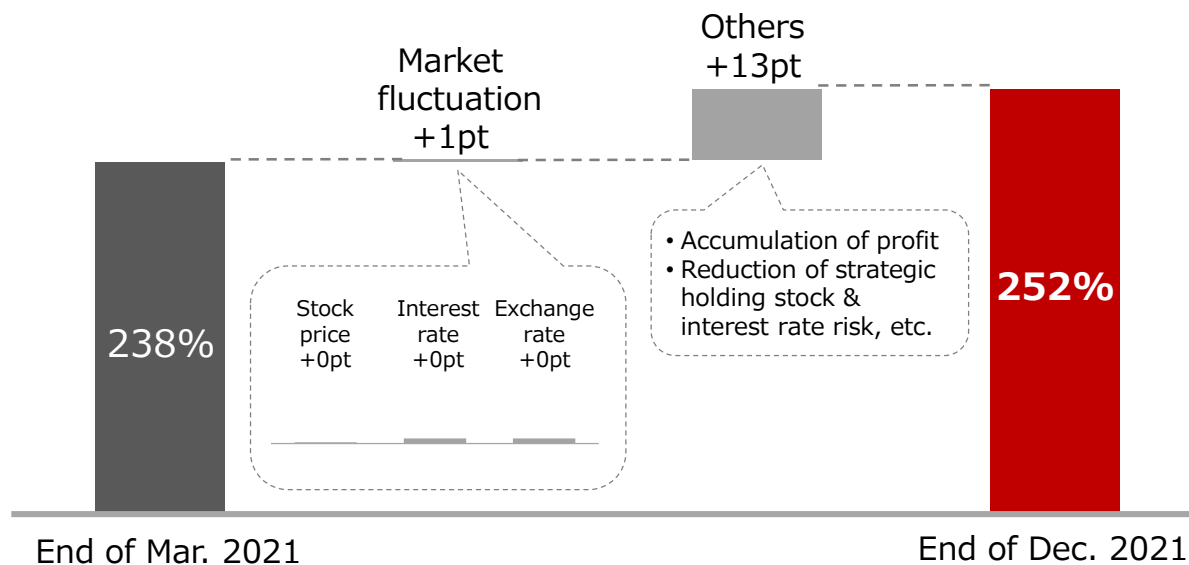
5. Nursing care & seniors

6. ERM & asset management

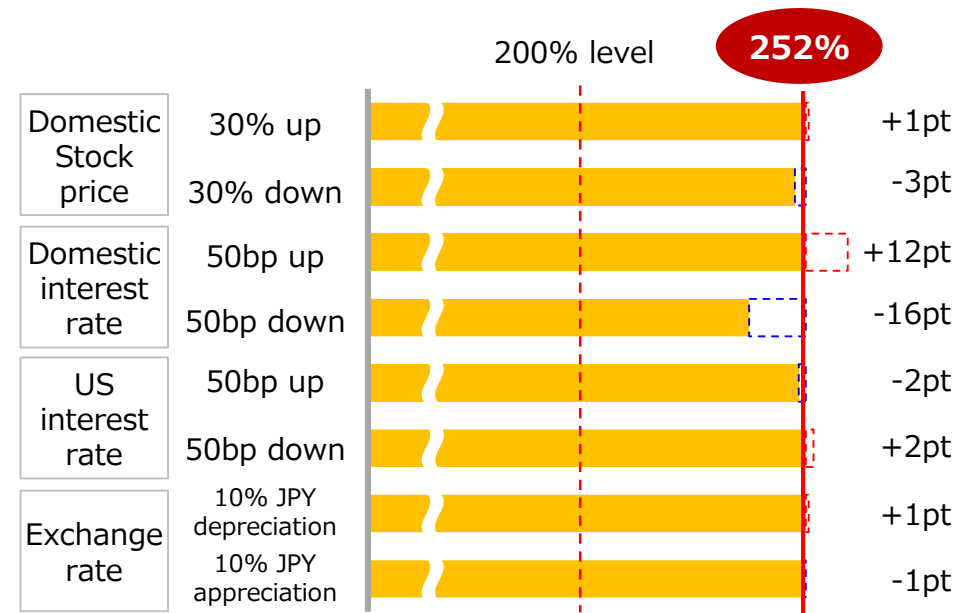
Financial soundness – ESR (99.5% VaR)

- ESR (99.5%VaR) as of the end of December 2021 was 252%, 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-taking (investments in business expansion) and shareholder returns.

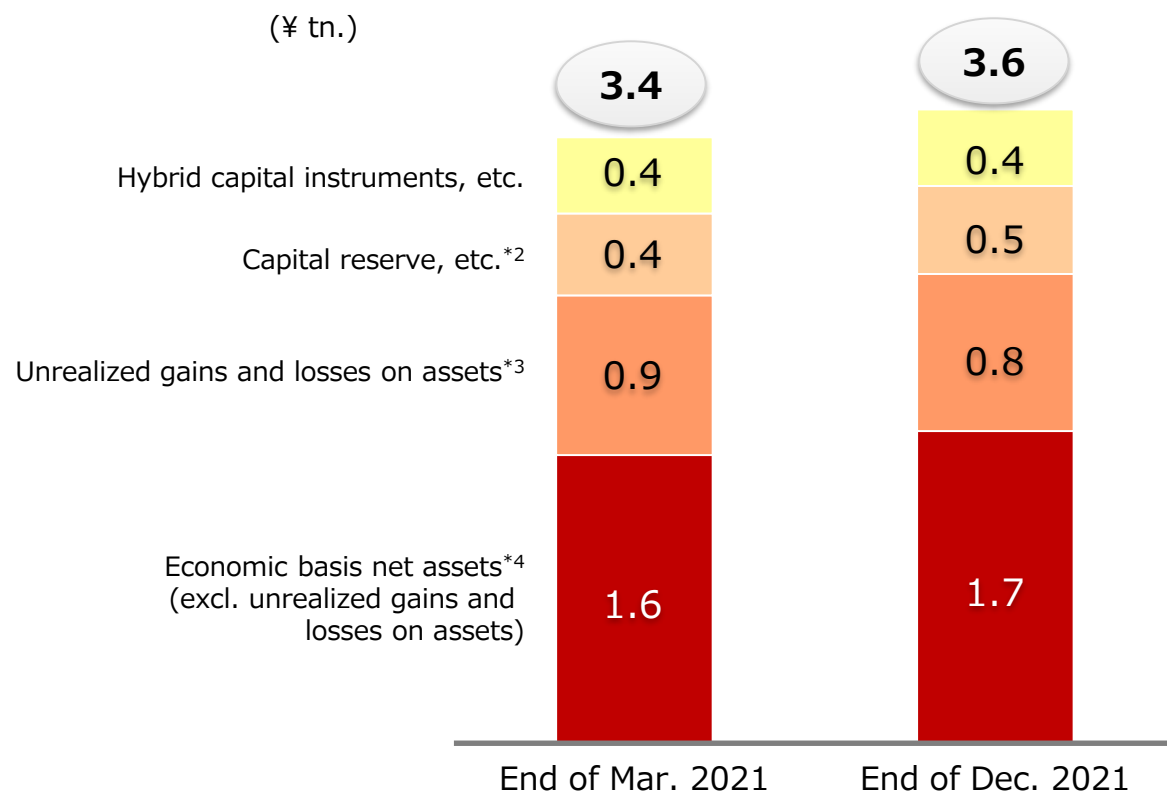
<Under 200% level> Execute a variety of measures to reduce risks, consider enhancing capital buffer by hybrid bond issuance, etc. and retain more earnings and others.

(Reference) Market indicators	End of Dec. 2021	(Change*2)
Domestic stock price (Nikkei 225)	¥28,791	(-1.3%)
Domestic interest rate (30y JGB)	0.69%	(+2bp)
US interest rate	1.51%	(-23bp)
Exchange rate (JPY/USD)	¥115.02	(+3.9%)

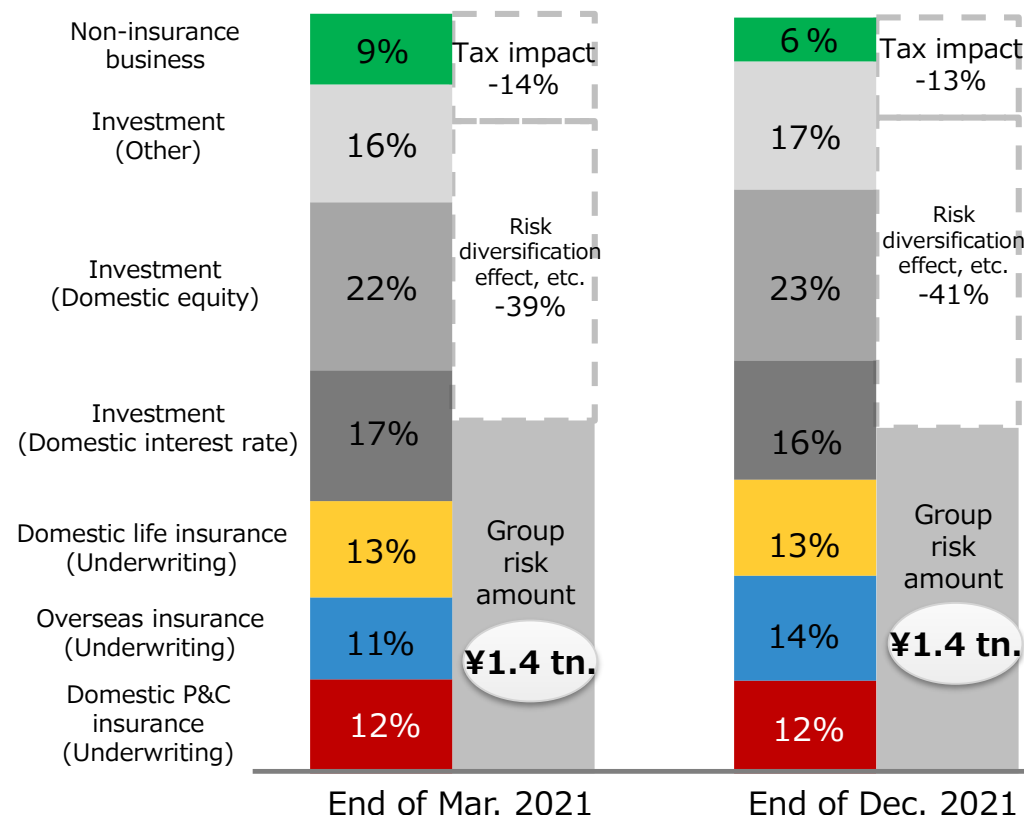
*2 Against the end of Mar. 2021

(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

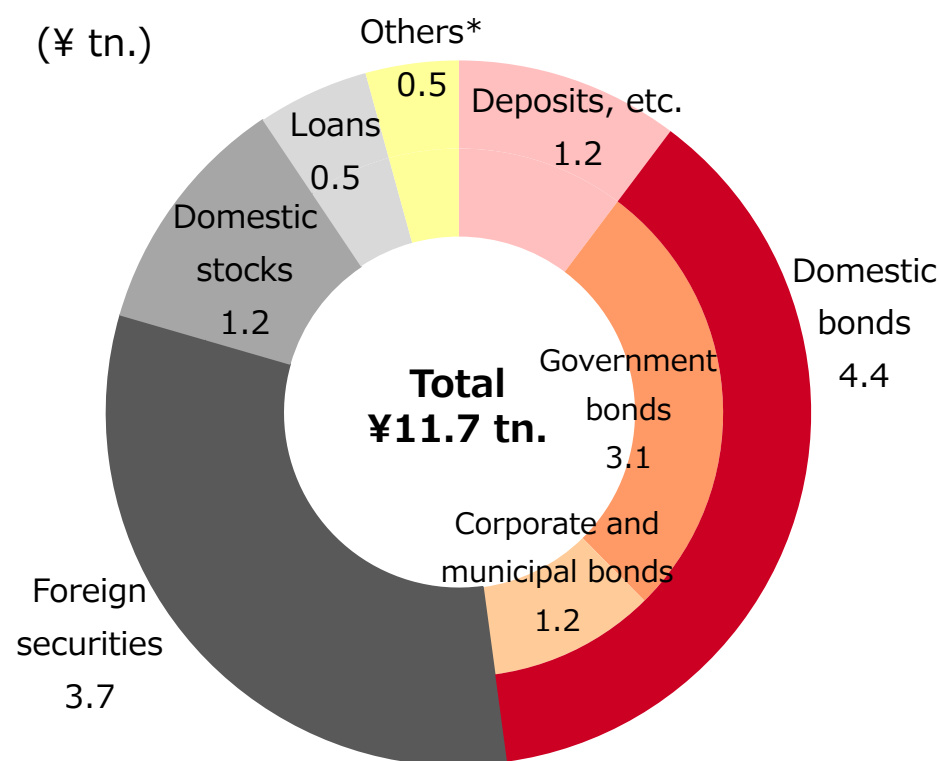
•Risk amount of each risk factor : Before reflecting risk diversification effect among risk factors and before-tax basis

•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

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

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



Investment assets by company

(¥ bn.)

	Amount of investment assets	Composition
Sompo Japan	5,554.3	47.3%
Overseas subsidiaries	1,941.4	16.5%
Himawari Life (General account)	3,807.6	32.4%
Saison Automobile & Fire	66.1	0.6%
Other domestic subsidiaries	384.2	3.3%
Total	11,753.8	100%

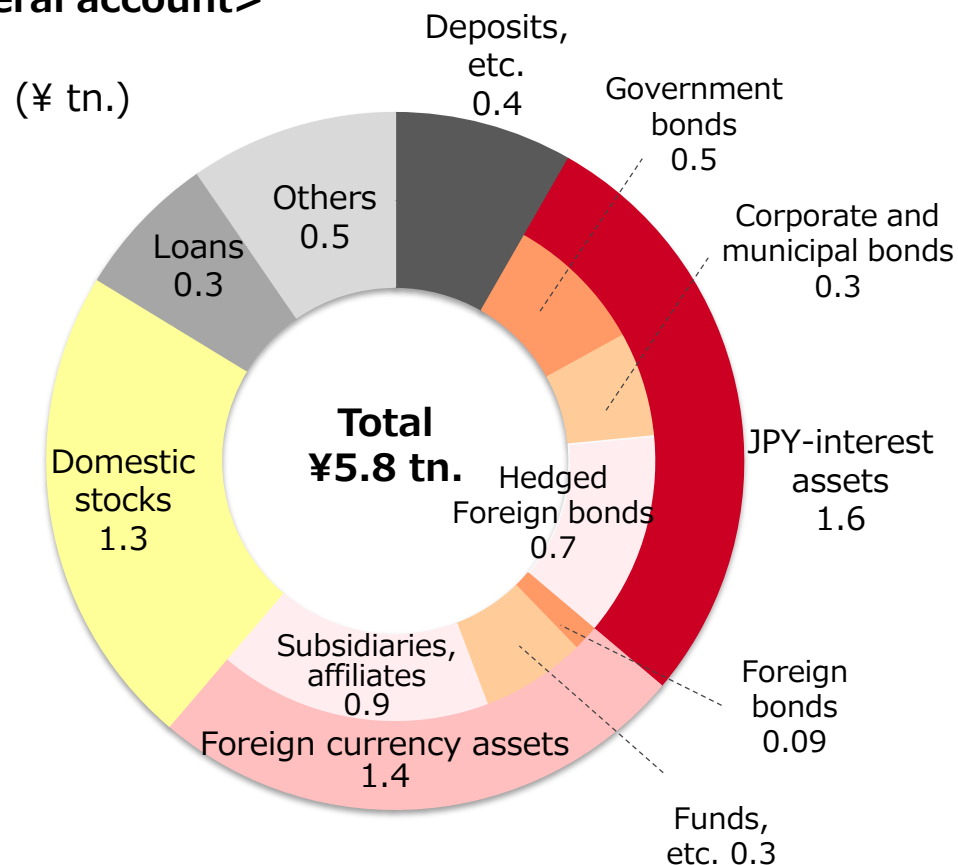
* Others include lands, buildings and stocks of non-consolidated subsidiaries, etc.

Asset Portfolio – Sompo Japan

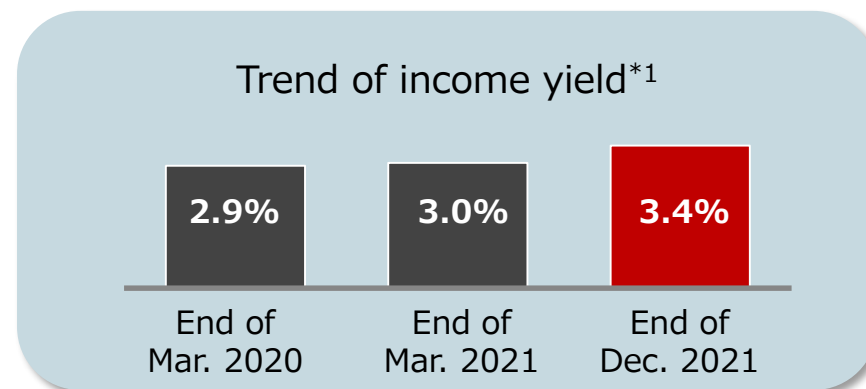
- Continue to manage the portfolio through investment asset diversification and reduction of strategic-holding stocks

Amount of investment assets (as of the end of December 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. 2021	End of Dec. 2021
Asset	8.2	8.2
Liability	8.3	7.9

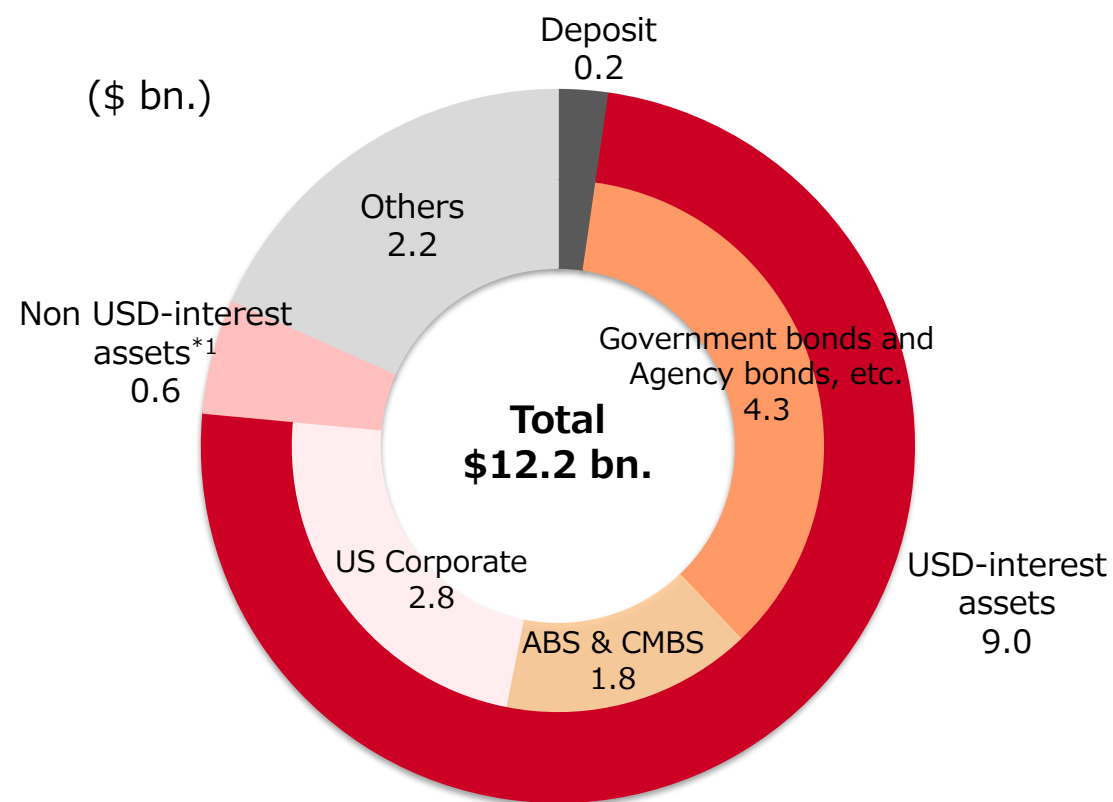
*1 Excl. overseas subsidiaries' shares, etc.

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

Asset Portfolio – SI

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

Amount of investment assets (as of the end of September 2021)



(Reference) Income yield*2 at the end of September 2021 : 3.1%

Composition of ratings*2

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

Duration (years)

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

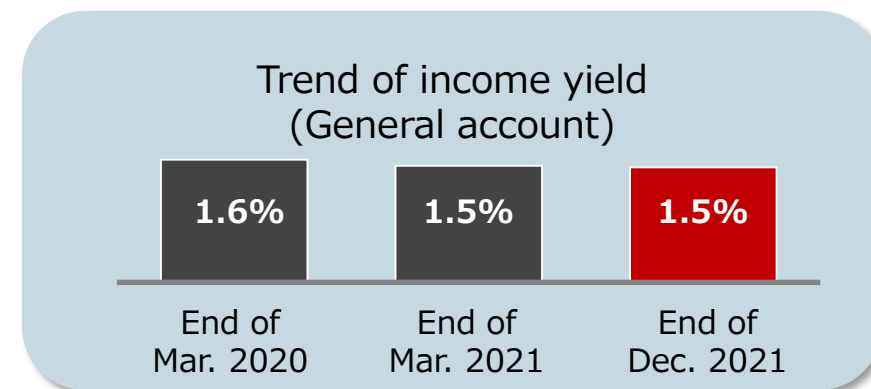
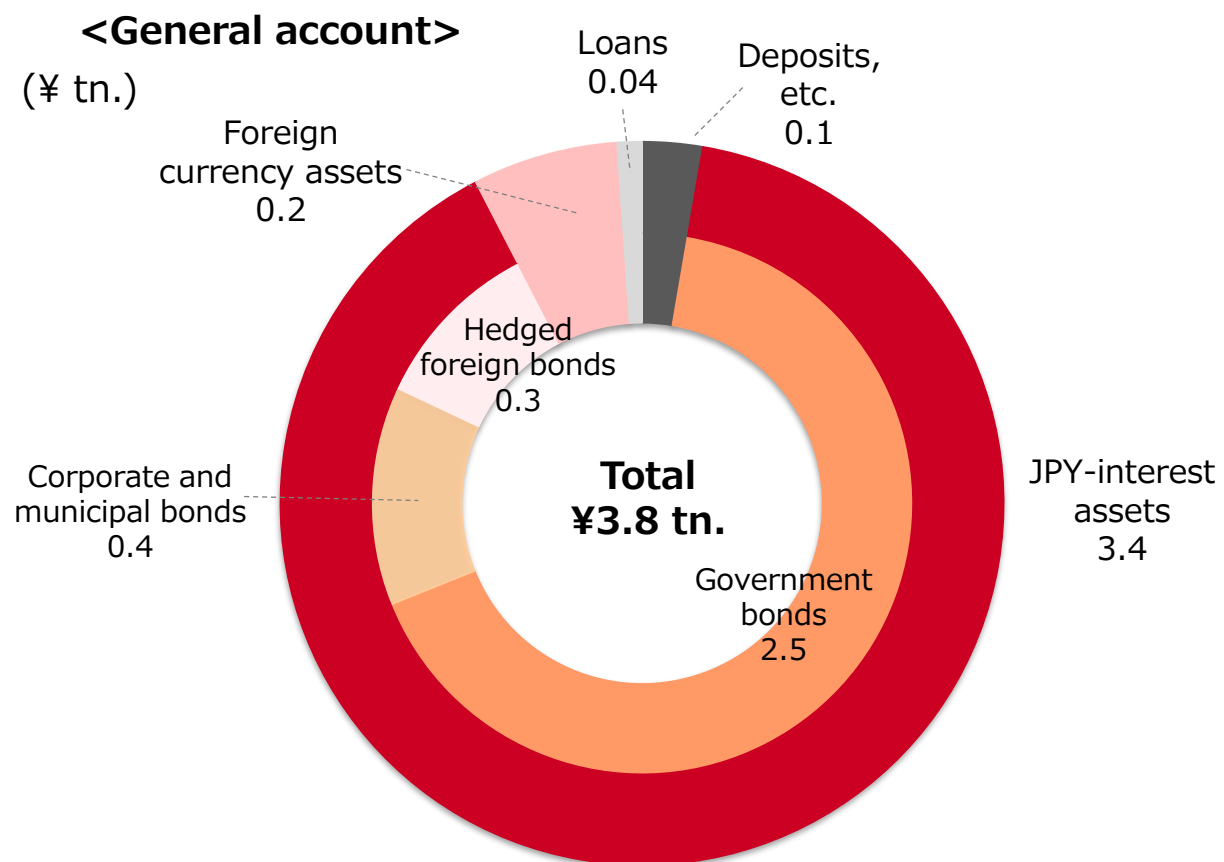
*1 Incl. cash and deposit

*2 Total of bond assets

Asset Portfolio – Himawari Life

- Manages the stable portfolio which mainly consists of JPY-interest assets
- In light of the domestic low interest rate environment, Himawari Life partially invests in corporate bonds, etc.

Amount of investment assets (as of the end of December 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 Dec. 2021
Asset	15	16
Liability	26	26

(Reference) Amount of separate account (End of Dec. 2021) : ¥25.3 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



Sompo Holdings, Inc.

Investor Relations Department

Telephone : +81-3-3349-3913

E-Mail : ir@sompo-hd.com

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