

Highlights of FY2021 Results

May 20, 2022
Sompo Holdings, Inc.

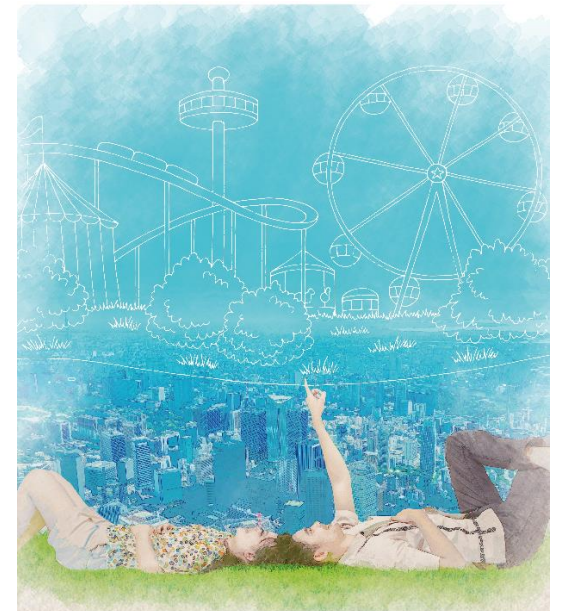


Table of Contents

Highlights of FY 2021 Results	2
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1. Consolidated Financial Results

Overview of FY2021 Results – Consolidated Basis	4
Main Points of Consolidated Results – (1) Underwriting Profit (Sompo Japan)	5
Main Points of Consolidated Results – (2) Investment Profit (Sompo Japan)	6
Main Points of Consolidated Results – (3) Ordinary Profit	7
Main Points of Consolidated Results – (4) Net Income	8
Business Forecast for FY2022 – Consolidated Basis	9
Main Points of Business Forecast for FY2022	10
(Reference) Breakdown of Consolidated Ordinary Profit for FY2022 Forecast	11
(Reference) Historical Progress Rates of Quarterly Results	12
(Reference) Numerical Management Targets, etc.	13

2. Domestic P&C Insurance

Overview of FY2021 Results – Sompo Japan	15
Net Premiums Written	16
Net Loss Ratio (E/I)	17
(Reference) Loss Ratio (W/P* ¹)	18
Net Expense Ratio	19
Combined Ratio	20
Investment Profit / Loss	21
(Reference) Breakdown of Investment Profit	22
(Reference) Business Forecasts for FY2022 – Sompo Japan	23
(Reference) Indicators Related to Automobile Insurance	24
(Reference) Indicators Related to Fire & Allied and Casualty (Other) Insurance	25
(Reference) Domestic Natural Disasters	26
(Reference) Fund and Reserve	27

3. Overseas Insurance

Performance Overview - Overseas Insurance	29
Breakdown of Adjusted Profit	30
Business Results by Region	31
(Reference) SI* ² Commercial P&C Performance	32
(Reference) SI Commercial P&C Profitability Indicators	33
(Reference) SI Commercial P&C Financials	34

4. Domestic Life Insurance

Performance Overview - Himawari Life	36
Net Income (J-GAAP) - Himawari Life	37
(Reference) Adjusted Profit and Adjusted Net Assets	38
(Reference) Annualized Premiums and Expense	39
(Reference) MCEV	40
(Reference) Himawari Life Financials	41

5. Nursing Care & Seniors

Performance Overview - Nursing Care & Seniors	43
Major Indicators of SOMPO Care	44

6. ERM & Asset Management

Financial Soundness - ESR (99.5% VaR)	46
(Reference) Breakdown of Adjusted Capital and Risk	47
Asset portfolio - Group Consolidated	48
Asset portfolio - Sompo Japan	49
Asset portfolio - SI Commercial P&C	50
Asset portfolio - Himawari Life	51

Exchange rate (USD/JPY)

FY2021 Actual	122.39 (YOY +10.6%)	As of Mar. 31, 2022
	- for overseas entities 115.02 (YOY +11.1%)	As of Dec. 31, 2021
FY2022 Forecast	122.39	As of Mar. 31, 2022

*1 Refers to written-paid loss ratio; numerator is net claims paid, and denominator is net premiums written.

*2 Refers to "Sompo International" (The same shall apply hereafter)

Highlights of FY2021 Results

- Net written premium for FY2021 increased by ¥292.1 bn. to ¥3,215.7 bn. mainly due to growth in SI Commercial P&C
- Consolidated net income increased by ¥82.3 bn. to ¥224.8 bn. and adjusted consolidated profit increased by ¥59.1 bn. to ¥261.3 bn., both mainly driven by profit growth in Sompo Japan and SI Commercial P&C (Record high adjusted profit for two consecutive fiscal years)
- In FY2022, while consolidated net income is expected to decline to ¥160.0 bn., adjusted profit is expected to remain at ¥260.0 bn.

FY2021
Actual

Sompo Japan

- Absence of COVID-19 impact (YOY decrease in losses) was offset by a decrease in natural disasters in Japan and resulted in a ¥17.7 bn. increase in core underwriting income.
Loss ratio of automobile insurance (E/I) : 0.8pt increase from FY2020 (4.5pt decrease from FY2019)
Number of automobile claims : 1.3% increase from FY2020 (4.1% decrease from FY2019)
- Investment profit increased by ¥16.8 bn. mainly due to increase in dividend income from investment funds
- Net income was ¥166.2 bn. for FY2021

SI Commercial
P&C

- Increase in insurance rates and the acquisition of Diversified Crop business contributed to the growth in net written premium; ¥870.0 bn., 43% increase compared to prior year
- Absence of COVID-19 related losses also contributed to the ¥45.8 bn. YOY increase in adjusted profit

Himawari Life

- Annualized new premium increased steadily, mainly driven by Insurhealth® products

SOMPO Care

- Increase in occupancy ratio resulted in higher ordinary profit and net income

FY2022
Forecast

- Despite the absence of one-off gains and the decrease in investment income, adjusted profit is expected to remain at ¥260.0 bn. due to strong underwriting income
- Net income for Sompo Japan is expected to decline to ¥145.0 bn., mainly driven by absence of COVID-19 impact (decrease in losses)
- Adjusted profit for Overseas Insurance is expected to increase by ¥38.1bn., led by strong topline growth and improved combined ratio in SI Commercial P&C

Shareholder
Return

- Dividends will be raised for the ninth consecutive year (including FY2022 dividend forecast) and share-buyback in the amount of ¥58.0 bn. will be made (58% total shareholder return ratio for FY2021)

1. Consolidated financial results

2. Domestic P&C insurance

3. Overseas insurance

4. Domestic life insurance

5. Nursing care & seniors

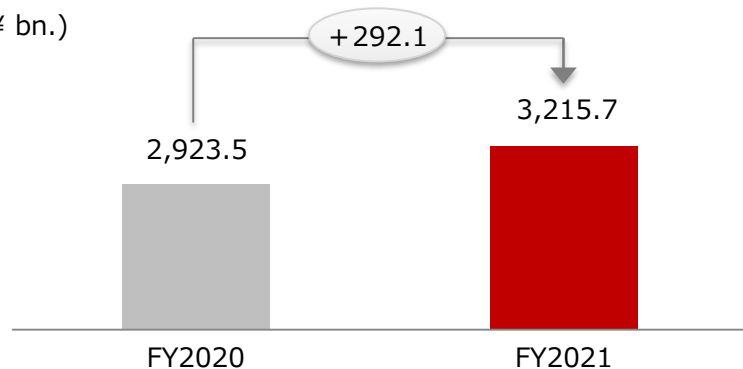
6. ERM & asset management

Overview of FY2021 Results – Consolidated Basis

- Net premiums written increased by ¥292.1 bn., mainly due to growth in SI commercial P&C as well as Sompo Japan's Fire & Allied and Casualty lines
- Consolidated ordinary profit and consolidated net income increased significantly driven by strong results in SI Commercial P&C/Sompo Japan and partly due to the sale of stocks held at HD

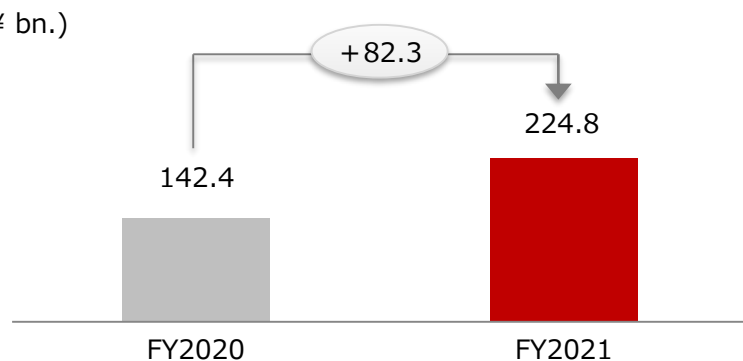
Net premiums written

(¥ bn.)



Consolidate net income

(¥ bn.)



(¥ bn.)	FY2020	FY2021	Variance	FY2022 (Forecast)
Consolidated ordinary income	3,846.3	4,167.4	+321.1 (+8.4%)	-
Net premiums written (P&C)	2,923.5	3,215.7	+292.1 (+10.0%)	3,441.0
Life insurance premiums	346.1	325.1	-20.9 (-6.1%)	327.0
Consolidated ordinary profit	215.0	315.5	+100.4	235.0
Sompo Japan	197.4	210.8	+13.3	187.5
Overseas insurance subsidiaries	52.2	55.9	+3.7	124.5
Himawari Life	28.9	23.2	-5.6	15.8
SOMPO Care	8.7	9.3	+0.5	8.9
Consolidated adjustment ^{*1} /Others	-72.3	16.0	+88.4	-101.8
Consolidated net income ^{*2}	142.4	224.8	+82.3	160.0
Sompo Japan	146.9	166.2	+19.2	145.0
Overseas insurance subsidiaries	35.8	38.8	+3.0	95.2
Himawari Life	20.0	15.9	-4.1	10.5
SOMPO Care	5.3	5.9	+0.6	5.5
Consolidated adjustment/Others	-65.6	-2.0	+63.6	-96.3
(Reference) Adjusted consolidated profit	202.1	261.3	+59.1	260.0
Domestic P&C insurance	130.1	157.4	+27.3	120.0
Overseas insurance	30.0	61.8	+31.8	100.0
Domestic life insurance	33.8	33.6	-0.2	35.0
Nursing care & seniors ^{*3}	8.1	5.9	-2.2	6.0
Digital, etc.	-	2.4	+2.4	1.0

*1 Includes goodwill amortization and realized gain/losses from sales of stocks held at HD.

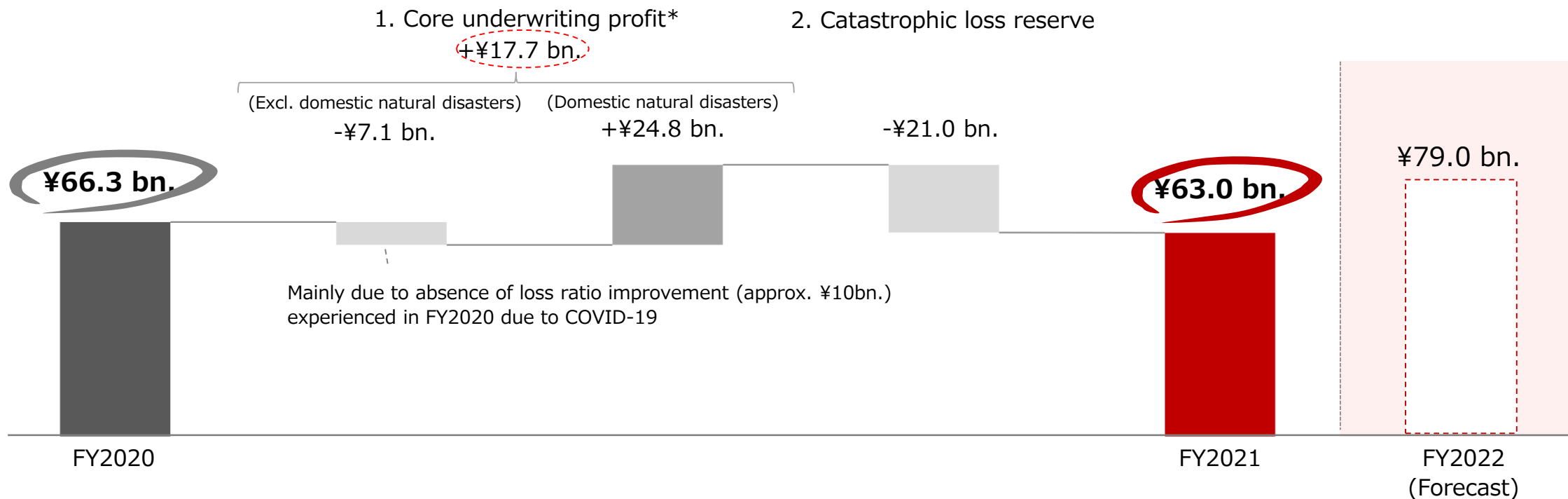
*2 Consolidated net income denotes net income (loss) attributable to shareholders of the parent. (The same shall apply hereafter.)

*3 Shown as "Nursing care & healthcare, etc." in FY2020

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

- Core underwriting profit increased by ¥17.7 bn. to ¥120.2 bn., reflecting the decrease of natural catastrophe impact in Japan

Increase/decrease factors of underwriting profit (Sompo Japan)



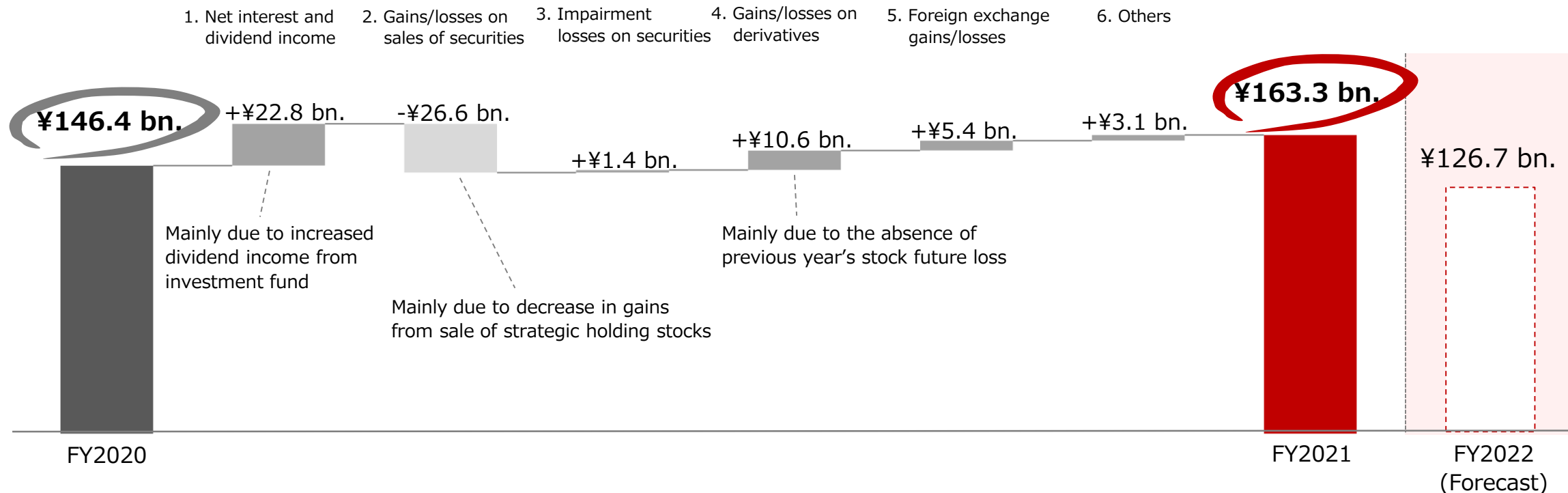
	1. Core underwriting profit			2. Catastrophic loss reserve	Underwriting profit
		(Excl. domestic natural disasters)	(Domestic natural disasters)		
FY2020	¥102.4 bn.	¥201.7 bn.	- ¥99.3 bn.	- ¥36.1 bn.	¥66.3 bn.
FY2021	¥120.2 bn.	¥194.6 bn.	- ¥74.4 bn.	- ¥57.1 bn.	¥63.0 bn.

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

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

- Investment profit increased by ¥16.8 bn. to ¥163.3 bn., mainly due to an increase in net interest and dividend income

Increase/decrease factors of investment profit (Sompo Japan)

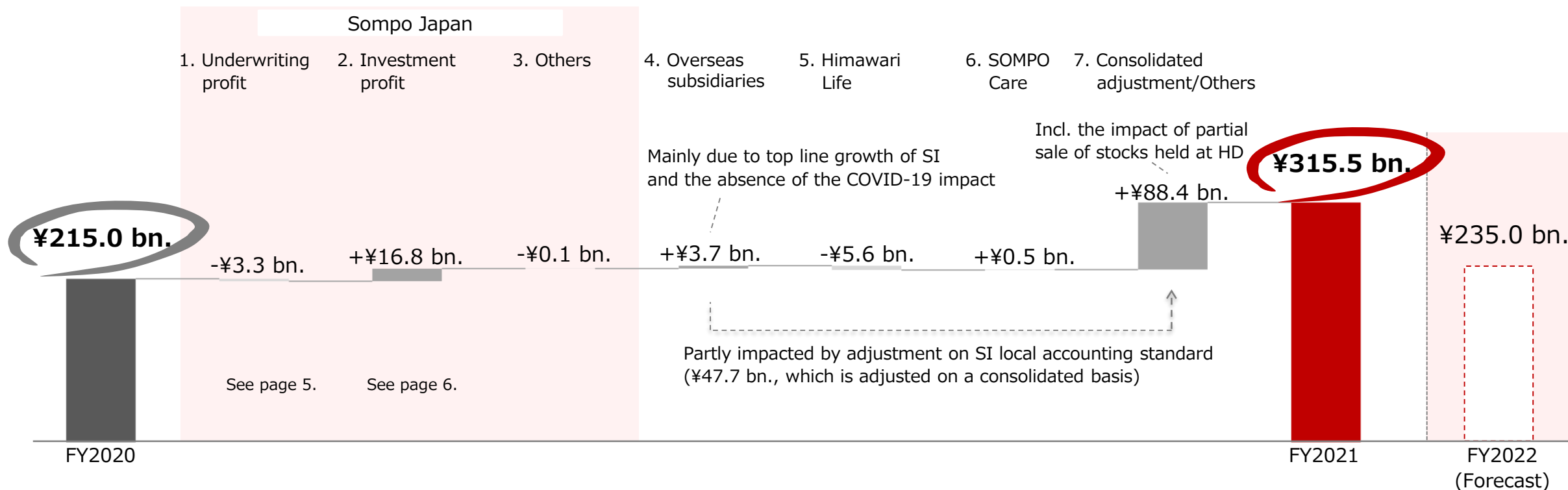


	1. Net interest and dividend income	2. Gains/losses on sales of securities	3. Impairment losses on securities	4. Gains/losses on derivatives	5. Foreign exchange gains/losses	6. Others	Investment profit
FY2020	¥94.1 bn.	¥64.8 bn.	-¥3.2 bn.	-¥13.0 bn.	¥4.5 bn.	-¥0.7 bn.	¥146.4 bn.
FY2021	¥117.0 bn.	¥38.1 bn.	-¥1.8 bn.	-¥2.4 bn.	¥9.9 bn.	¥2.3 bn.	¥ 163.3bn.

Main Points of Consolidated Results – (3) Ordinary Profit

- Consolidated ordinary profit was ¥315.5 bn., an increase of ¥100.4 bn.

Increase/decrease factors of consolidated ordinary profit



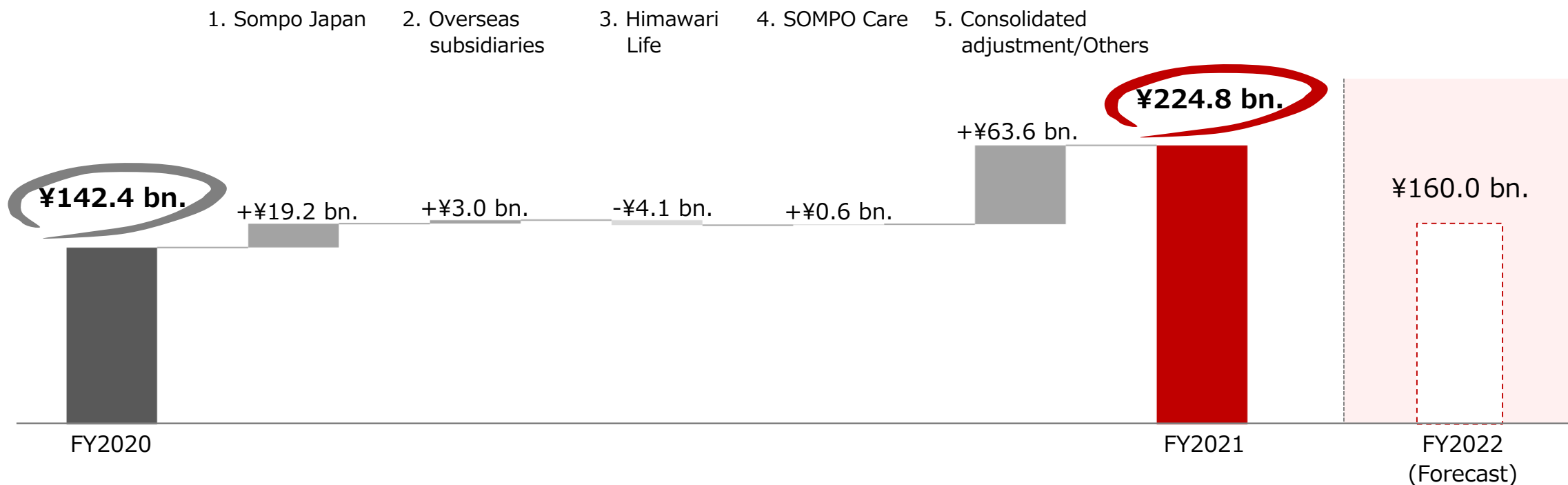
	1. Underwriting profit	2. Investment profit	3. Others	4. Overseas subsidiaries	5. Himawari Life	6. SOMPO Care	7. Consolidated adjustment/Others	Consolidated ordinary profit
FY2020	¥66.3 bn.	¥146.4 bn.	-¥15.3 bn.	¥52.2 bn.	¥28.9 bn.	¥8.7 bn.	-¥72.3 bn.	¥215.0 bn.
FY2021	¥63.0 bn.	¥163.3 bn.	-¥15.5 bn.	¥55.9 bn.	¥23.2 bn.	¥9.3 bn.	¥16.0 bn.*	¥315.5 bn.

* Net amortization amount (before tax) of goodwill and intangible assets, etc. of SI for FY2021: ¥25.0 bn.

Main Points of Consolidated Results – (4) Net Income

- Consolidated net income was ¥224.8 bn., an increase of ¥82.3bn.

Increase/decrease factors of consolidated net income



	1. Sompco Japan	2. Overseas subsidiaries	3. Himawari Life	4. SOMPO Care	5. Consolidated adjustment/Others	Consolidated net income
FY2020	¥146.9 bn.	¥35.8 bn.	¥20.0 bn.	¥5.3 bn.	-¥65.6 bn.	¥142.4 bn.
FY2021	¥166.2 bn.	¥38.8 bn.	¥15.9 bn.	¥5.9 bn.	-¥2.0 bn.	¥224.8 bn.

(Reference) Business Forecast for FY2022 – Consolidated Basis

(¥ bn.)	FY2021 (Actual)	FY2022 (Forecast)	Variance
Net premiums written (P&C)	3,215.7	3,441.0	+225.2
Life insurance premiums	325.1	327.0	+1.8
Consolidated ordinary profit	315.5	235.0	-80.5
Sompo Japan	210.8	187.5	-23.3
Overseas subsidiaries	55.9	124.5	+68.5
Himawari Life	23.2	15.8	-7.4
SOMPO Care	9.3	8.9	-0.4
Consolidated adjustment/Others	16.0	-101.8	-117.9
Consolidated net income	224.8	160.0	-64.8
Sompo Japan	166.2	145.0	-21.2
Overseas subsidiaries	38.8	95.2	+56.4
Himawari Life	15.9	10.5	-5.4
SOMPO Care	5.9	5.5	-0.3
Consolidated adjustment/Others	-2.0	-96.3	-94.3
(Reference) Adjusted consolidated profit	261.3	260.0	-1.3
Domestic P&C insurance	157.4	120.0	-37.3
Overseas insurance	61.8	100.0	+38.1
Domestic life insurance	33.6	35.0	+1.3
Nursing care & seniors	5.9	6.0	+0.0
Digital, etc.	2.4	1.0	-1.4

Main Points of Business Forecast for FY2022

- Net premiums written expected to increase by ¥225.2 bn. to ¥3,441.0 bn., reflecting strong top-line growth in SI commercial P&C
- Consolidated ordinary income and consolidated net income are expected to decline to ¥235.0 bn., and ¥160.0 bn. respectively due to absence of gain from sale of stocks held at HD as well as COVID-19 impacts
- Adjusted consolidated profit is expected to remain at ¥260.0 bn., as strong underwriting income offsets the absence of one-time gain factors

Sompo Japan

- Underwriting profit expected to increase by ¥15.9 bn., as improved profitability in Fire & Allied lines offsets the absence of COVID-19 impact (improved loss ratio)
- Investment profit expected to decline by ¥36.5 bn. to ¥126.7 bn., mainly due to increased hedging costs (approx. ¥11.0 bn.)
- Strategic holding stocks will be reduced by ¥50.0 bn. as originally planned

Overseas Insurance

- Net premiums earned to increase by 26% to ¥203.6 bn., reflecting rate increase in SI commercial P&C
- Combined ratio of SI Commercial P&C is expected to improve by 3.2pt (Underwriting income impact of +¥43.9 bn.)
- Absence of one-time loss factors seen in Sompo Seguros will also contribute to FY2022 profit. As a result, adjusted profit for Overseas Insurance expected to increase by ¥38.1bn.

Himawari Life

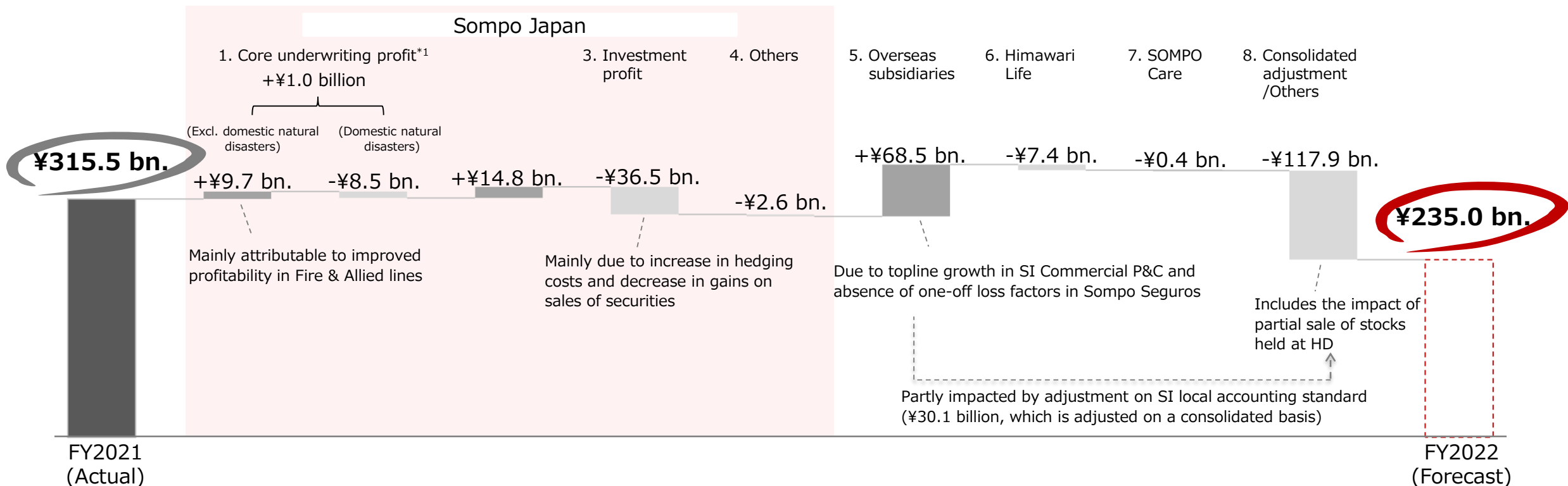
- Expense related to business expansion increase, while annualized new premiums grow mainly in Insurhealth[®] products and other profitable protection-type products

SOMPO Care

- Revenue expected to grow by ¥14.9bn. to ¥151.1 bn., due to improved occupancy (+1.8pt) and integration of Nexus Care

(Reference) Breakdown of Consolidated Ordinary Profit for FY2022 Forecast

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)								
FY2021 Actual	¥194.6 bn.	-¥74.4 bn.	-¥57.1 bn.	¥163.3 bn.	-¥15.5 bn.	¥55.9 bn.	¥23.2 bn.	¥9.3 bn.	¥16.0 bn.	¥315.5 bn.
FY2022 Forecast	¥204.3 bn.	-¥83.0 bn.	-¥42.3 bn.	¥126.7 bn.	-¥18.2 bn.	¥124.5 bn.	¥15.8 bn.	¥8.9 bn.	-¥101.8 bn.*2	¥235.0 bn.

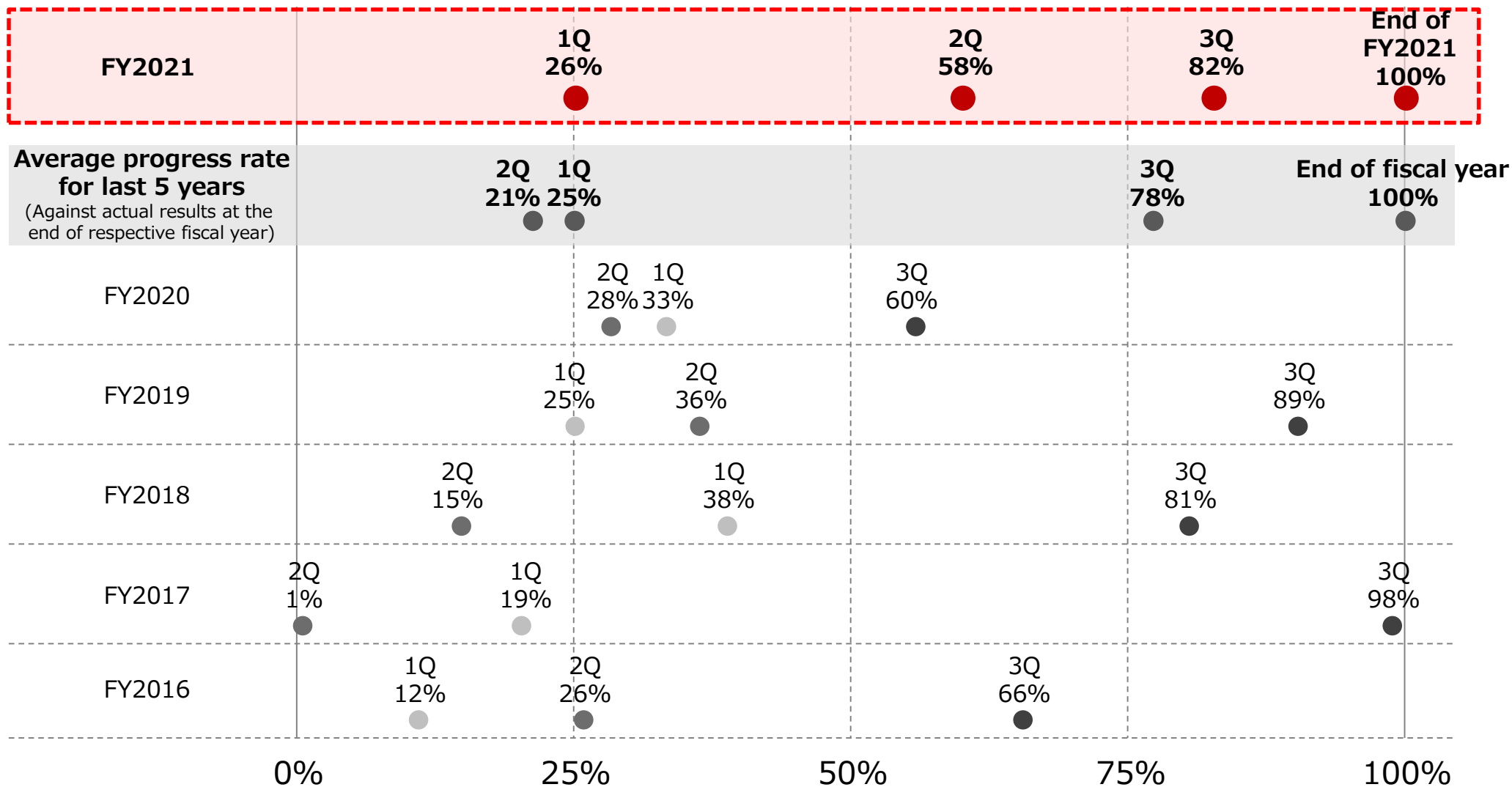
*1 Core underwriting profit is underwriting profit less the impact related to catastrophic loss reserve.

*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 ¥19.9 billion for FY2022 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.)	FY2021			FY2022		FY2023	
	(Actual)	(Variance)	(Segment ROE)* ⁵	(Forecast)	(Segment ROE)	(Plan)	(Segment ROE)
Domestic P&C insurance	157.4	+27.3	11.7%	120.0	8.7%	150.0+	11.4%
Overseas insurance	61.8	+31.8	7.1%	100.0	10.3%	100.0+	11.6%
Domestic life insurance	33.6	-0.2	4.5%	35.0	4.8%	40.0+	5.7%
Nursing care & seniors* ³	5.9	-2.2	10.7%	6.0	10.3%	8.0+	14.3%
Digital, etc.	2.4	+2.4	-	1.0	-	2.0+	-
Total (Adjusted consolidated profit)	261.3	+59.1	-	260.0	-	300.0+	-
Adjusted consolidated ROE*⁴	9.4%	+1.4pt	-	9.2%	-	10%+	-
ROE (J-GAAP)	11.1%	+3.2pt	-	7.9%	-	-	-

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

Others

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.

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 FY2021 Results – Sompo Japan

- Net income increased by ¥19.2 bn. to ¥166.2 bn., mainly due to an increase in investment profit

(¥ bn.)	FY2020	FY2021	Variance	FY2022 (Forecast)
Net premiums written	2,141.4	2,158.7	+17.3(+0.8%)	2,204.0
(excl. CALI, household earthquake)	1,903.4	1,941.7	+38.2(+2.0%)	1,987.6
Net premiums earned (excl. CALI, household earthquake)	1,885.7	1,937.7	+52.0(+2.8%)	1,980.8
E/I loss ratio (excl. CALI, household earthquake)	59.9%	59.1%	-0.8pt	59.3%
W/P Loss ratio	60.8%	59.8%	-1.1pt	61.3%
(excl. CALI, household earthquake)	58.4%	57.4%	-1.0pt	59.1%
Net expense ratio	33.6%	33.7%	+0.1pt	33.8%
(excl. CALI, household earthquake)	34.5%	34.5%	+0.0pt	34.4%
Combined ratio (E/I)*1 (excl. CALI, household earthquake)	94.3%	93.5%	-0.8pt	93.7%
(Reference) Combined ratio (W/P) (excl. CALI, household earthquake)	92.9%	91.9%	-1.0pt	93.5%
Underwriting profit	66.3	63.0	-3.3	79.0
Investment profit	146.4	163.3	+16.8	126.7
Ordinary profit	197.4	210.8	+13.3	187.5
Net income	146.9	166.2	+19.2	145.0
Provisions for catastrophic loss reserve (after tax)	+26.2	+41.8	+15.5	+31.0
Provisions for reserve for price fluctuation (after tax)	+2.8	+3.0	+0.1	+2.9
Gains/losses on sales of securities and impairment losses on securities (after tax)	-43.5	-25.8	+17.6	-10.1
Special factors (after tax)*2	-4.4	-28.9	-24.4	-47.8
Adjusted profit	128.1	156.2	+28.1	121.0

(Reference)
Adjusted
profit

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

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

Net Premiums Written

- Increase in Fire and Allied, Casualty (Other) lines led net premiums written growth

Net premiums written by product line

(¥ bn.)	FY2020	FY2021	Variance		FY2022 (Forecast)
Fire & Allied Lines	306.3	327.6	+21.2	(+6.9%)	352.1
Marine	40.5	46.8	+6.2	(+15.4%)	48.0
Personal Accident	152.1	151.6	-0.4	(-0.3%)	157.1
Voluntary Automobile	1,089.8	1,087.7	-2.0	(-0.2%)	1,090.0
CALI	237.6	216.8	-20.8	(-8.8%)	216.0
Other	314.8	328.0	+13.1	(+4.2%)	340.4
Of which Liability	158.8	159.3	+0.5	(+0.3%)	161.2
Total	2,141.4	2,158.7	+17.3	(+0.8%)	2,204.0
Total(excl. CALI, household earthquake)	1,903.4	1,941.7	+38.2	(+2.0%)	1,987.6

(Reference) Year-on-Year comparison of voluntary automobile insurance (April 2021 – March 2022)
(Sales Performance basis)

	# of vehicles*	Unit premium	Total Premium
Non-fleet	-0.8%	+0.5%	-0.3%
Fleet	-0.8%	-1.5%	-2.3%
Total	-0.8%	+0.2%	-0.6%

* Excl. per hour type automobile insurance

(Main drivers of variance)

Fire & Allied Lines : Revenue increased due to rate optimization through product revision mainly in the corporate sector.

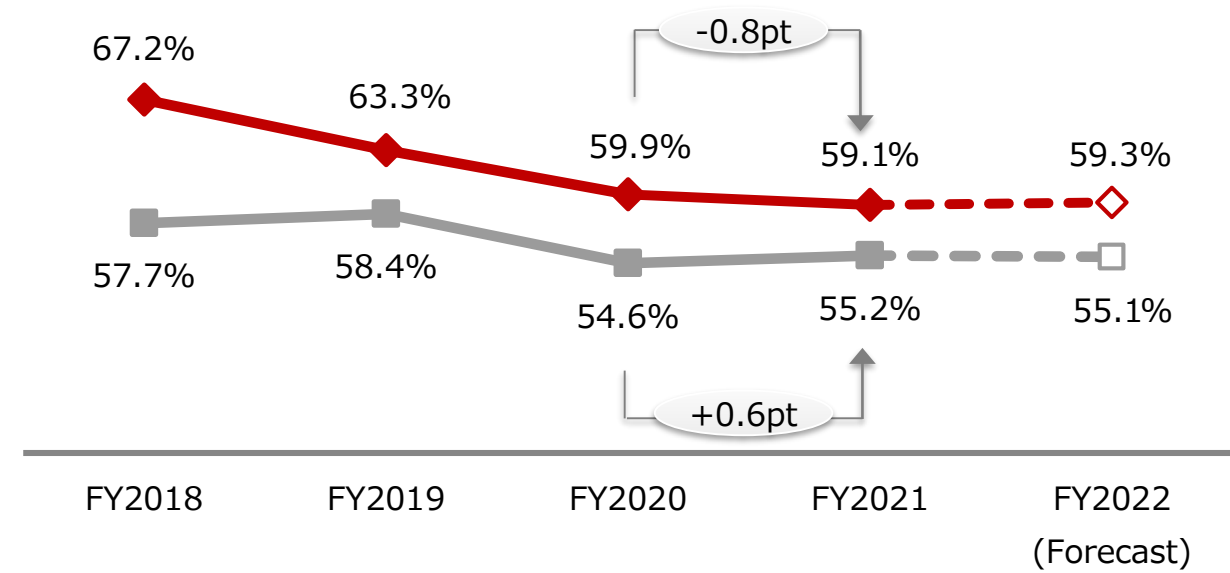
Voluntary automobile : Rate optimization was offset by revenue decrease in fleet policies.

Other :Sales of core product “Business Master Plus”, grew steadily.

Net Loss Ratio (E/I)

- 0.8pt improvement of E/I loss ratio is attributable to decrease in domestic natural disaster partially offset by increase in automobile losses due to absence of COVID-19 impact
- FY2022 E/I loss ratio expected to be in line with FY2021, driven by improved profitability in Fire & Allied lines offset by further increase in automobile losses as economic activity recovers

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



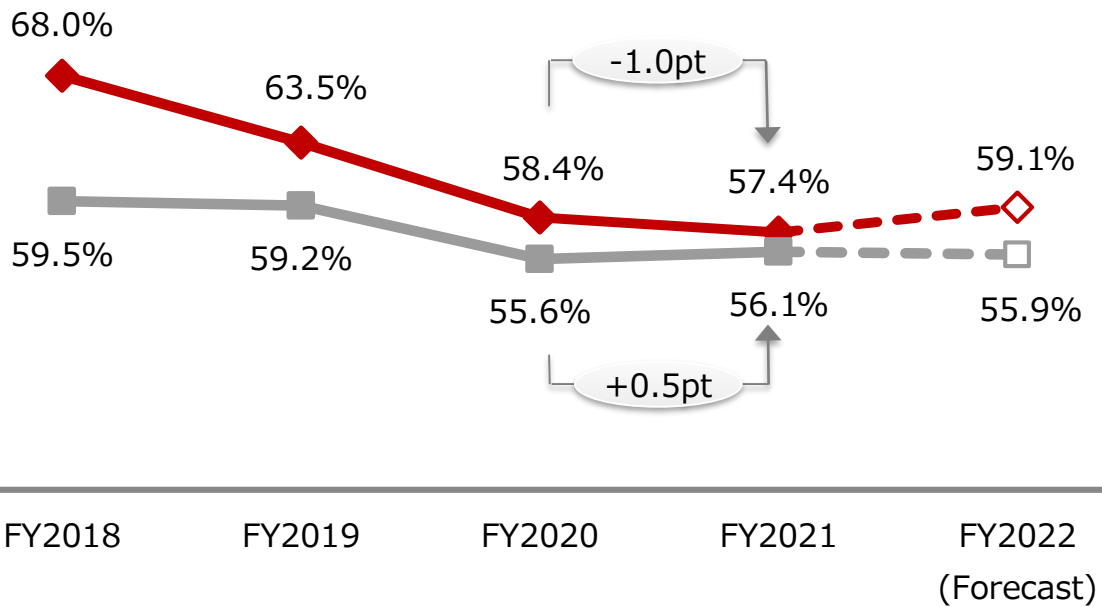
◆ Loss Ratio (E/I)(excl. CALI, household earthquake)
■ Reference: Loss Ratio (E/I)(excl. CALI, household earthquake and domestic natural disasters)

(Reference) Loss ratio (E/I) by product line	FY2021		FY2022 (Forecast)
	Loss ratio	Variance	Loss ratio
Fire & Allied lines (excl. household earthquake)	73.9%	-14.5pt	68.2%
Marine	57.1%	-0.9pt	61.4%
Personal Accident	51.8%	+7.0pt	50.8%
Voluntary Automobile	55.7%	+0.8pt	57.4%
Other	59.3%	+0.6pt	59.7%
Total (excl. CALI, household earthquake)	59.1%	-0.8pt	59.3%

(Main drivers of variance)
 Fire & Allied Lines : Decrease in domestic natural disaster
 Personal Accident : Increase in travel due to relaxed restrictions
 Voluntary automobile : Increased traffic due to recovered economic activity

(Reference) Loss Ratio (W/P)

Loss ratio (W/P)



◆ Loss Ratio (W/P)(excl. CALI, household earthquake)
 ■ Reference: Loss Ratio (W/P)(excl. CALI, household earthquake and domestic natural disasters)

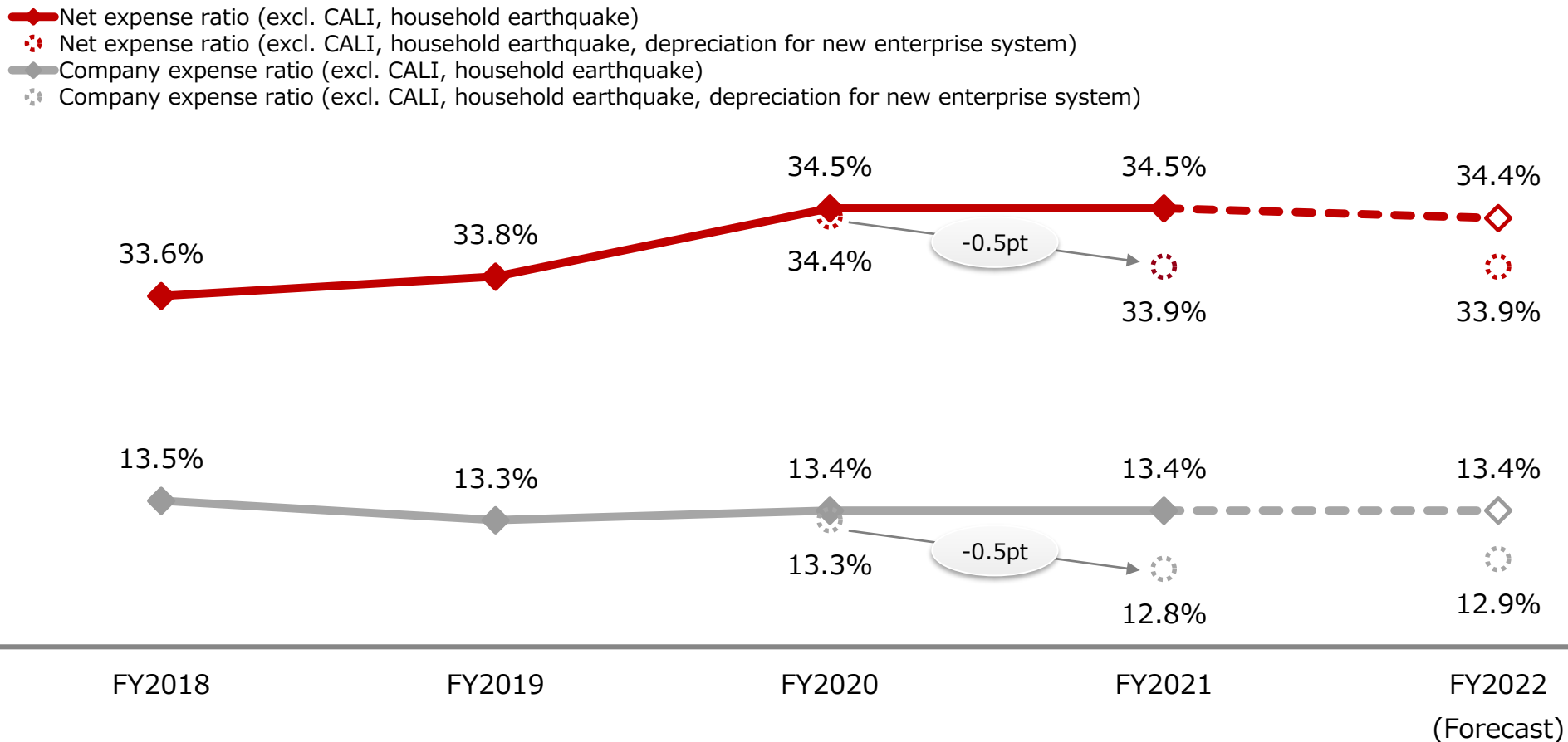
(Reference) Loss ratio (W/P) by product line

(Reference) Loss ratio (W/P) by product line	FY2021		FY2022 (Forecast)
	Loss Ratio	Variance	Loss Ratio
Fire & Allied lines (excl. household earthquake)	67.9%	-4.3pt	71.1%
Marine	51.7%	-12.7pt	60.1%
Personal Accident	50.1%	-0.7pt	49.4%
Voluntary Automobile	56.0%	+0.5pt	56.5%
Other	55.5%	-2.4pt	59.1%
Total (excl. CALI, household earthquake)	57.4%	-1.0pt	59.1%

Net Expense Ratio

- Expense ratio improved by 0.5pt excluding one-time impact of new enterprise system depreciation

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

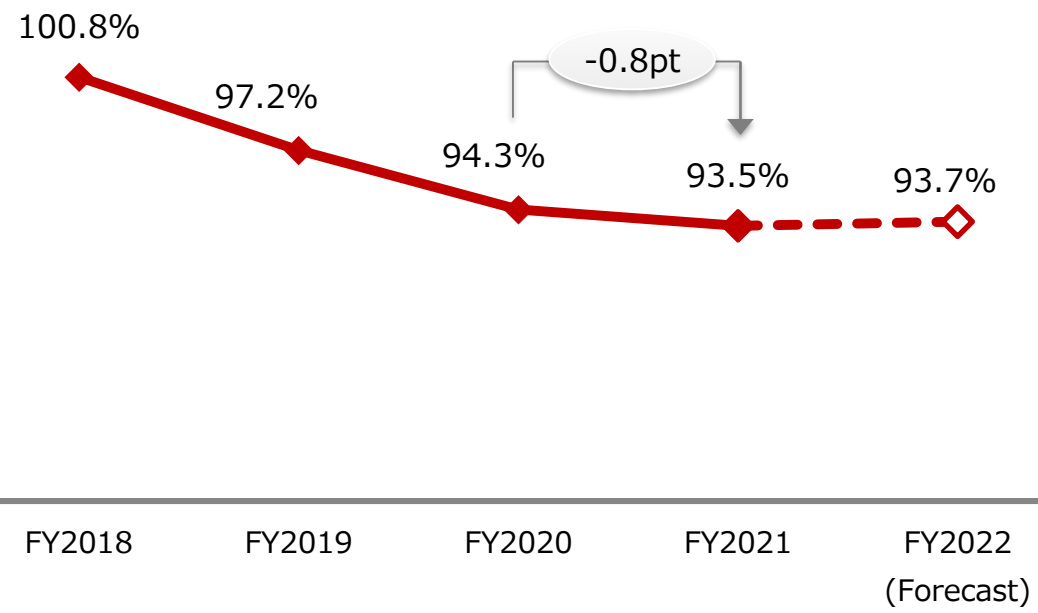


* Ratio of general administrative and selling expense related with underwriting to net premiums written

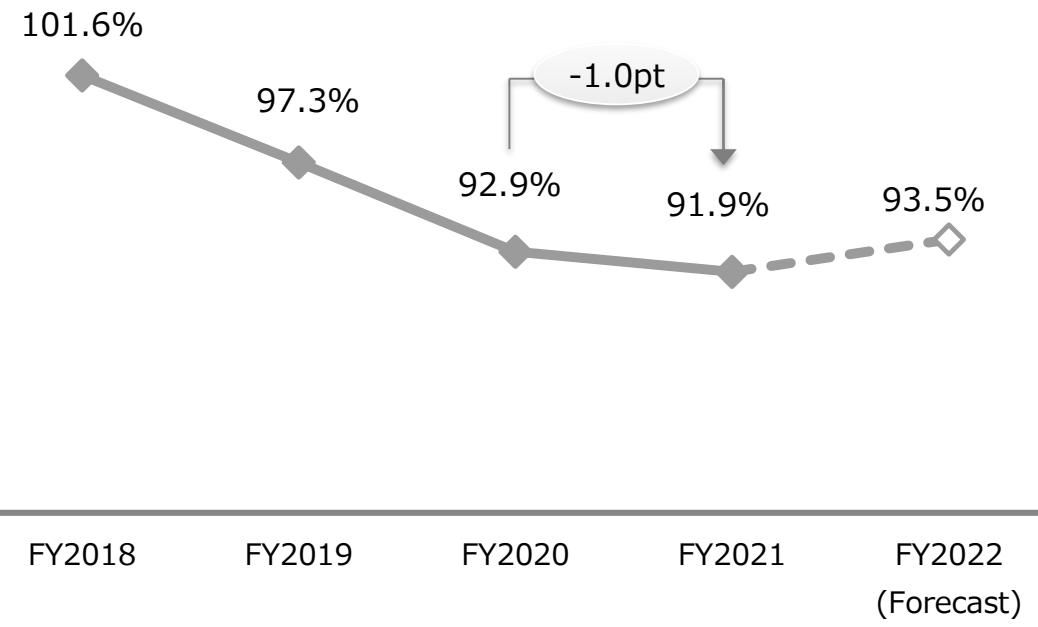
Combined Ratio

- Combined ratio improved by 0.8pt to 93.5%

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



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



Investment Profit / Loss

- Investment profit increased by ¥16.8 bn. to ¥163.3 bn., mainly due to increase in net interest and dividend income

Investment Profit/Loss (Sompo Japan, non-consolidated)

(¥ bn.)		FY2020	FY2021	Variance	FY2022 (Forecast)
Net interest and dividend income	1	94.1	117.0	+22.8	118.2
Interest and dividend income*		126.1	147.9	+21.8	147.0
of which, dividends from overseas subsidiaries		11.2	31.2	+19.9	49.1
Gains on sales of securities	2	64.8	38.1	-26.6	26.6
of which, domestic stocks		52.1	38.6	-13.4	30.0
Impairment losses on securities	3	-3.2	-1.8	+1.4	-9.0
of which, domestic stocks		-2.2	-1.5	+0.7	-5.0
Gains/losses on derivatives	4	-13.0	-2.4	+10.6	-11.2
Foreign exchange gains/losses	5	4.5	9.9	+5.4	-0.3
Other investment income	6	-0.7	2.3	+3.1	2.3
Investment profit	1+2+3+4+5+6	146.4	163.3	+16.8	126.7

(Reference)
Reduction of strategic-holding stocks

¥50.1 billion

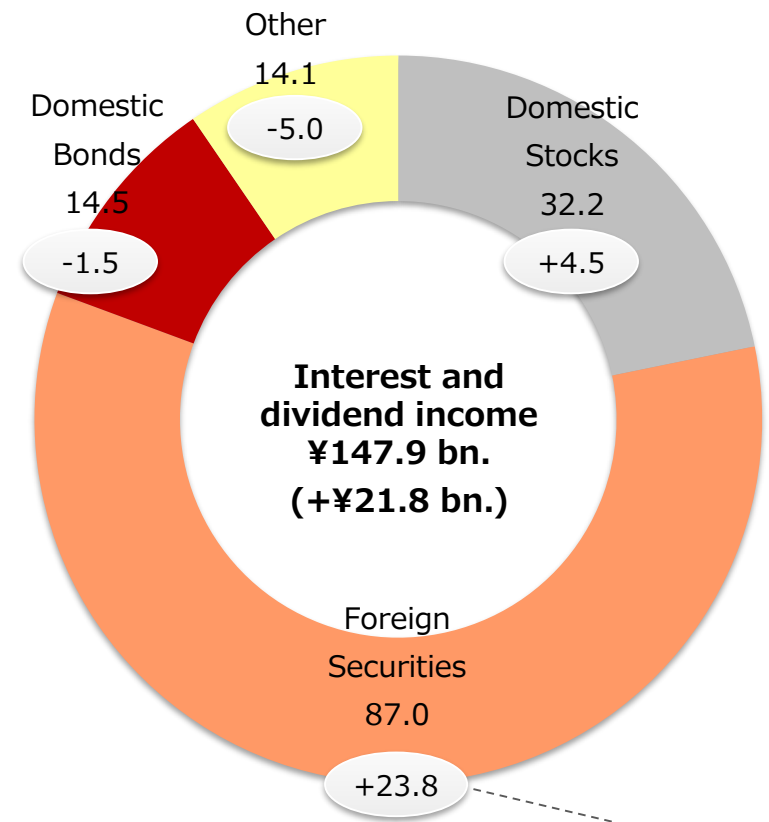
Net reduction on fair value basis
(market value of sales minus market value of purchase)

*Details included in the next page

(Reference) Breakdown of Investment Profit

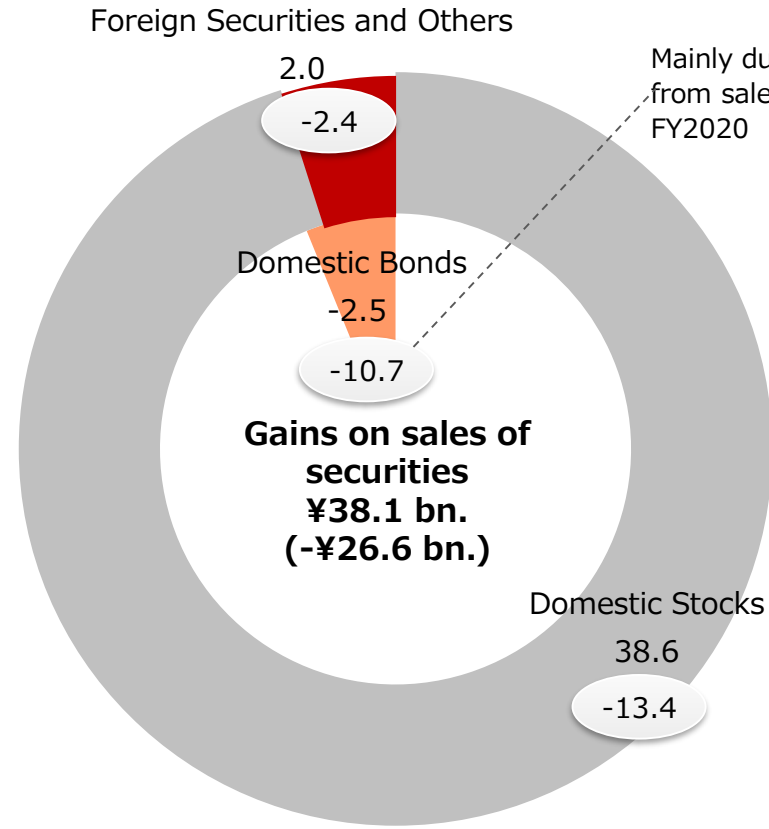
Breakdown of interest and dividend income and gains / losses on sales of securities (FY2021)

(¥ bn.)



Mainly due to an increase in dividend income from investment funds

○ : Variance from FY2020



Mainly due to absence of gains from sale of bonds realized in FY2020

(Reference) Business Forecasts for FY2022 – Sompo Japan

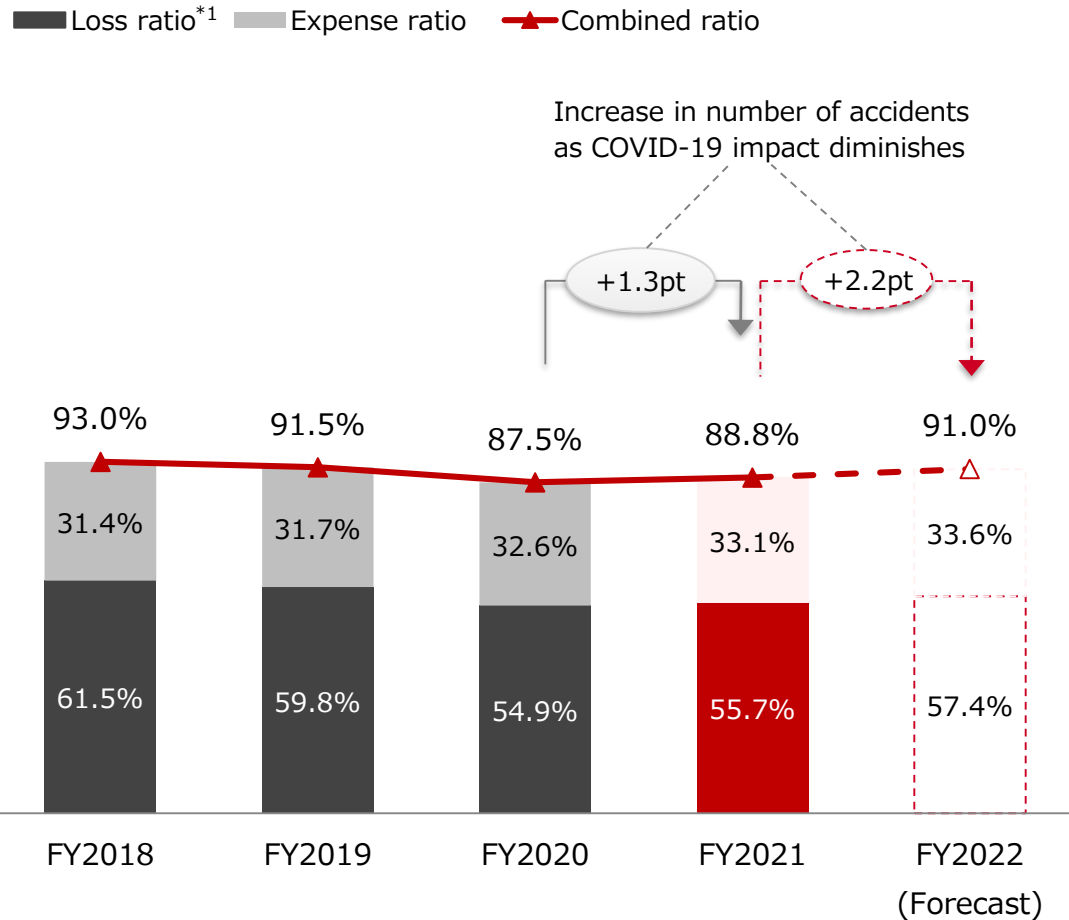
(¥ bn.)	FY2021 (Actual)	FY2022 (Forecast)	Variance
Net premiums written	2,158.7	2,204.0	+45.2(+2.1%)
(excl. CALI, household earthquake)	1,941.7	1,987.6	+45.9(+2.4%)
Net premiums earned (excl. CALI, household earthquake)	1,937.7	1,980.8	+43.1(+2.2%)
E/I loss ratio (excl. CALI, household earthquake)	59.1%	59.3%	+0.2pt
Written paid (W/P) loss ratio	59.8%	61.3%	+1.5pt
(excl. CALI, household earthquake)	57.4%	59.1%	+1.7pt
Net expense ratio	33.7%	33.8%	+0.0pt
(excl. CALI, household earthquake)	34.5%	34.4%	-0.0pt
Combined ratio (E/I) (excl. CALI, household earthquake)	93.5%	93.7%	+0.2pt
Combined ratio (W/P) (excl. CALI, household earthquake)	91.9%	93.5%	+1.6pt
Underwriting profit	63.0	79.0	+15.9(+25.3%)
Investment profit	163.3	126.7	-36.5(-22.4%)
Ordinary profit	210.8	187.5	-23.3(-11.1%)
Net income	166.2	145.0	-21.2(-12.8%)
Provisions for catastrophic loss reserve (after tax)	+41.8	+31.0	-10.7
Provisions for reserve for price fluctuation (after tax)	+3.0	+2.9	-0.0
Gains/losses on sales of securities and impairment losses on securities (after tax)	-25.8	-10.1	+15.6
Special factors (after tax)*	-28.9	-47.8	-18.8
Adjusted profit	156.2	121.0	-35.2

(Reference)
Adjusted
profit

* Dividend from consolidated subsidiaries, etc.

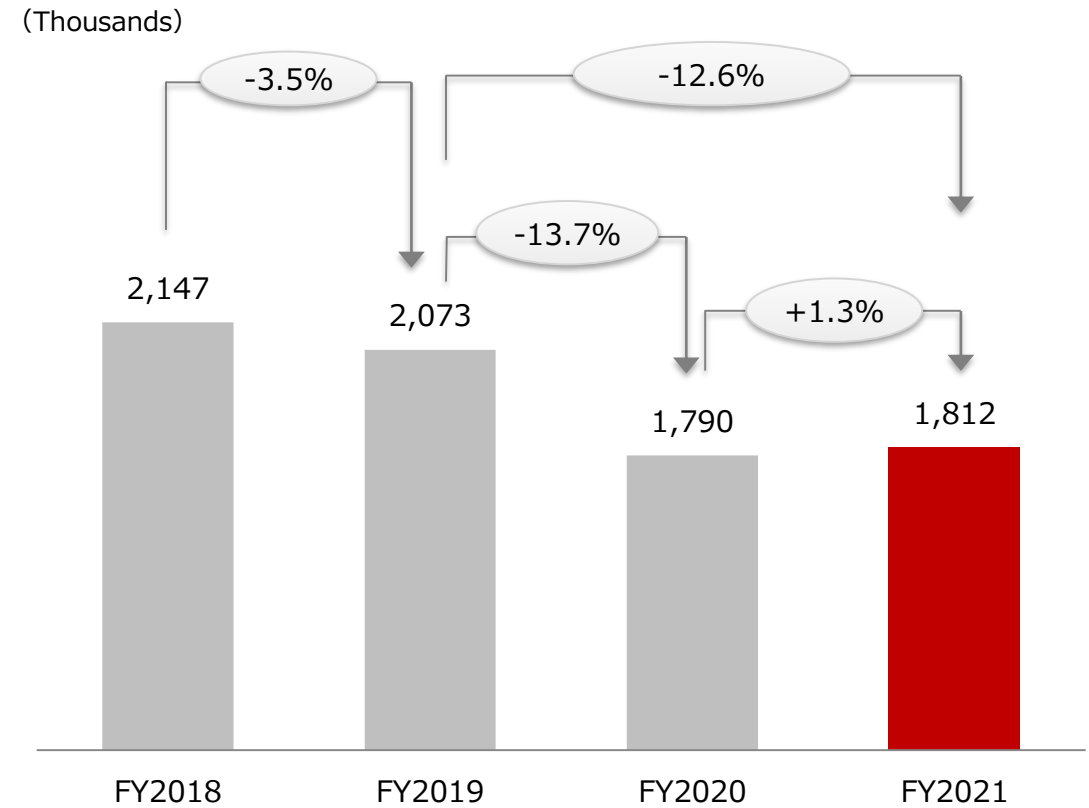
(Reference) Indicators Related to Automobile Insurance

Combined ratio (E/I)



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

The number of reported claims*²

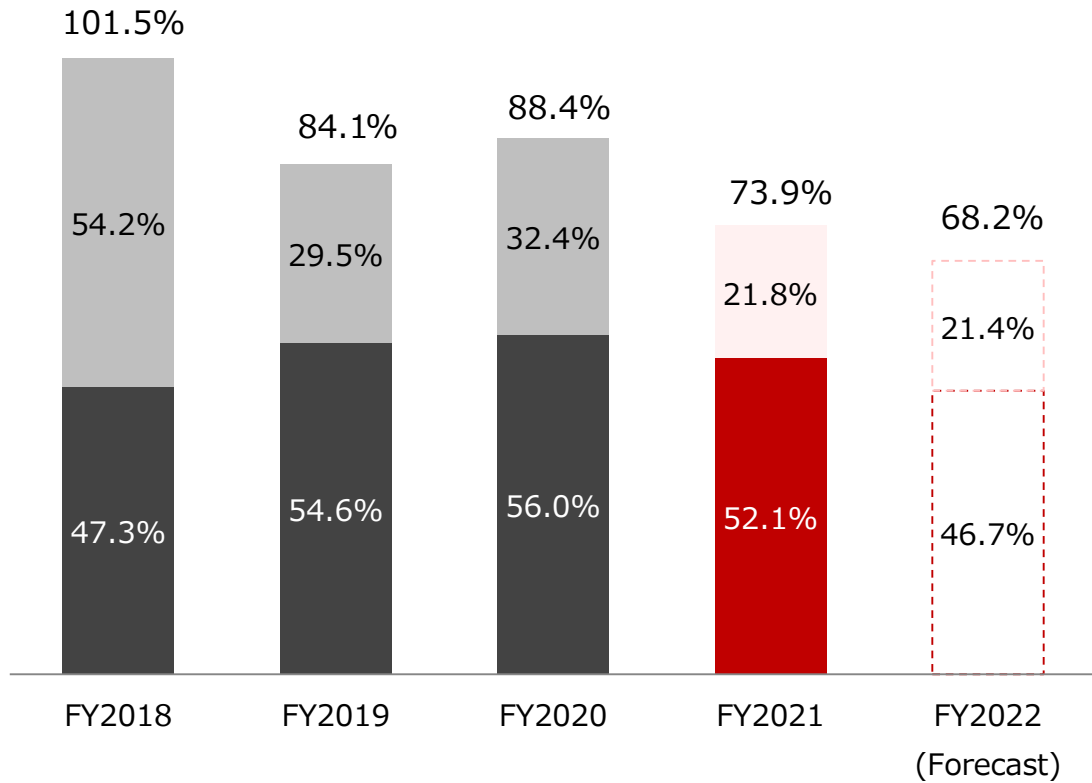


*² Excludes natural disasters, incurred loss of which exceeds certain threshold

(Reference) Indicators Related to Fire & Allied and Casualty (Other) Insurance

Fire & Allied insurance* loss ratio (E/I)

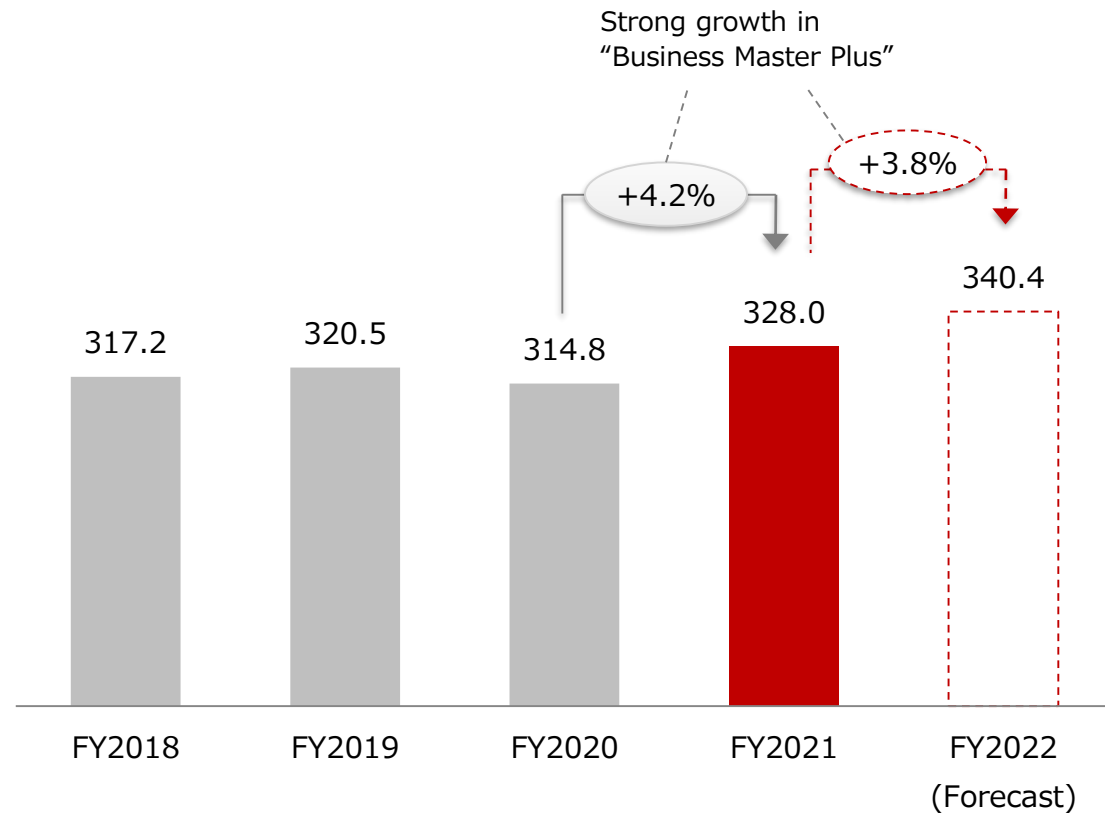
- Loss ratio (E/I)(domestic natural disasters)
- Loss ratio (E/I)(excl. domestic natural disasters)



* Excludes household earthquake

Casualty (Other) insurance net premiums written

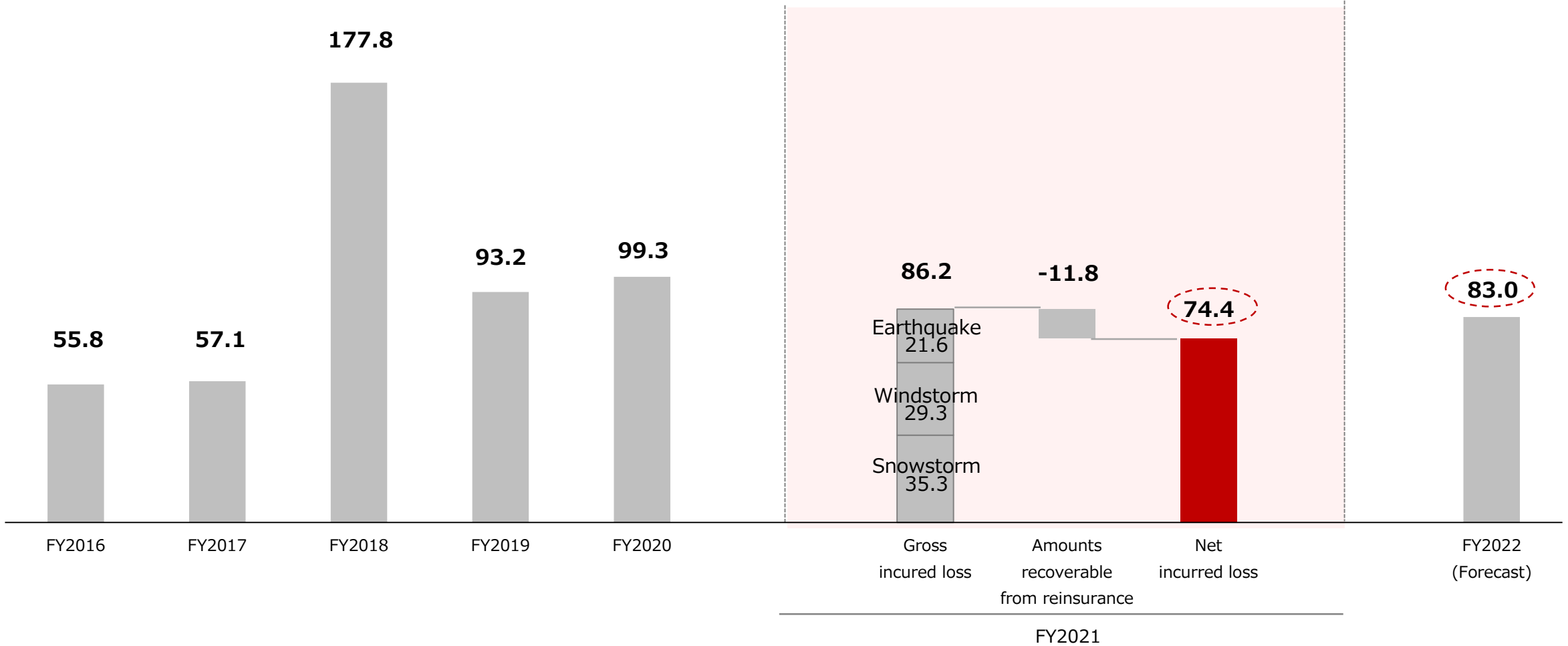
(¥ bn.)



(Reference) Domestic Natural Disasters

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

(¥ bn.)



* excl. CALI, household earthquake

(Reference) Fund and Reserve

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

(¥ bn.)	Ordinary underwriting reserve*1		Catastrophic loss reserve		Reserve for outstanding losses and claims	
	Amount	Variance	Amount	Variance	Amount	Variance
Fire & allied lines*2	784.0	+8.8	114.6	+10.9	154.8	+12.4
Marine	22.2	+2.2	45.5	+1.4	23.1	+1.6
Personal accident	128.1	+0.7	81.2	+4.8	47.0	+2.1
Voluntary automobile	317.3	-3.0	106.3	+35.2	369.2	-1.8
CALI*2	459.5	-2.5	-	-	62.2	-0.3
Other	344.6	-1.4	203.4	+4.6	243.5	+13.6
Total	2,055.9	+4.8	551.2	+57.1	900.1	+27.6
Total (excluding CALI and household earthquake)	1,593.1	+7.5	551.2	+57.1	837.8	+30.1
	Amount	Variance				Variance
Reserve for saving-type products*3	1,047.6	-90.8		Impact of exchange rates on reserve for outstanding losses and claims		+4.9

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

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

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

1. Consolidated financial results

2. Domestic P&C insurance

3. Overseas insurance

4. Domestic life insurance

5. Nursing care & seniors

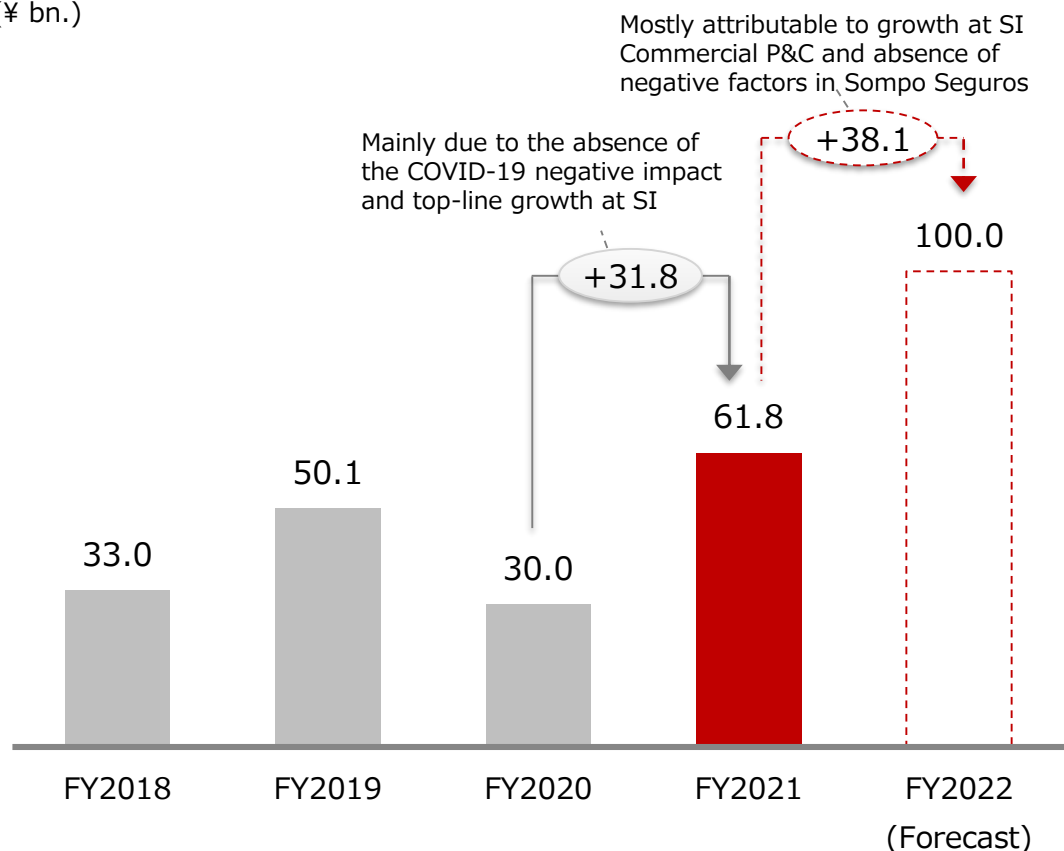
6. ERM & asset management

Performance Overview – Overseas Insurance

- Adjusted profit of Overseas Insurance increased by ¥31.8 bn. to ¥61.8 bn., mainly due to growth in SI commercial P&C
- Adjusted profit for FY2022 is expected to grow to ¥100.0 bn., led by further top-line growth in SI Commercial P&C and the absence of one-off negative factors recognized in Sompo Seguros

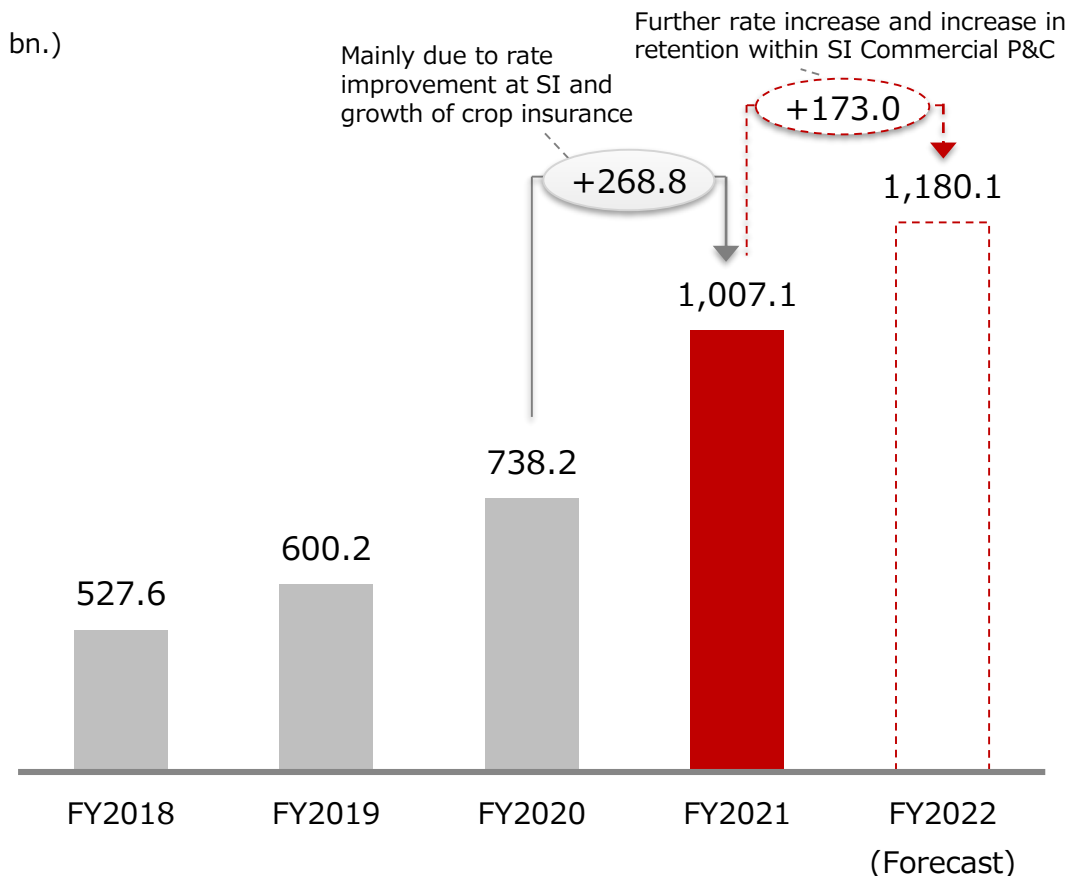
Adjusted profit*

(¥ bn.)



(Reference) Net premiums written*

(¥ bn.)

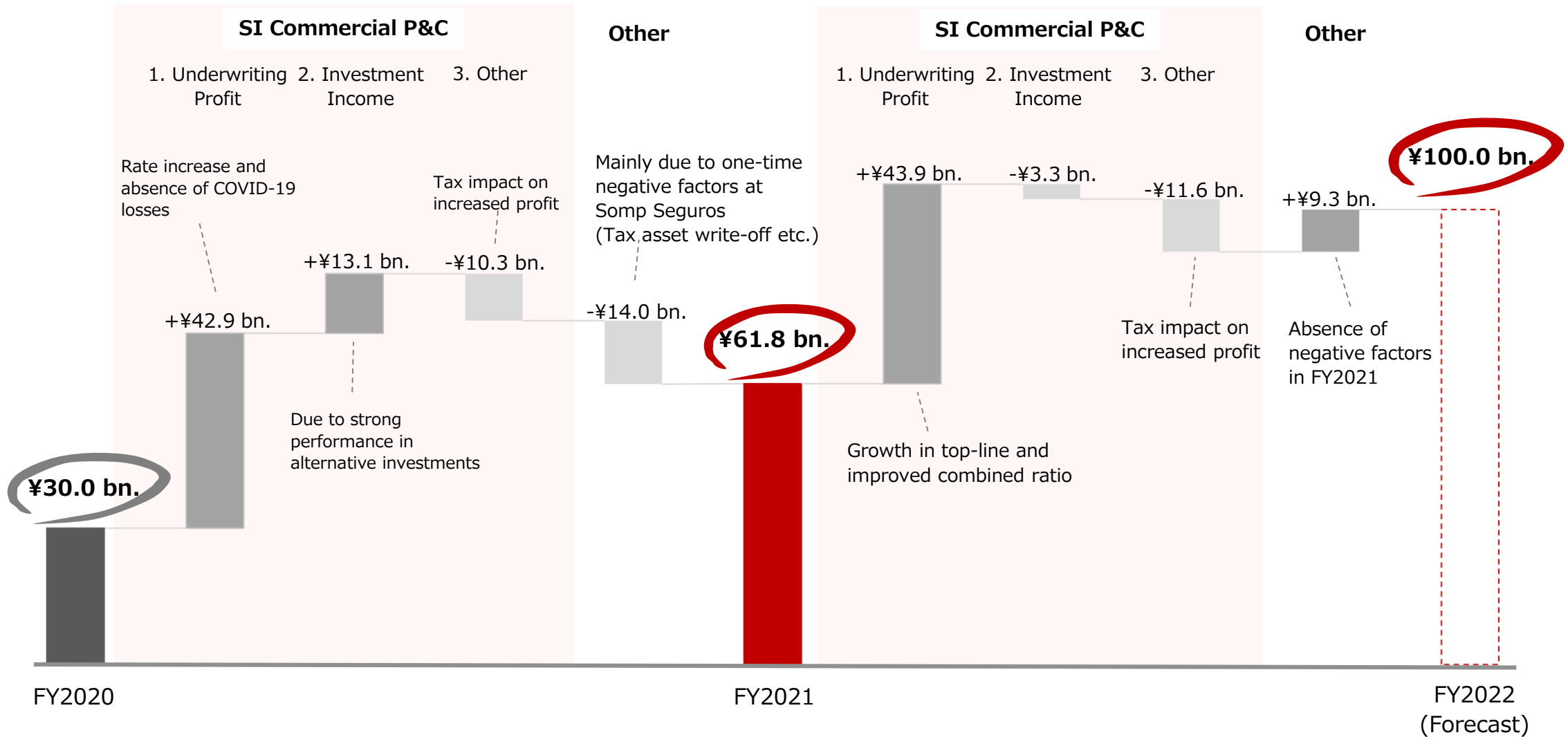


* Net premiums written of subsidiaries and affiliates reflect holding shares of each company. This treatment does not coincide with the group consolidated financial statements. Adjusted profits have been adjusted to reflect shareholdings and other factors.

Breakdown of Adjusted Profit

Increase/decrease factors of adjusted profit (FY2021 Actual)

Increase/decrease factors of adjusted profit (FY2022 Forecast)



Business Results by Region

(¥ bn.)		Net premiums written			Adjusted profit			Highlights of FY2021 results	(Reference) Exchange rate	
		FY2021		FY2022	FY2021		FY2022		Dec. 2021*2 (YOY Change)	
		Actual	Variance	Forecasts	Actual	Variance	Forecasts			
North America & Europe	SI Commercial P&C	870.0	+261.2	1,038.3	64.6	+45.8	93.5	See pages 32-34	115.02 JPY/USD	(+11.1%)
Middle East	Sompo Sigorta (Turkey)	24.7	-5.4	24.5	4.1	-2.1	3.7	Adjusted profit declined YOY due to increased in accidents within auto. Depreciation of Turkish lira further contributed to the decrease on a JPY basis.	9.06 JPY/TRY	(-35.1%)
Asia	Berjaya Sompo (Malaysia), etc.	46.4	+7.2	53.2	7.9	+2.9	5.7	Increase in adjusted profit mainly attributable to strong growth in Berjaya Sompo and other East Asia entities.	-	-
Latin America	Sompo Seguros (Brazil)	60.7	+4.3	55.9	-15.8	-14.2	-1.0	Net premiums written increased due to improvement in the auto line. Adjusted profit declined mainly due to write-off of deferred tax assets and reassessment of reserves.	20.20 JPY/BRL	(+1.6%)
Other*1		5.0	+1.4	8.0	0.9	+0.4	-1.8	-	-	-
Total		1,007.1	+268.8	1,180.1	61.8	+31.8	100.0	-	-	-

*1 Includes non-consolidated companies.

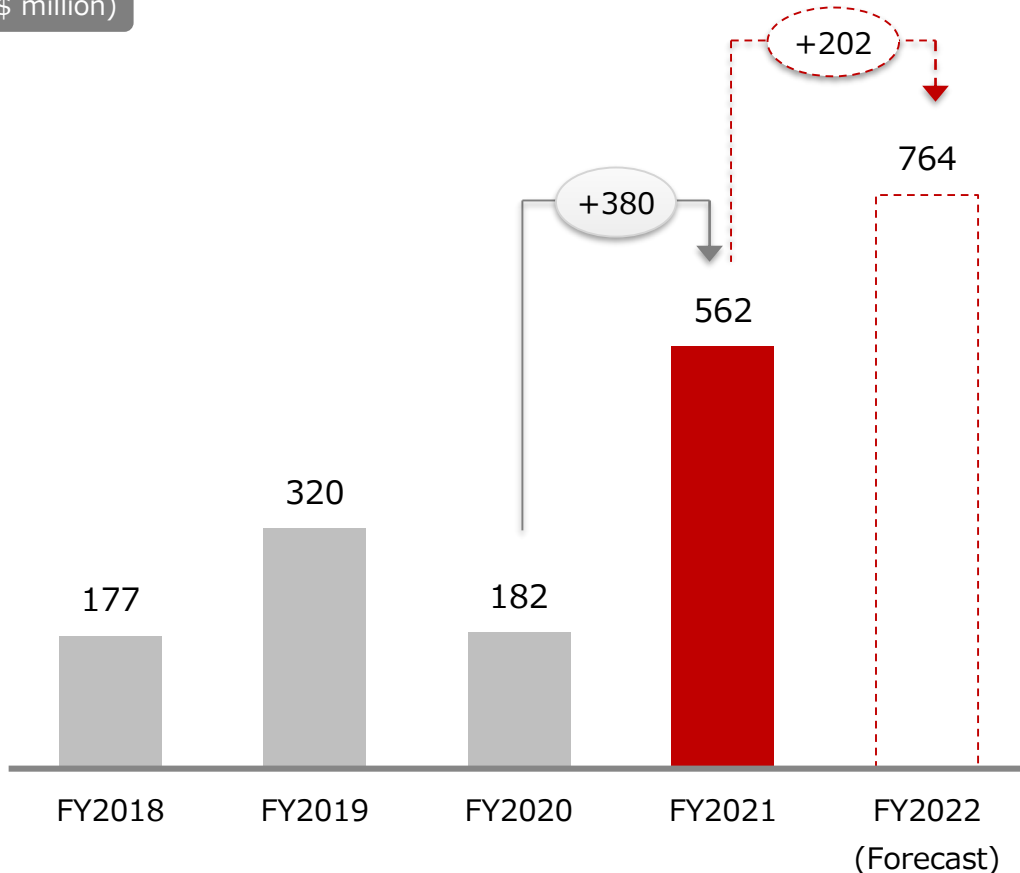
*2 The months of application of the conversion rates for some countries in Asia are different.

(Reference) SI Commercial P&C Performance

- Adjusted profit for FY2021 increased by \$380 million YOY, due to rate improvement, absence of COVID-19 related losses and strong investment income
- FY2022 adjusted profit is expected to grow by \$202 million primarily driven by further rate improvement, higher retention and improved combined ratio

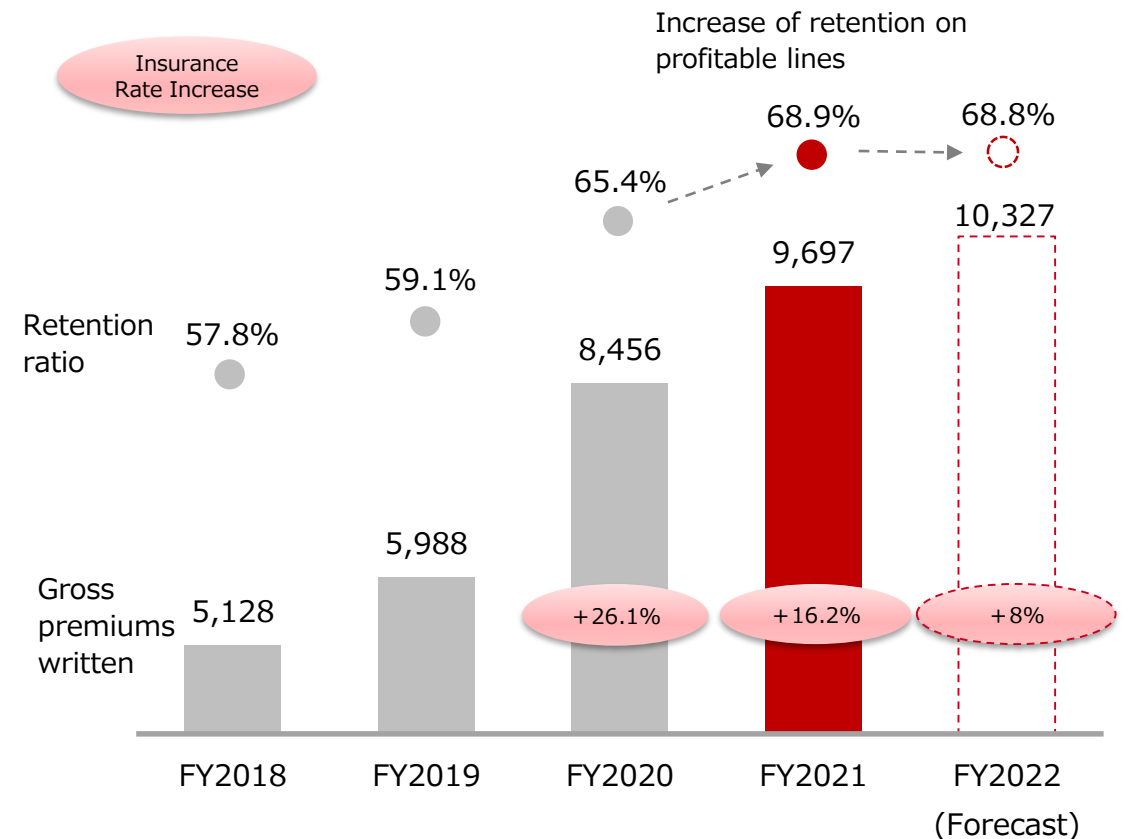
Adjusted Profit

(\$ million)



Gross Premiums Written and Retention Ratio*

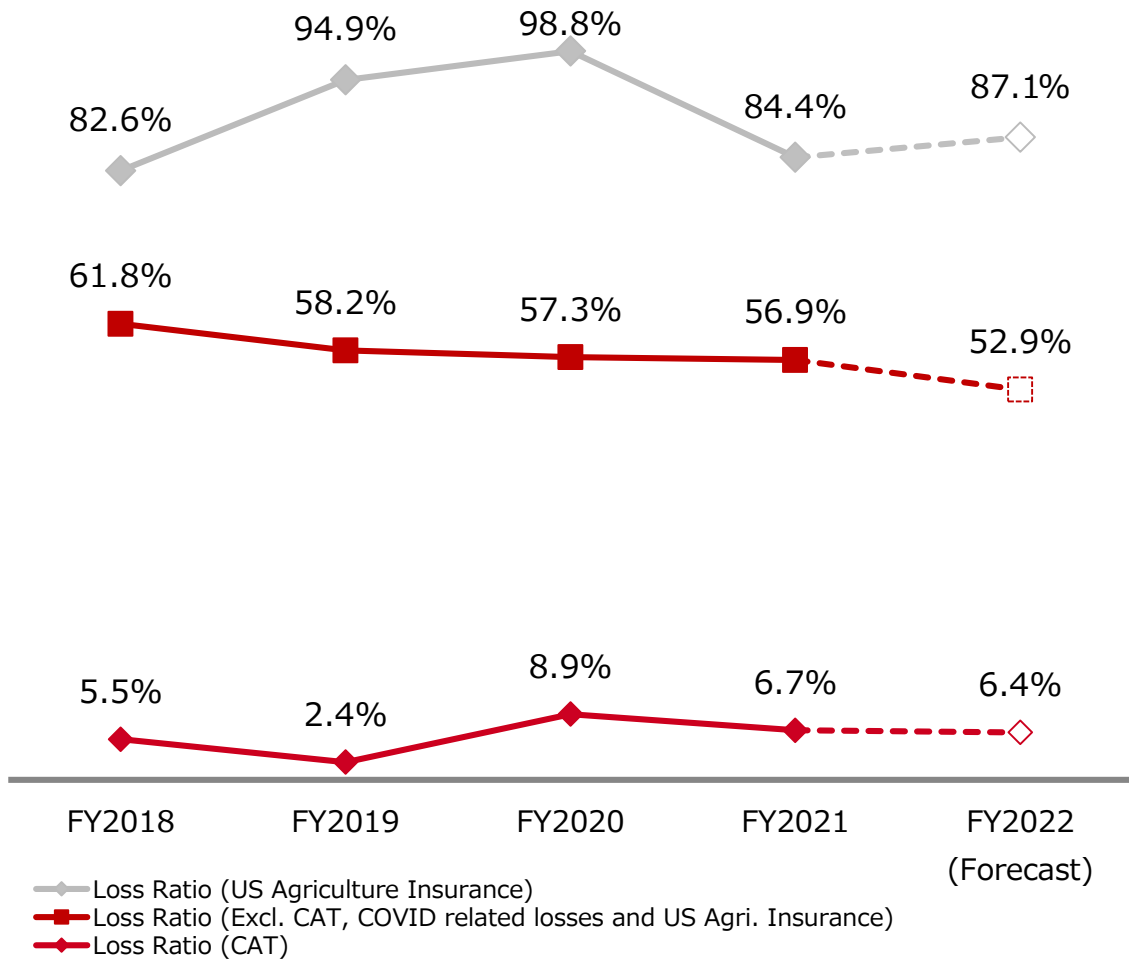
(\$ million)



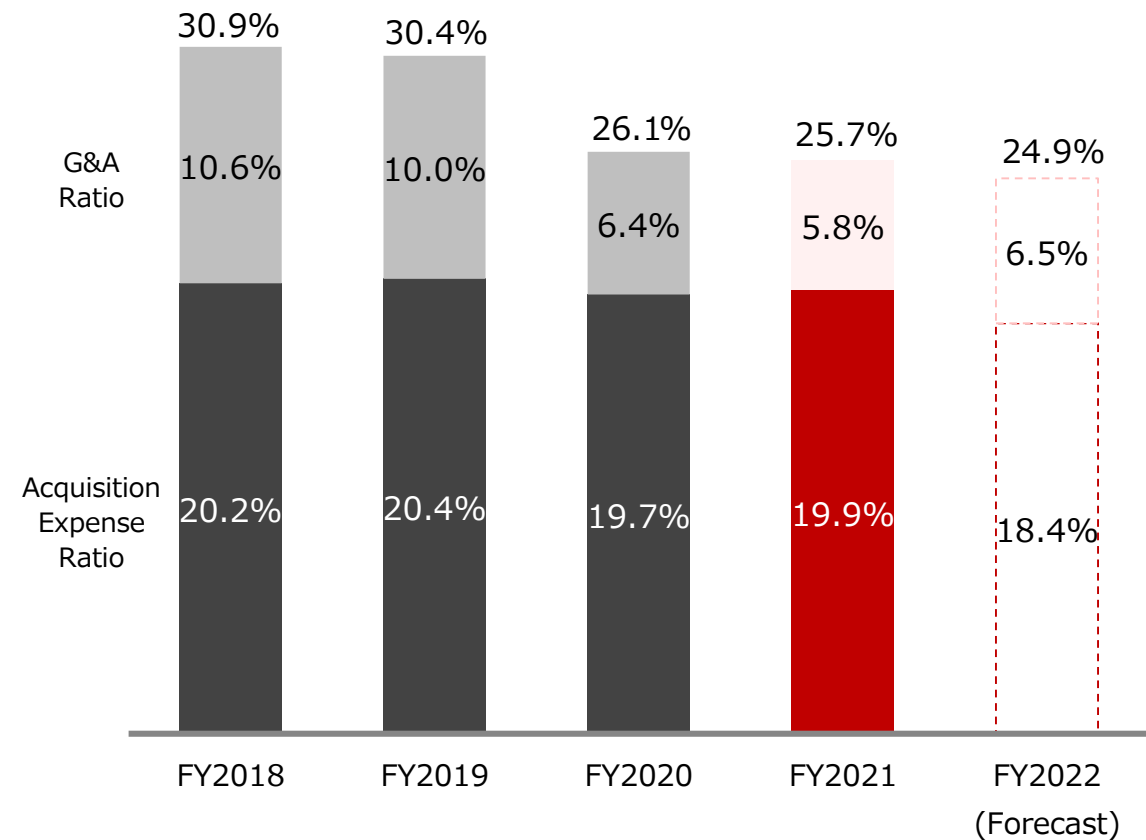
*Excludes US Agriculture insurance

(Reference) SI Commercial P&C Profitability Indicators

Loss Ratio (Accident Year)



Expense Ratio



(Reference) SI Commercial P&C Financials

	FY2020	FY2021		FY2022	
	(Actual)	(Actual)	YoY Variance	(Forecast)	YoY Variance
	(\$ million)				
Gross premiums written	9,354	12,272	+2,918	12,861	+589
Net premiums written	5,882	7,564	+1,682	8,483	+919
Net premiums earned	4,642	6,889	+2,247	8,138	+1,248
Net losses and loss expenses	3,326	4,697	+1,371	5,349	+651
Expense	1,212	1,769	+556	2,028	+259
Loss ratio*1	71.7%	68.2%	-3.5pt	65.7%	-2.5pt
Expense ratio*1	26.1%	25.7%	-0.4pt	24.9%	-0.8pt
Combined ratio*1	97.8%	93.9%	-3.9pt	90.7%	-3.2pt
Underwriting income	58	426	+367	759	+333
Net investment income	245	335	+89	287	-47
Other income	43	-255	-298	-97	+157
Net income	285	427	+141	764	+337
Net foreign exchange gains	+32	-59	-92	-	-
Net realized and unrealized gains, net impairment losses, etc.*2	-154	220	+374	-	-
Tax (loss) benefit	+18	-25	-43	-	-
Adjusted profit	182	562	+380	764	+202

Mainly due to unrealized losses on securities (Impact eliminated under Sompo HD Consolidation)

(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

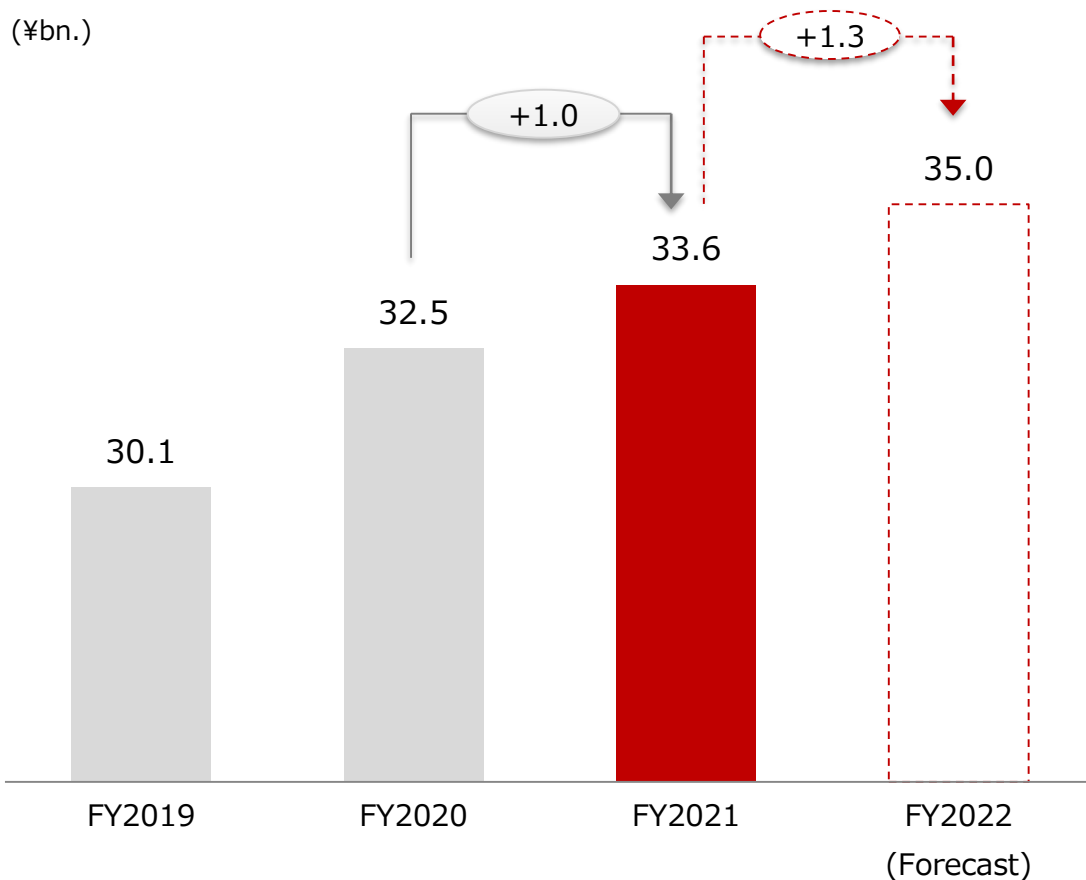
5. Nursing care & seniors

6. ERM & asset management

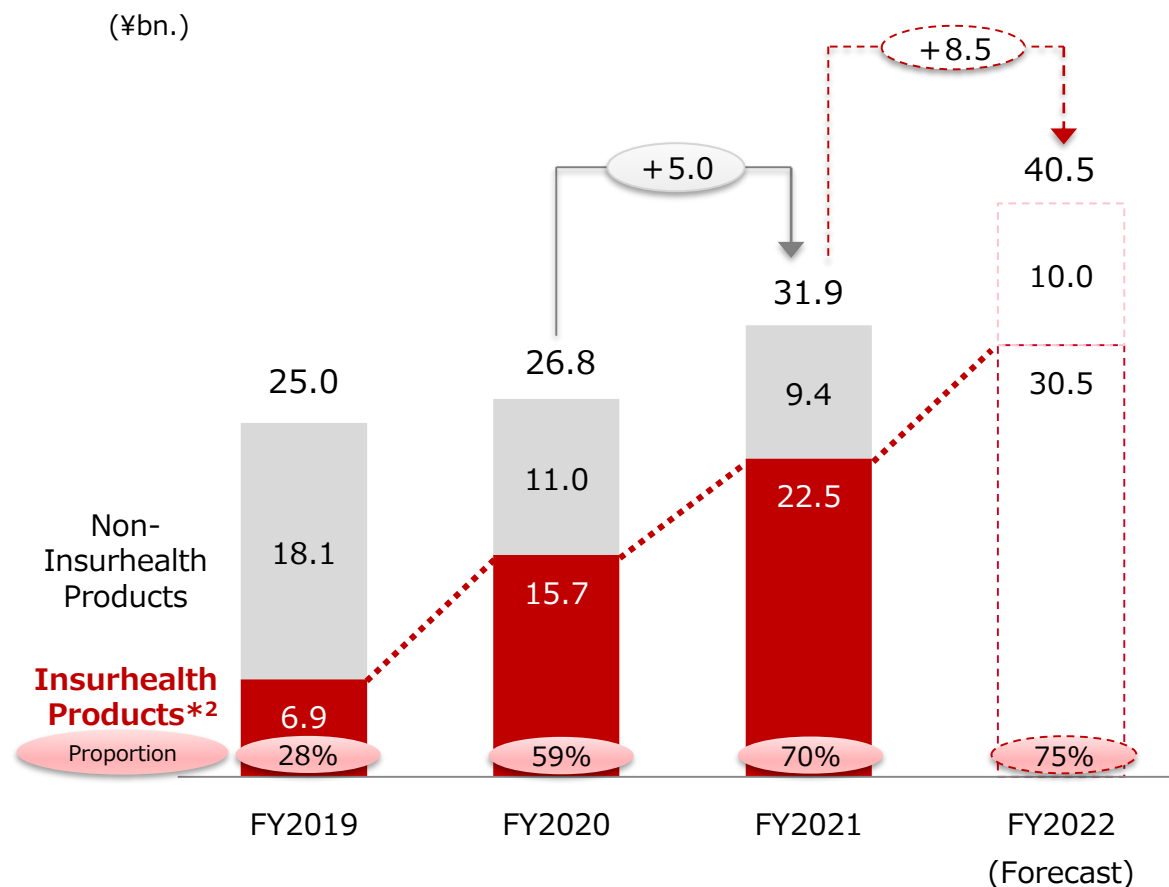
Performance Overview – Himawari Life

- Adjusted profit increased to ¥33.6 bn. reflecting steady progress within protection-type products
- Annualized new premium increased, led by Insurhealth® products such as new cancer insurance launched in October 2021

Adjusted profit*1



Annualized new premium



*1 Adjusted profit for FY2019 and FY2020 are adjusted to reflect latest definition (Gain/losses on sale and impairment losses on securities are excluded from Domestic Life adjusted profit starting FY2021)

*2 Insurhealth is a new type of product that is aimed to provide both traditional Insurance and Healthcare support

Net Income (J-GAAP) – Himawari Life

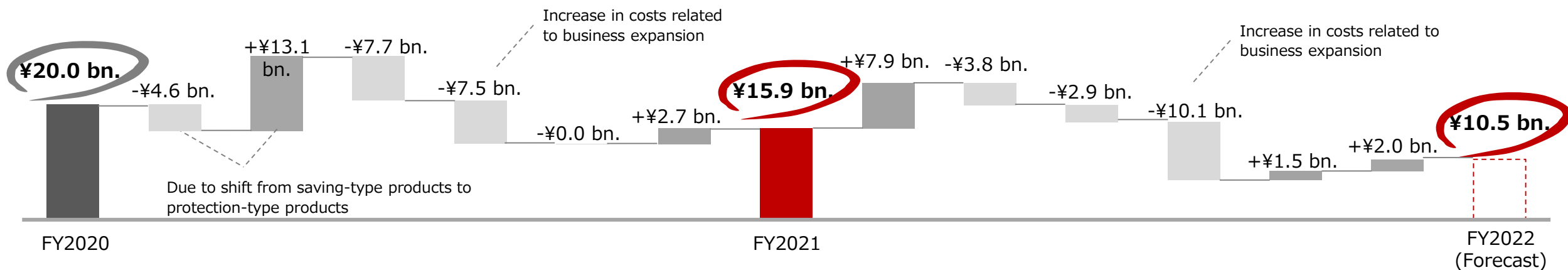
- Net income of Himawari Life was ¥15.9 bn. due to increased expenses related to business expansion, which was partially offset by increased premiums from protection-type product policies
- Net income for FY2022 is expected to decrease to ¥10.5 bn. as a result of further expansion costs

Increase/decrease factors of net income (FY2021)

Increase/decrease factors of net income (FY2022)

1. Premium and other income 2. Provision or policy reserve*1 3. Paid claims 4. Expense 5. Investment profit (general account) 6. Other*2

1. Premium and other income 2. Provision or policy reserve*1 3. Paid claims 4. Expense 5. Investment profit (general account) 6. Other*2



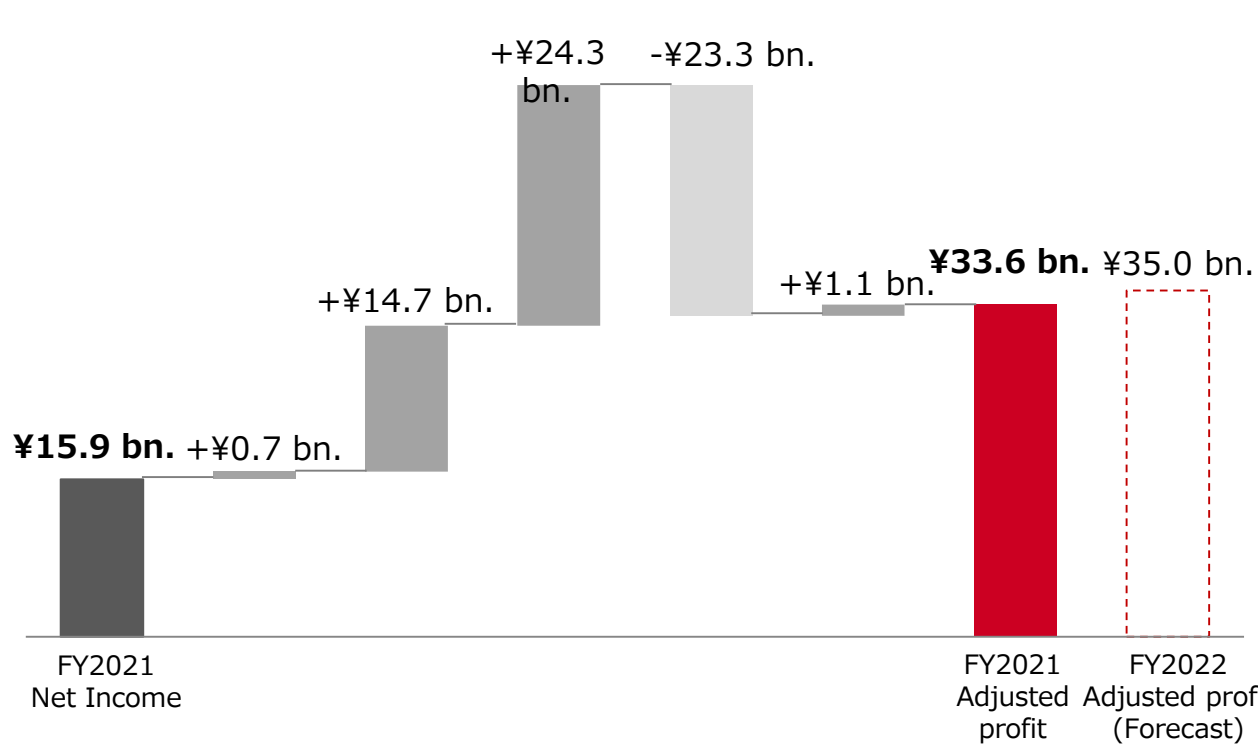
	1. Premium and other income	2. Provision or policy reserve, etc.	3. Paid claims, etc.	4. Expense	5. Investment profit (general account)	6. Other	Net income
FY2020	¥441.5 bn.	-¥291.7 bn.	-¥72.6 bn.	-¥87.2 bn.	¥48.5 bn.	-¥18.3 bn.	¥20.0 bn.
FY2021	¥436.8 bn.	-¥278.6 bn.	-¥80.3 bn.	-¥94.8 bn.	¥48.4 bn.	-¥15.5 bn.	¥15.9 bn.
FY2022(Forecast)	¥444.8 bn.	-¥282.5 bn.	-¥83.3 bn.	-¥104.9 bn.	¥50.0 bn.	-¥13.5 bn.	¥10.5 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.

(Reference) Adjusted Profit and Adjusted Net Assets

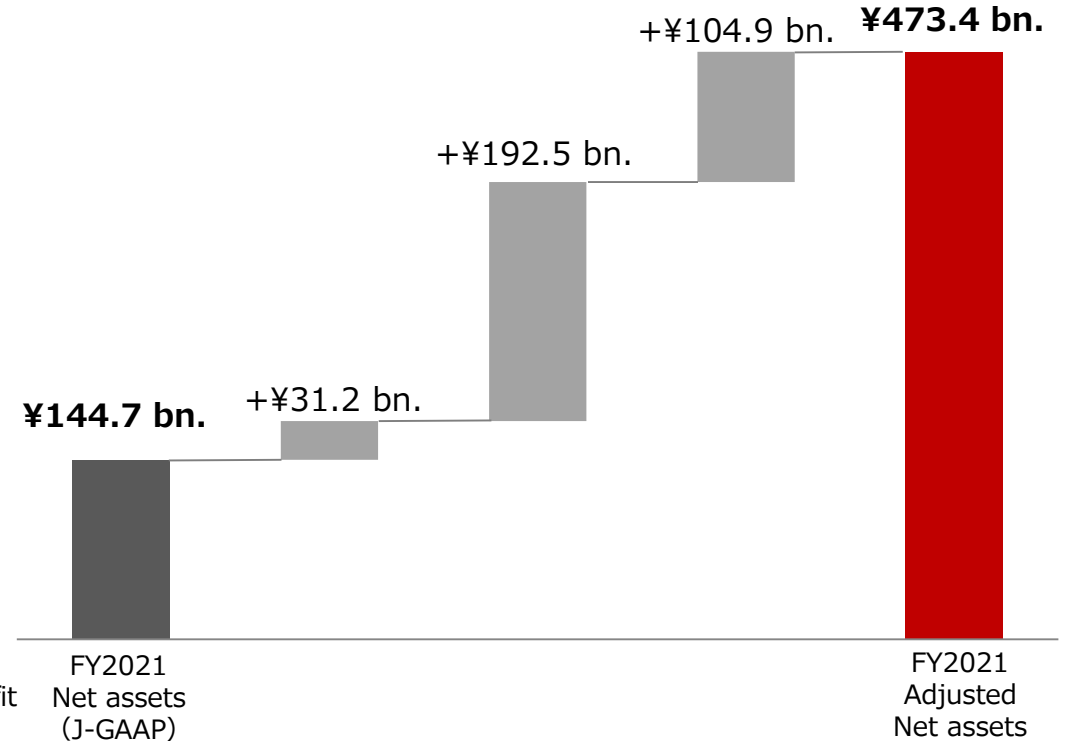
Conversion from net income to adjusted profit

Provision of capital reserve*1 Adjustment of underwriting reserve*2 Deferral of acquisition cost*3 Depreciation of acquisition cost*3 Gains/losses on sales of securities and impairment losses on Securities



Adjusted net assets

Capital reserve*1 Adjustment of underwriting reserve*2 Non-depreciated acquisition cost*3



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

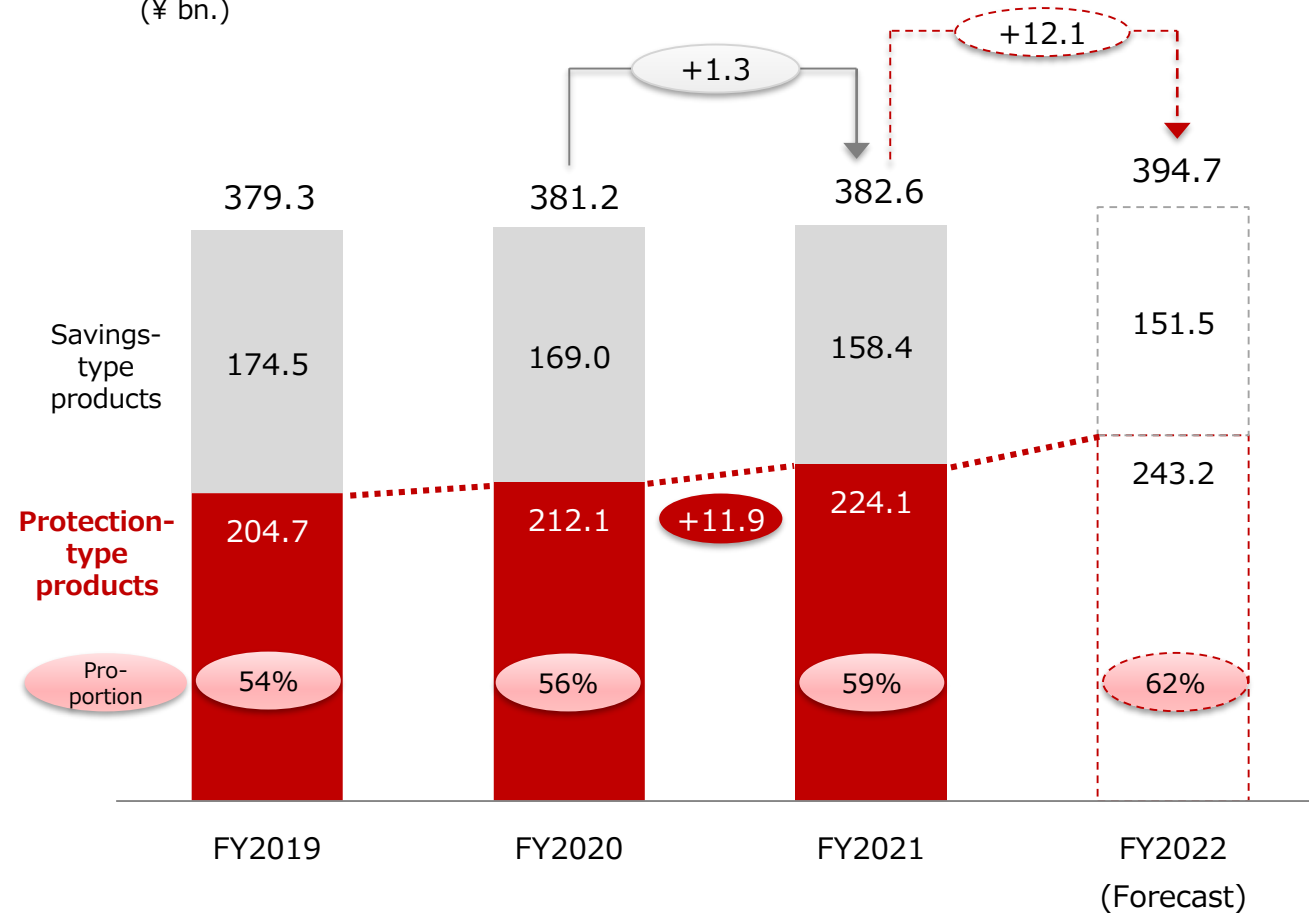
*2 Re-calculation of underwriting reserve, which was calculated conservatively, with factors used for calculation of premiums (after tax)

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

(Reference) Annualized Premiums and Expense

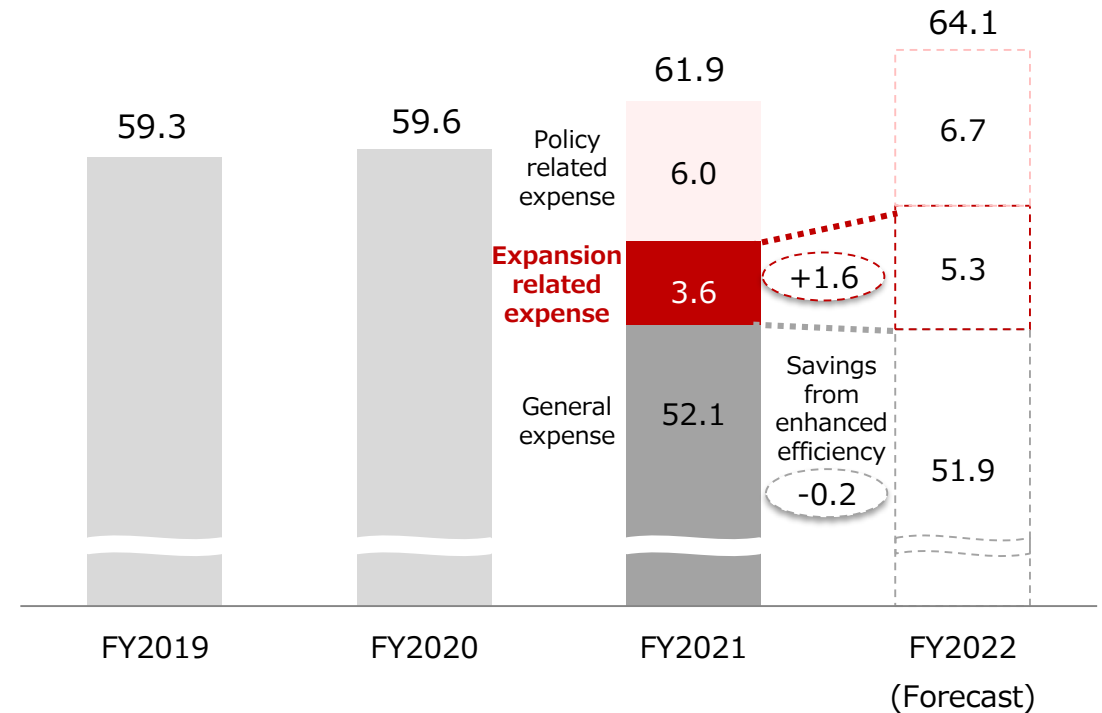
Annualized premium in force

(¥ bn.)



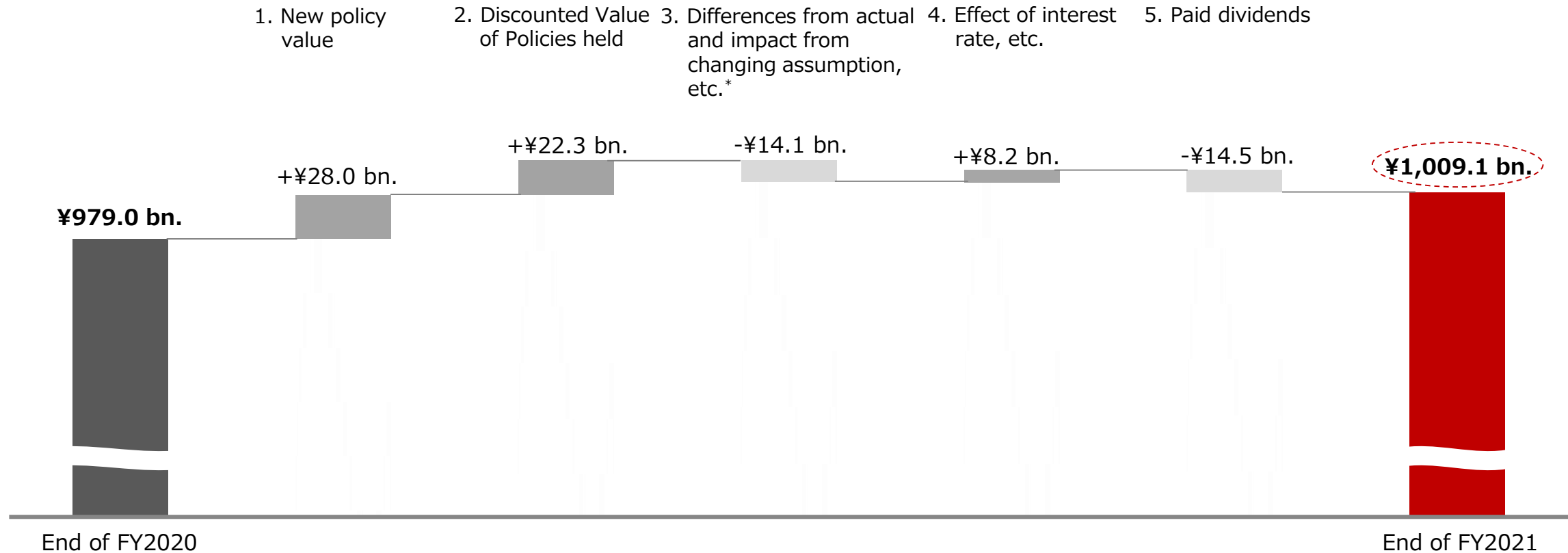
Expenses

(¥ bn.)



(Reference) MCEV

Increase/decrease factors of MCEV



* Impact from changing assumption of cancellation ratio, etc.

(Reference) Himawari Life Financials

Major indicators

(¥ bn.)	FY2020	FY2021	Variance		FY2022 (Forecast)
Annualized new premium	26.8	31.9	+5.0	(+18.9%)	40.5
Premium and other income*1	441.5	436.8	-4.6	(-1.1%)	444.8
Provision for policy reserve, etc.*2	291.7	278.6	-13.1	(-4.5%)	282.5
Paid claims, etc.	72.6	80.3	+7.7	(+10.7%)	83.3
Expense	87.2	94.8	+7.5	(+8.6%)	104.9
Investment profit	53.4	50.2	-3.2	(-6.0%)	51.8
of which, general account	48.5	48.4	-0.0	(-0.2%)	50.0
Basic profit	31.8	27.5	-4.2	(-13.3%)	22.5
Ordinary profit*1	32.1	26.4	-5.6	(-17.7%)	18.7
Net income	20.0	15.9	-4.1	(-20.6%)	10.5
Adjusted profit*3	32.5	33.6	+1.0	(-3.3%)	35.0

*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.

*3 Adjusted profit for 2020 is adjusted to reflect latest definition (Gain/losses on sale and impairment losses on securities are excluded from Domestic Life adjusted profit starting FY2021)

1. Consolidated financial results

2. Domestic P&C insurance

3. Overseas insurance

4. Domestic life insurance

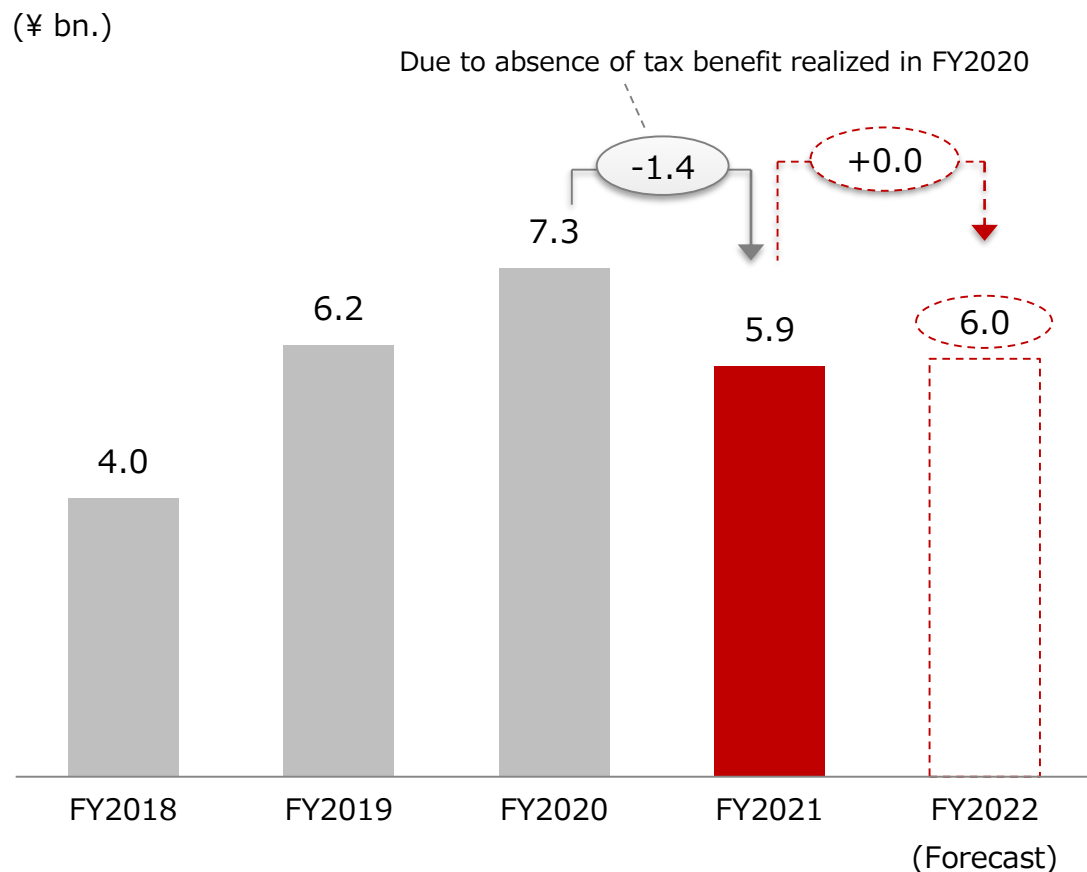
5. Nursing care & seniors

6. ERM & asset management

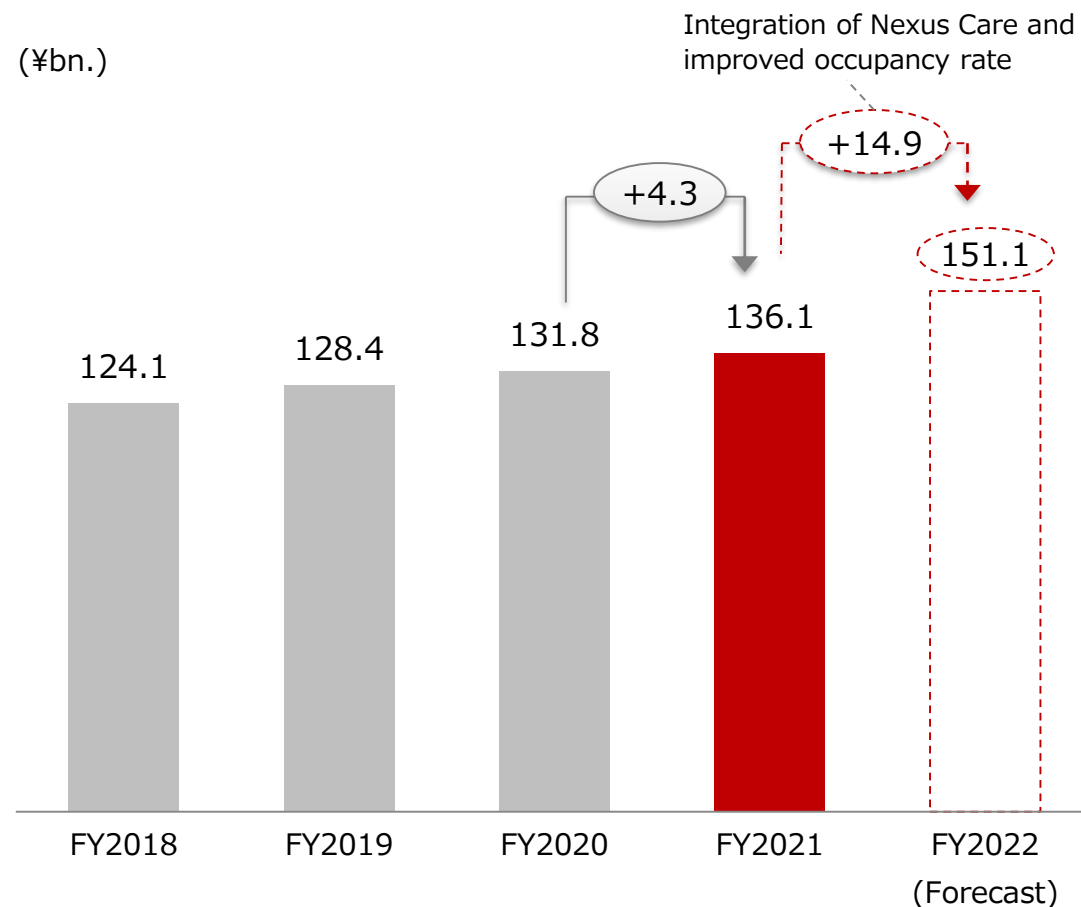
Performance Overview – Nursing Care & Seniors

- Adjusted profit for SOMPO Care decreased by ¥1.4 bn. mostly due to absence of tax benefit
- Revenue is expected to increase in FY2022 reflecting acquisition of Nexus Care

Adjusted profit of SOMPO Care

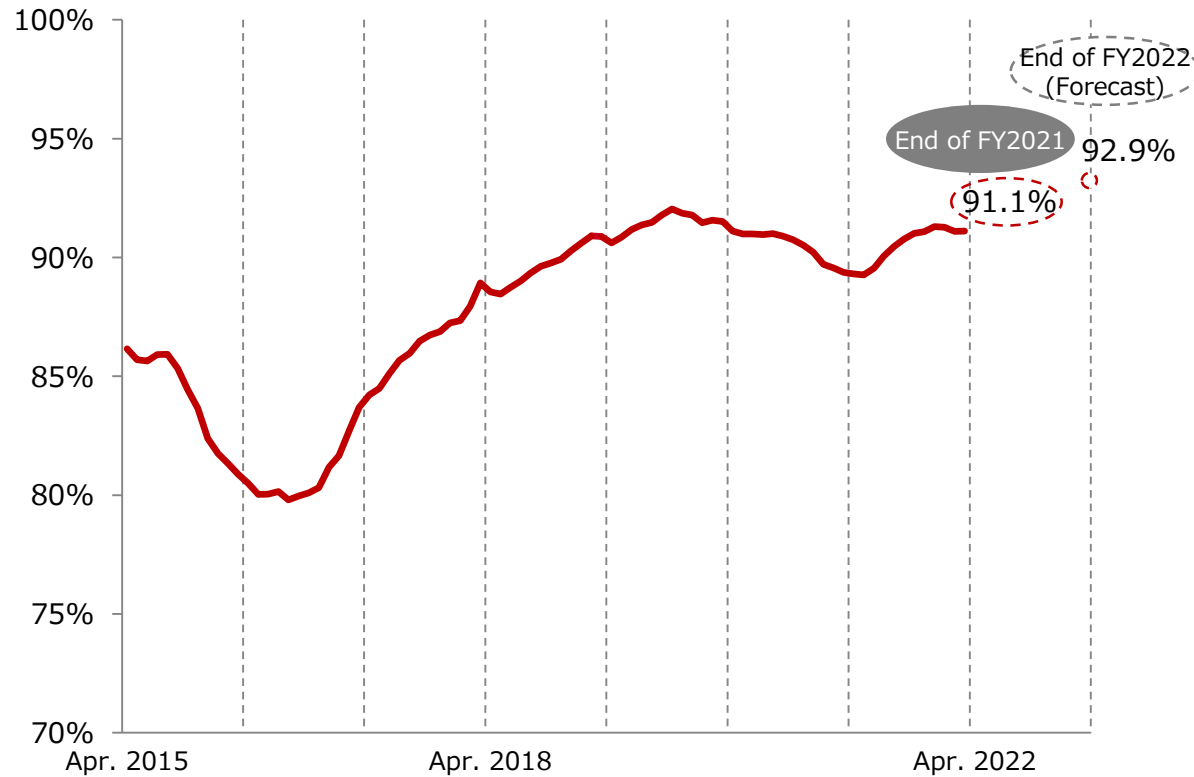


Sales of SOMPO Care

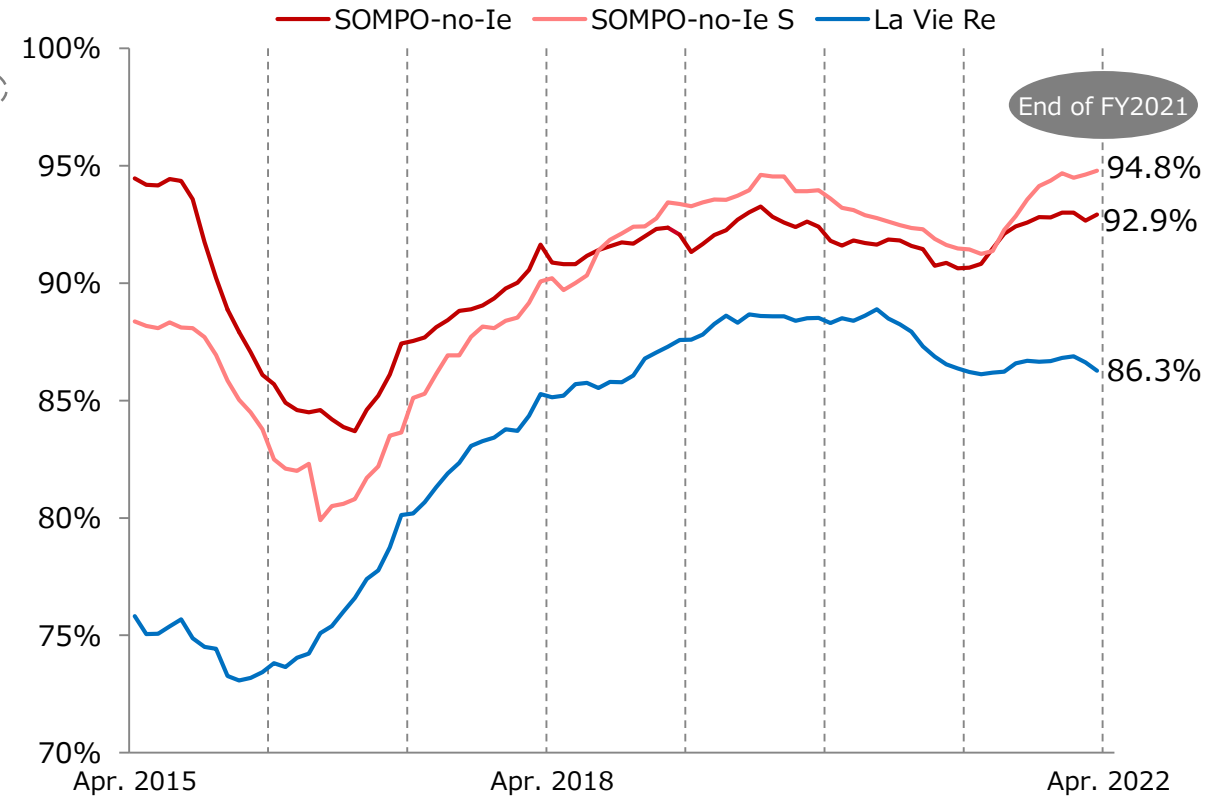


Major Indicators of SOMPO Care

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

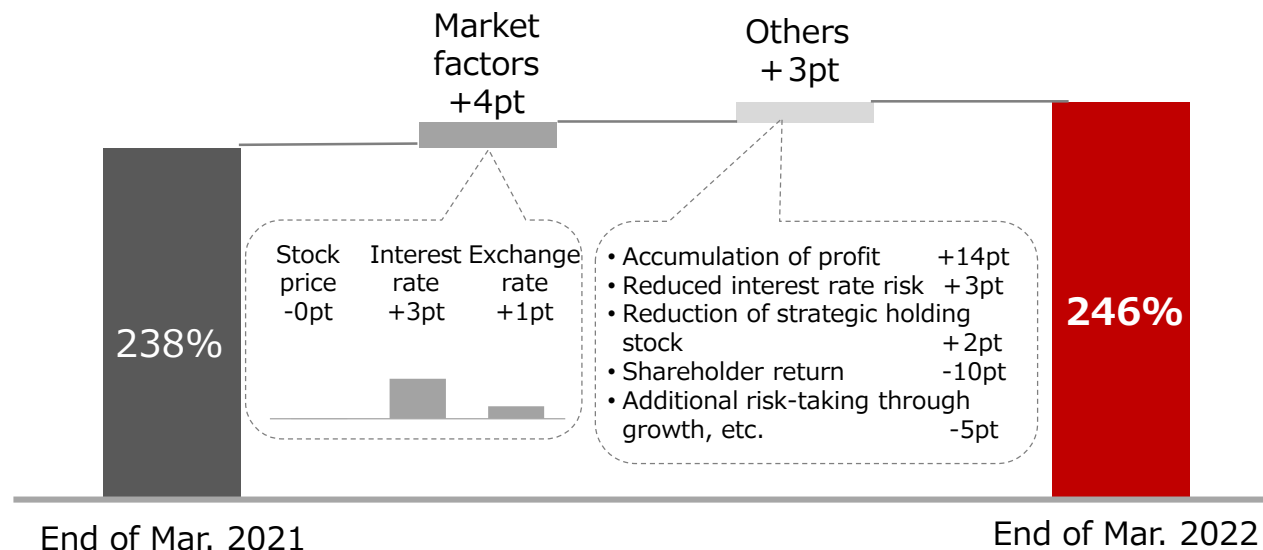
5. Nursing care & seniors

6. ERM & asset management

Financial Soundness – ESR (99.5% VaR)

- ESR (99.5%VaR) as of the end of FY2021 was 246%

Trend of ESR (99.5%VaR)*1

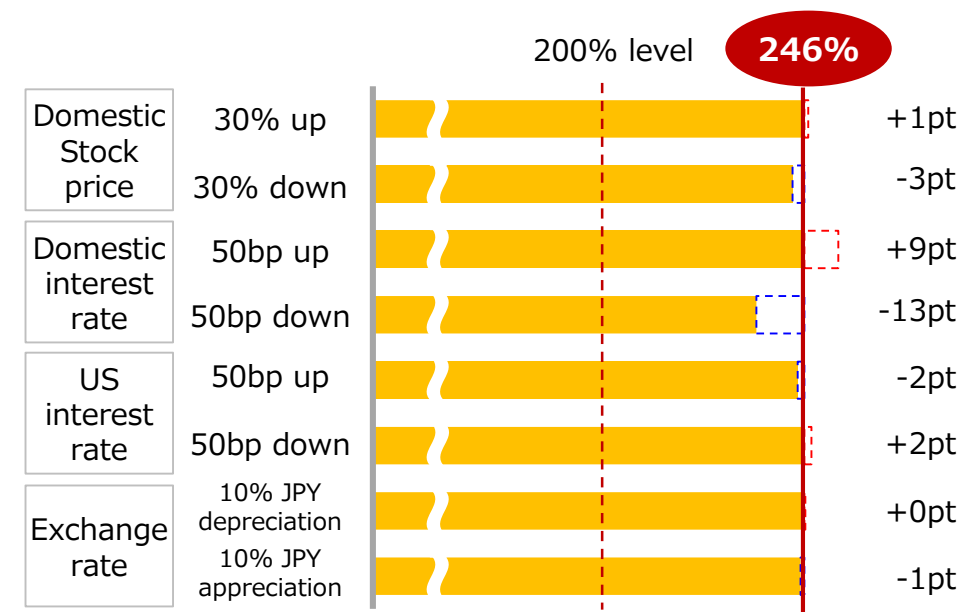


*1 In accordance with Solvency II
 Target range is 200% to 270% (99.5VaR).
 270% level : The level set based on capital efficiency (Adjusted consolidated ROE).
 200% level : The level leading to stable financial soundness based on the result of stress test, etc.

Typical actions in case of constant deviation from the 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.

Sensitivity analysis of ESR (99.5%VaR)

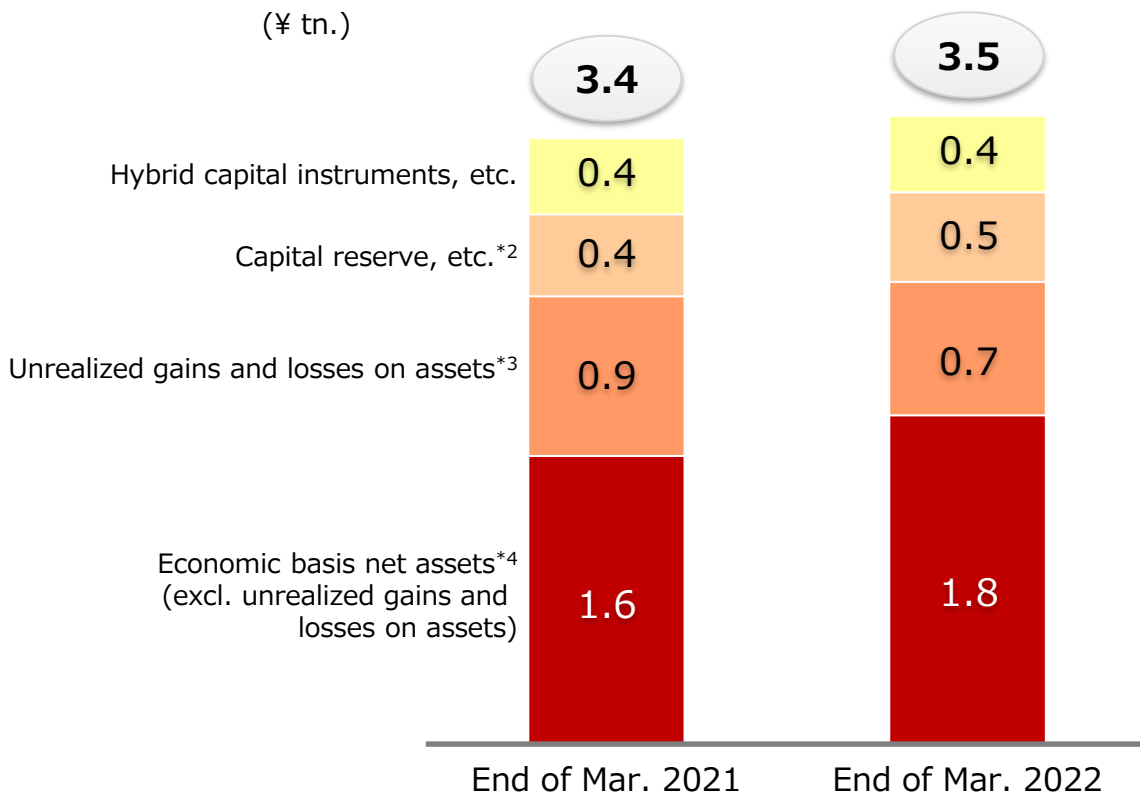


(Reference) Market indicators	End of Mar.2022	(Variance*2)
Domestic stock price (Nikkei 225)	¥27,821	-4.7%
Domestic interest rate (30y JGB)	0.94%	+27bp
US interest rate (10y Treasury)	2.34%	+60bp
Exchange rate (JPY/USD)	¥122.39	+10.6%

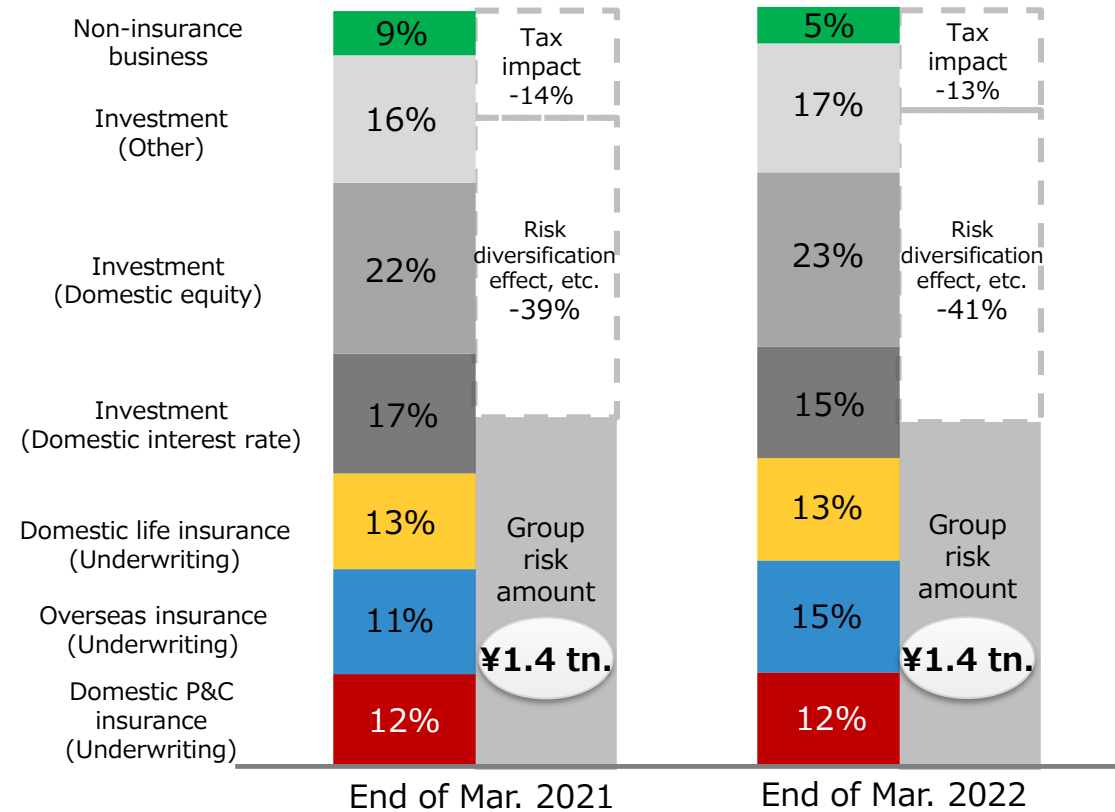
*2 Against end of Mar.2021

(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.)

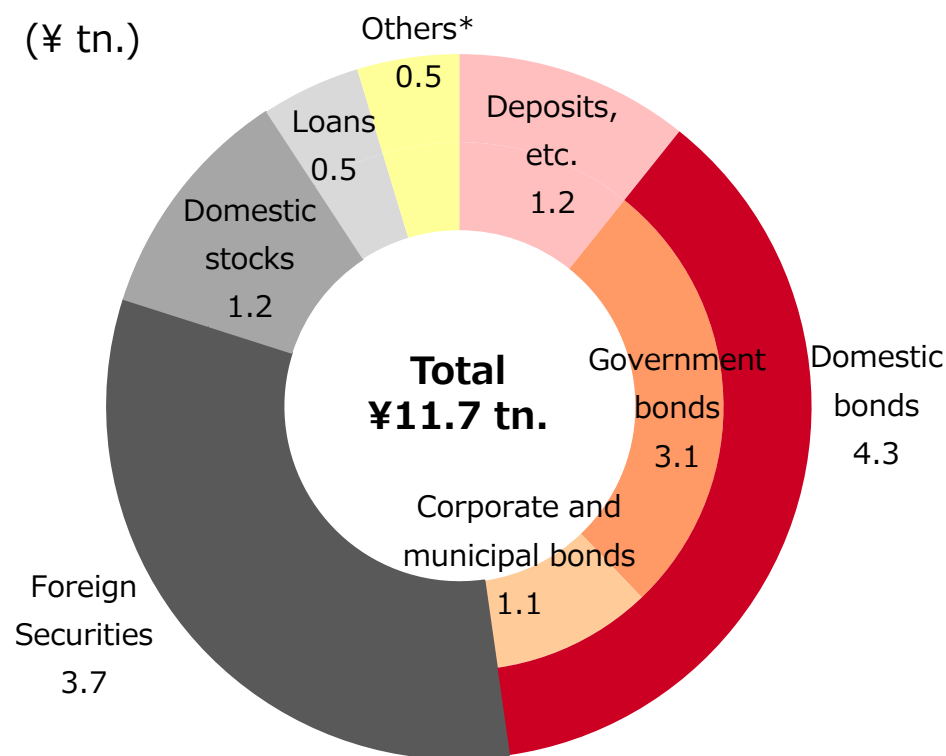
*5 Risk : 1 year holding period, 99.5%VaR

- 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

- Stable portfolio has been developed mainly composed by bonds, and focused on liability, liquidity, credit and other risk factors

Amount of investment assets (as of the end of March 2022, group consolidated basis)



Investment assets by company

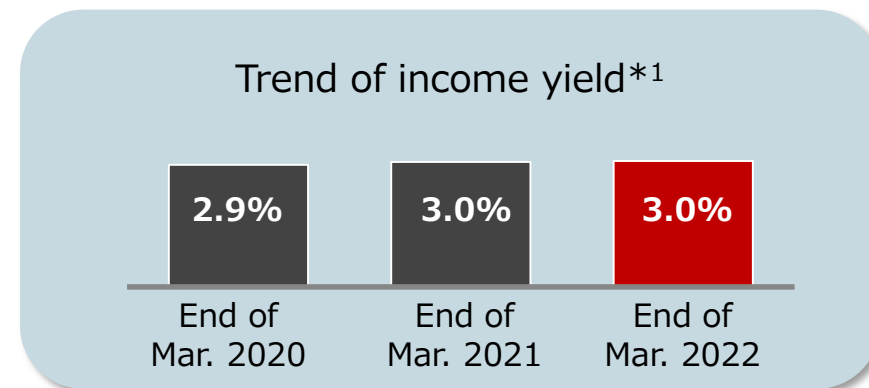
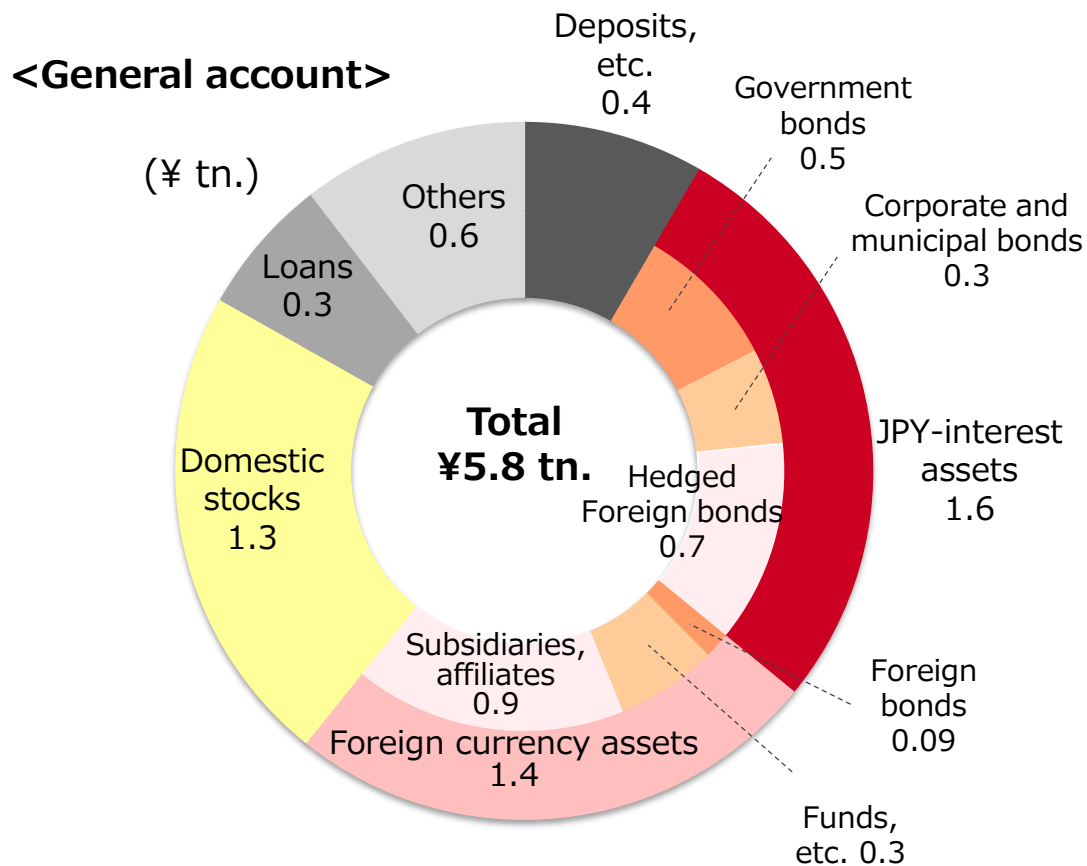
(¥bn.)	Amount of investment assets	Composition
Sompo Japan	5,552.8	47%
Overseas subsidiaries	1,995.4	17%
Himawari Life (General account)	3,800.8	32%
Saison Automobile & Fire	67.7	1%
Other domestic subsidiaries	338.7	3%
Total	11,755.6	100%

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

Asset Portfolio – Sompo Japan

- Portfolio managed through asset diversification and reduction of strategic-holding stocks

Amount of investment assets (as of the end of March 2022, Sompo Japan, non-consolidated)



Composition of ratings*2

Internal rating	Composition	Duration (years)	
		End of Mar. 2021	End of Mar. 2022
BBB or above	100%	Asset 8.2	7.9
BB or below	-	Liability 8.3	7.7

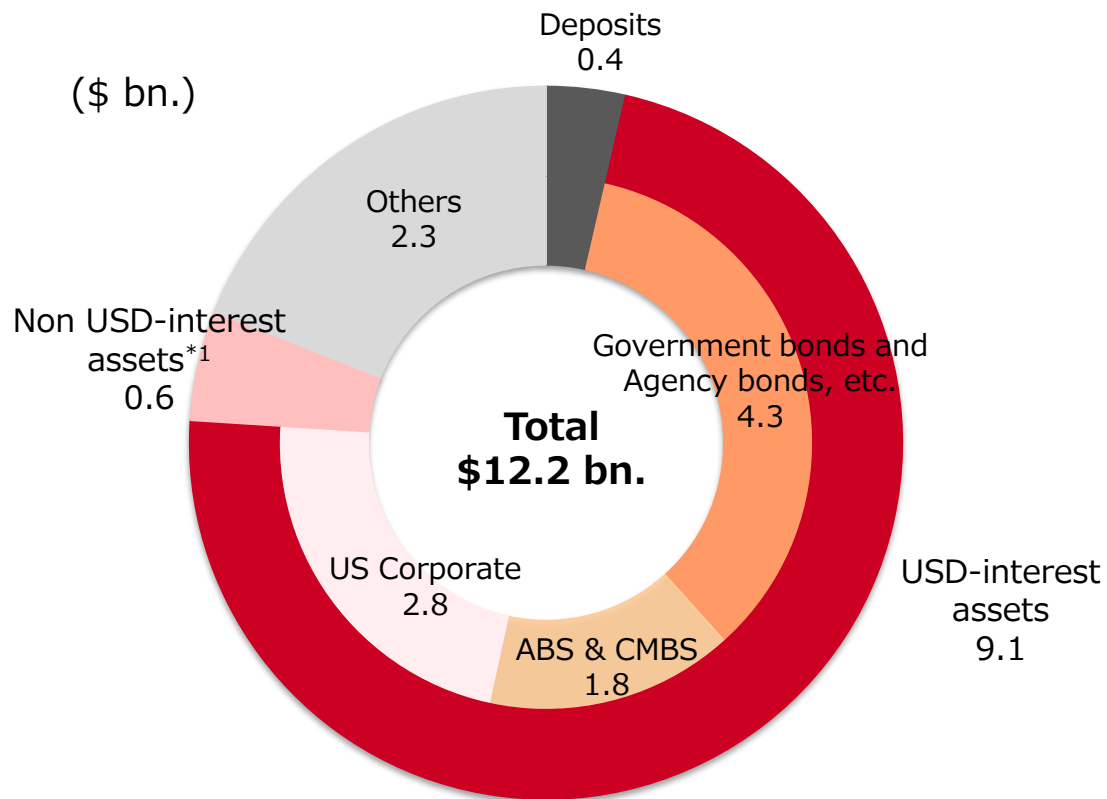
*1 Excl. overseas subsidiaries' shares, etc.

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

Asset Portfolio – SI Commercial P&C

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

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



(Reference) Income yield at the end of December 2021 : 3.0%

Composition of ratings*2

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

Duration (years)

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

*1 Incl. cash

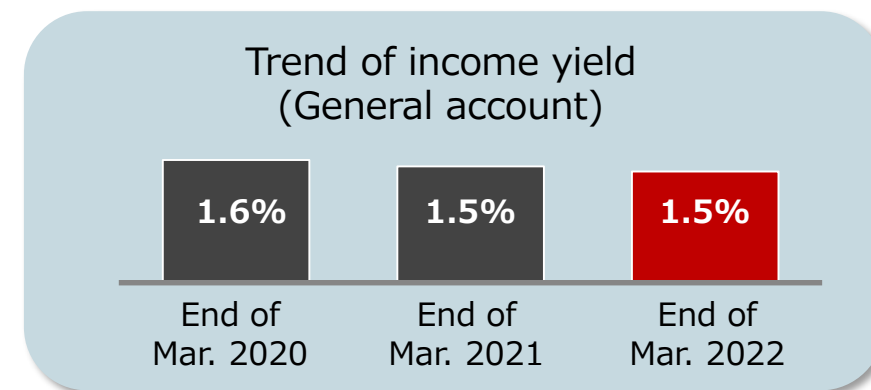
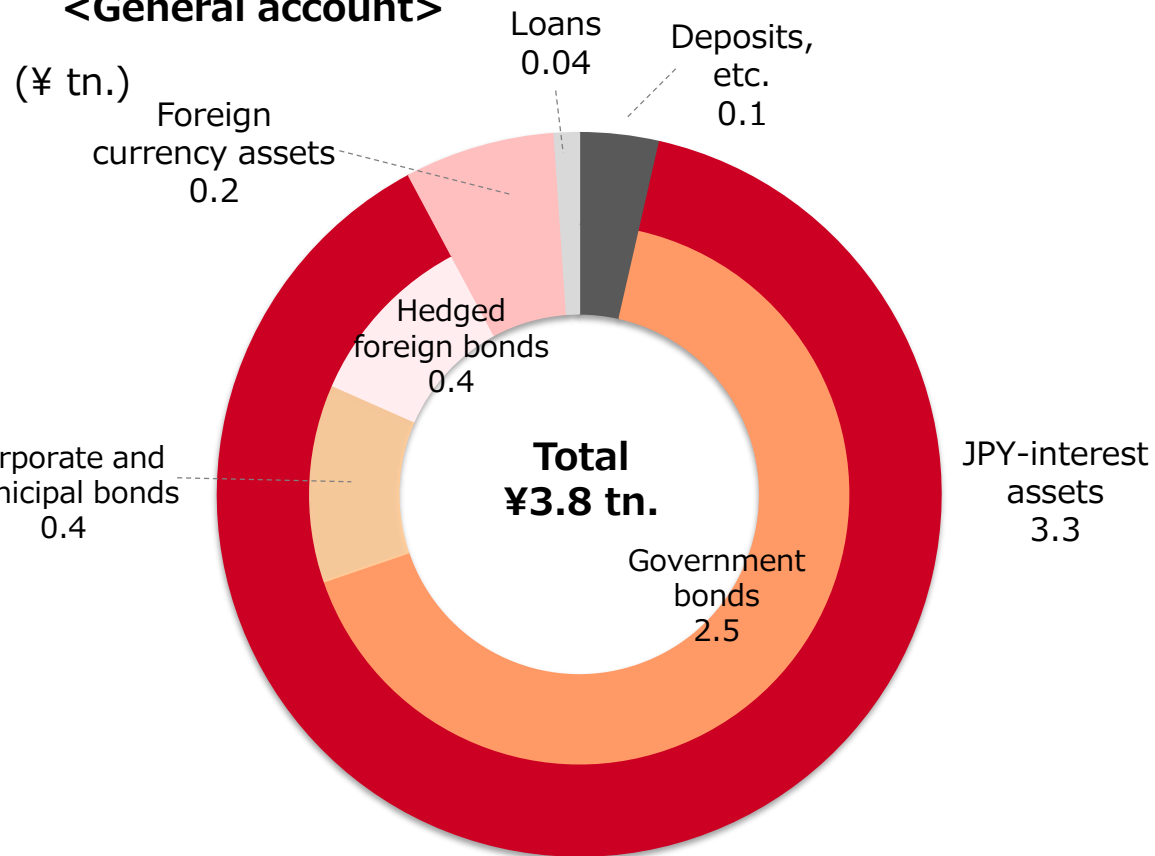
*2 Total of bond assets

Asset Portfolio – Himawari Life

- Developed a stable portfolio mainly consisted by JPY-interest assets and partially allocated to corporate bonds given the low interest rate environment

Amount of investment assets (as of the end of March 2022, Himawari Life, non-consolidated)

<General account>



Composition of ratings*

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

Duration (years)

	End of Mar. 2021	End of Mar. 2022
Asset	15	16
Liability	26	24

(Reference) Amount of separate account (End of Mar. 2022) : ¥25.7 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

Forecasts included in this document are based on currently available information and certain assumptions that we consider reasonable at this point in time. Actual results may differ materially from those projected herein depending on various factors.

Contacts



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