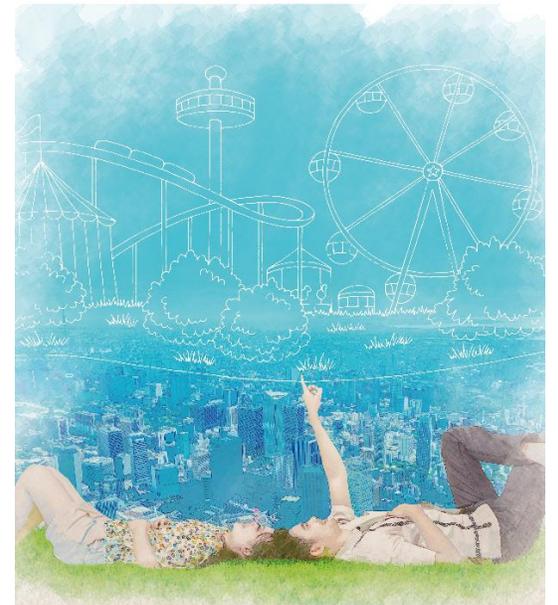


# Highlights of 3Q FY2022 Results

February 14, 2023  
Sompo Holdings, Inc.



<b>Financial Highlights</b>	<b>3</b>
<b>Performance Overview for 3Q FY2022</b>	<b>4</b>
<b>Performance Overview of Domestic P&amp;C Insurance (Sompo Japan)</b>	<b>5</b>
<b>Performance Overview of Overseas Insurance</b>	<b>6</b>
<b>Performance Overview of Domestic Life Insurance (Himawari Life)</b>	<b>7</b>
<b>Performance Overview of Nursing Care &amp; Seniors (SOMPO Care)</b>	<b>8</b>
<b>Consolidated Financials</b>	<b>9</b>
<b>(Reference) Breakdown of Revised Business Forecasts for FY2022</b>	<b>10</b>
<b>Results by business</b>	
<b>Domestic P&amp;C Business (Sompo Japan)</b>	
Underwriting Profit	12
Net Premiums Written	13
(Reference) Net Premiums Written	14
Combined Ratio	15
Loss Ratio	16
Expense Ratio	17
Investment Profit	18
(Reference) Indicators Related to Automobile Insurance	19
(Reference) Indicators Related to Fire & Allied and Casualty (Other) Insurance	20
(Reference) Domestic Natural Disasters	21
(Reference) Investment Profit	22
(Reference) Asset Portfolio	23
(Reference) Sompo Japan Financials	24
<b>Overseas Insurance/Reinsurance Business</b>	
<b>1. SI*<sup>1</sup> Commercial</b>	
Underwriting Profit	26
Top-line	27

Combined Ratio	28
Investment Income/Asset Portfolio	29
(Reference) Overseas Natural Disasters	30
(Reference) SI Commercial P&C Financials	31
<b>2. SI Consumer (Sompo Sigorta/Sompo Seguros)</b>	
(Reference) Performance Overview	32
(Reference) Business Results by Region	33
<b>Domestic Life Insurance Business</b>	
Annualized New Premium and Annualized Premium in Force	35
Expense	36
Investment Profit/Asset Portfolio	37
(Reference) Financials	38
(Reference) Conversion from Net Assets to Adjusted Net Assets	39
<b>Nursing Care &amp; Seniors Business</b>	
Sales/Occupancy Rate/Operating Margin	41
(Reference) Detail Occupancy Rate/Number of Facilities	42
<b>ERM</b>	
Financial Soundness – ESR (99.5% VaR)	44
(Reference) Breakdown of Adjusted Capital and Risk	45
(Reference) Group Asset Portfolio	46
(Reference) Numerical Management Target, etc.	47

Exchange Rate (JPY/USD)		
FY2022 3Q	132.70 (YoY : +15.4%)	End of Dec. 2022
	– Overseas* <sup>2</sup> 144.81 (YoY : +29.4%)	End of Sep. 2022
FY2022 Full-year Forecast	144.81	End of Sep. 2022
FY2022 Overseas Preliminary Draft	132.70	End of Dec. 2022

\*1 SI stands for “Sompo International”. (the same shall apply hereafter)

\*2 Overseas Insurance/Reinsurance Business

# Financial Highlights

## 3Q FY2022 Actual

- Net written premiums increased by ¥541.0 bn. (+22.0%) YoY to ¥2,996.1 bn. driven by strong growth at SI Commercial
- Consolidated net income and adjusted consolidated profit were ¥37.6 bn. and ¥83.4 bn., respectively, in line with the full-year forecasts, including losses caused by Hurricane Ian

### Sompo Japan

Adjusted profit was ¥21.1 bn. on a YTD basis (+¥30.2 bn. in 3Q) since underwriting income was in line with the forecast and interest & dividend income increased

### Overseas

Adjusted profit increased by ¥3.2 bn. YoY to ¥47.6 bn. since Nat-Cat losses were offset by top line growth at SI Commercial

### Himawari Life

Adjusted profit was ¥29.8 bn. excluding the COVID-19 effects which peaked out, and on track to meet the full-year forecast

### Sompo Care

Adjusted profit was ¥4.3 bn. and solid driven by top line growth with a higher occupancy rate and integration of Nexus Care

## FY2022 full-year forecast (Adjusted profit )

- Domestic and Overseas insurance businesses are likely to see increases in investment income due to solid interest & dividend income. Full-year forecast remains unchanged
- In 2022, preliminary draft of adjusted profit of the overseas insurance business\* was USD703 mn. (¥93.3 bn.) Exceeded the full-year forecast on a local currency basis (USD693 mn.) and hit a record high by a wide margin for the second consecutive year

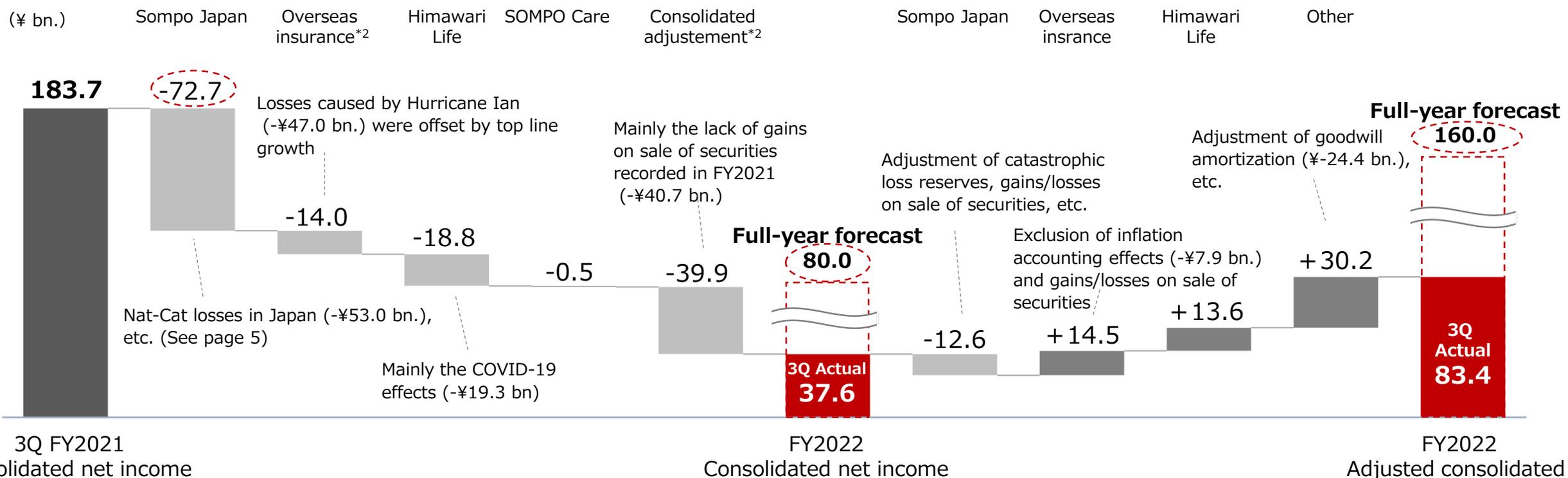
\* Preliminary draft for FY2022 (Jan. to Dec.) of the overseas insurance business are unaudited and subject to change. The final figures will be announced together with the full-year results of Sompo Holdings in May 2023.

# Performance Overview for 3Q FY2022

- Consolidated net income was ¥37.6 bn. on a YTD basis (¥57.6 bn. in 3Q) driven by an increase in underwriting income at Sompo Japan from 1H figure
- In FY2022, adjusted consolidated profit is expected to be ¥160.0 bn. due to increases in profit in overseas insurance as well as the group investment income (Full-year forecast remains unchanged)

## Increase/decrease factors of consolidated net income(after tax)\*1

## Conversion to adjusted consolidated profit



	Sompo Japan	Overseas	Himawari Life	SOMPO Care	Consolidated adjustment/Others	Consolidated net income	Adjusted Consolidated profit
3Q FY2021	¥106.5 bn.	¥47.1 bn.	¥14.1 bn.	¥4.5 bn.	¥10.4 bn.	¥183.7 bn.	¥205.1 bn.
<b>3Q FY2022</b>	<b>¥33.8 bn.</b>	<b>¥33.1 bn.</b>	<b>-¥4.7 bn.</b>	<b>¥3.9 bn.</b>	<b>-¥29.4 bn.</b>	<b>¥37.6 bn.</b>	<b>¥83.4 bn.</b>

\*1 Consolidated net income denotes net income (loss) attributable to shareholders of the parent (The same shall apply hereafter)

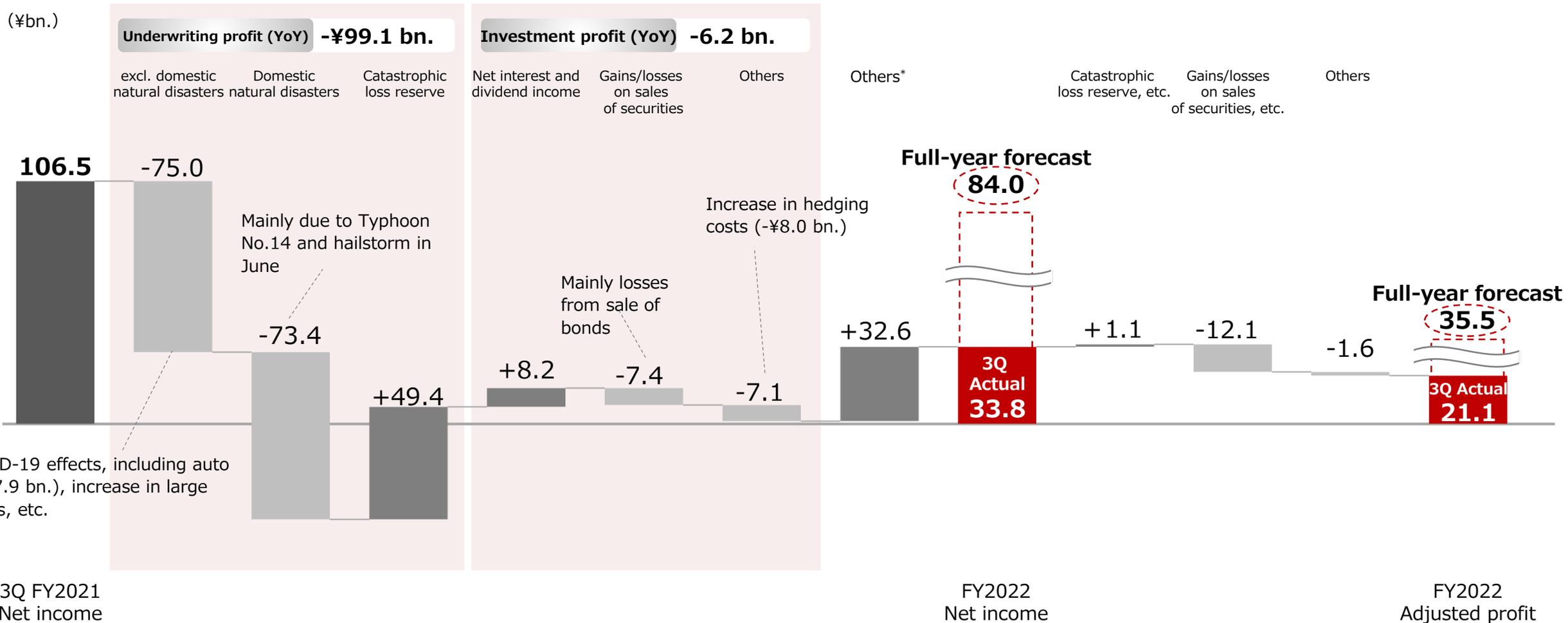
\*2 Impacted by adjustment on SI local accounting standard (See page 9)

# Performance Overview of Domestic P&C Insurance (Sompo Japan)

- As of the end of 3Q FY2022, adjusted profit was ¥21.1 bn. on a YTD basis (¥30.2 bn. in 3Q) owing to improved underwriting results in fire & allied and solid net interest & dividend income
- For the full year, investment income is expected to increase due to solid interest & dividend income, gains on sale of strategic shareholding, etc.

## Increase/decrease factors of net income

## Conversion to adjusted profit

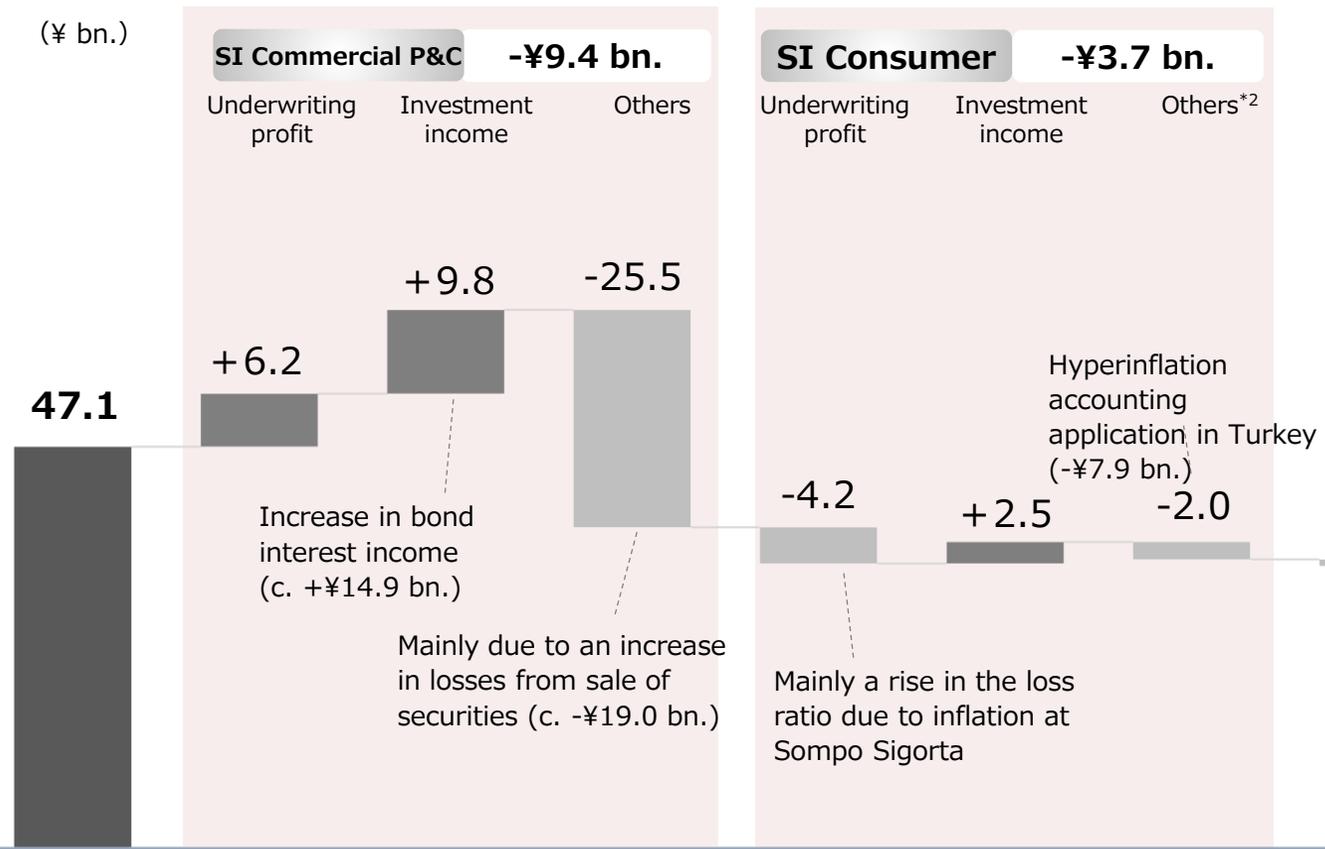


\* Extraordinary gains/losses, corporate taxes, etc.

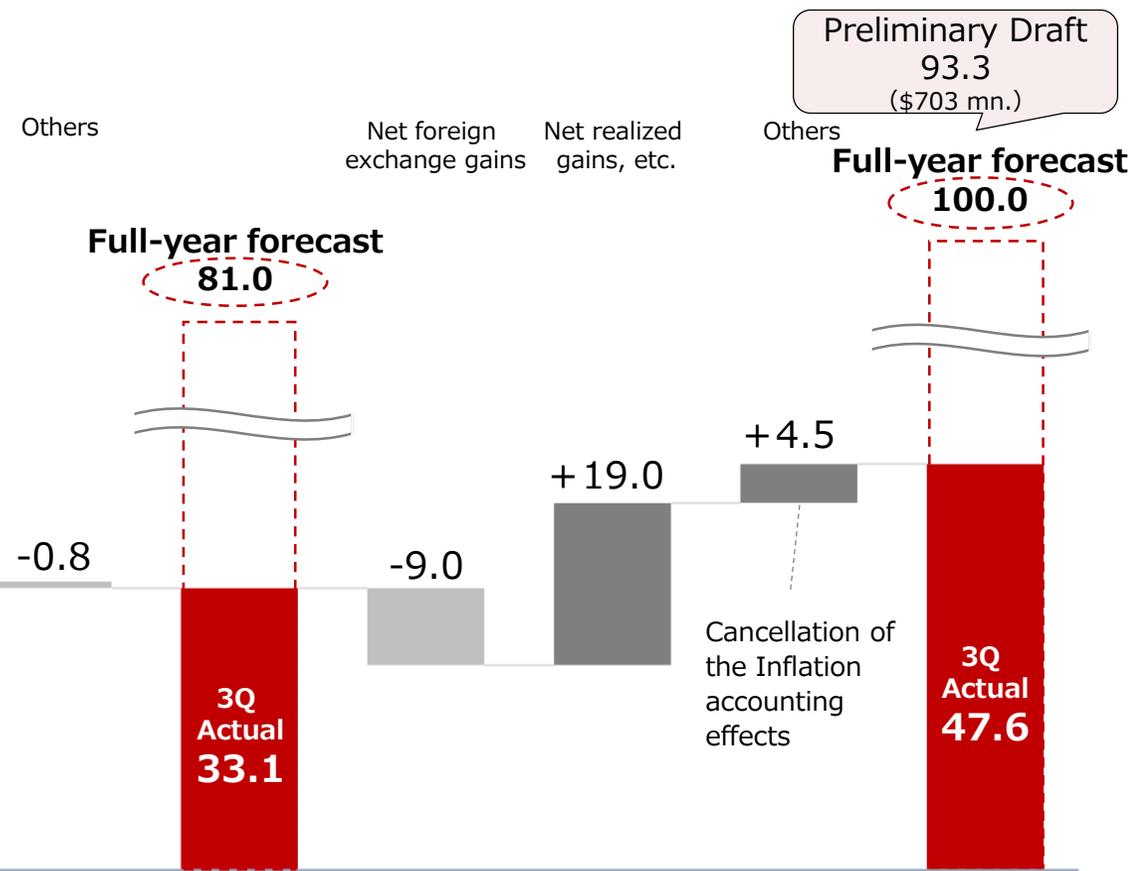
# Performance Overview of Overseas Insurance

- Net income for 3Q FY2022 was ¥33.1 bn. due to an increase in losses from sale of securities at SI Commercial and hyperinflation accounting application in Turkey
- Preliminary draft of FY2022 adjusted profit was \$703 mn., exceeding the full-year forecast on a local currency basis (\$693 mn.), driven by profit growth at SI Commercial

## Increase/decrease factors of net income\*1



## Conversion to adjusted profit



3Q FY2021  
Net income

\*1 Impacted by adjustment on SI local accounting standard (See page 9)  
 \*2 Incl. minority interest

FY2022  
Net income

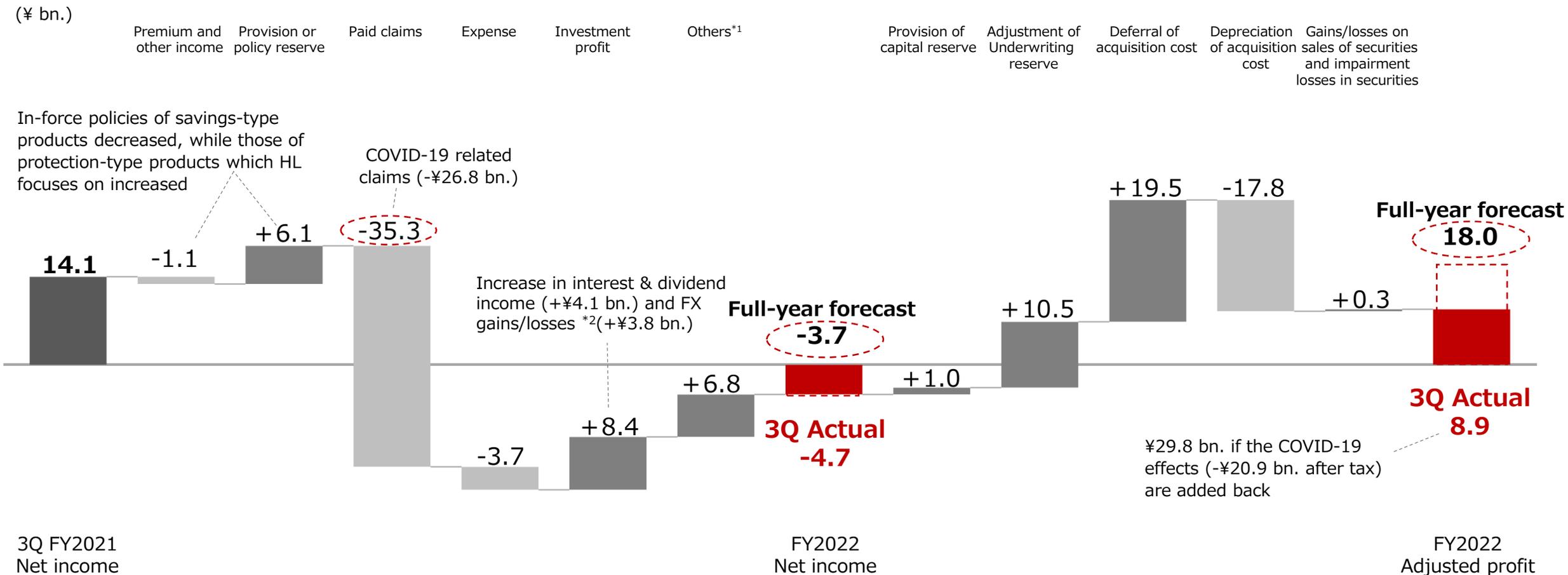
FY2022  
Adjusted profit

# Performance Overview of Domestic Life Insurance (Himawari Life)

- Adjusted profit for 3Q FY2022 was ¥29.8 bn. excluding the COVID-19 effects despite an YoY decline in profit primarily due to an increase in COVID-19 related claims
- In Q4, COVID-19 related claims are likely to be modest around ¥1.0 bn. and the full-year forecast can be met with solid interest & dividend income as a tailwind

## Increase/decrease factors of net income

## Conversion to adjusted profit



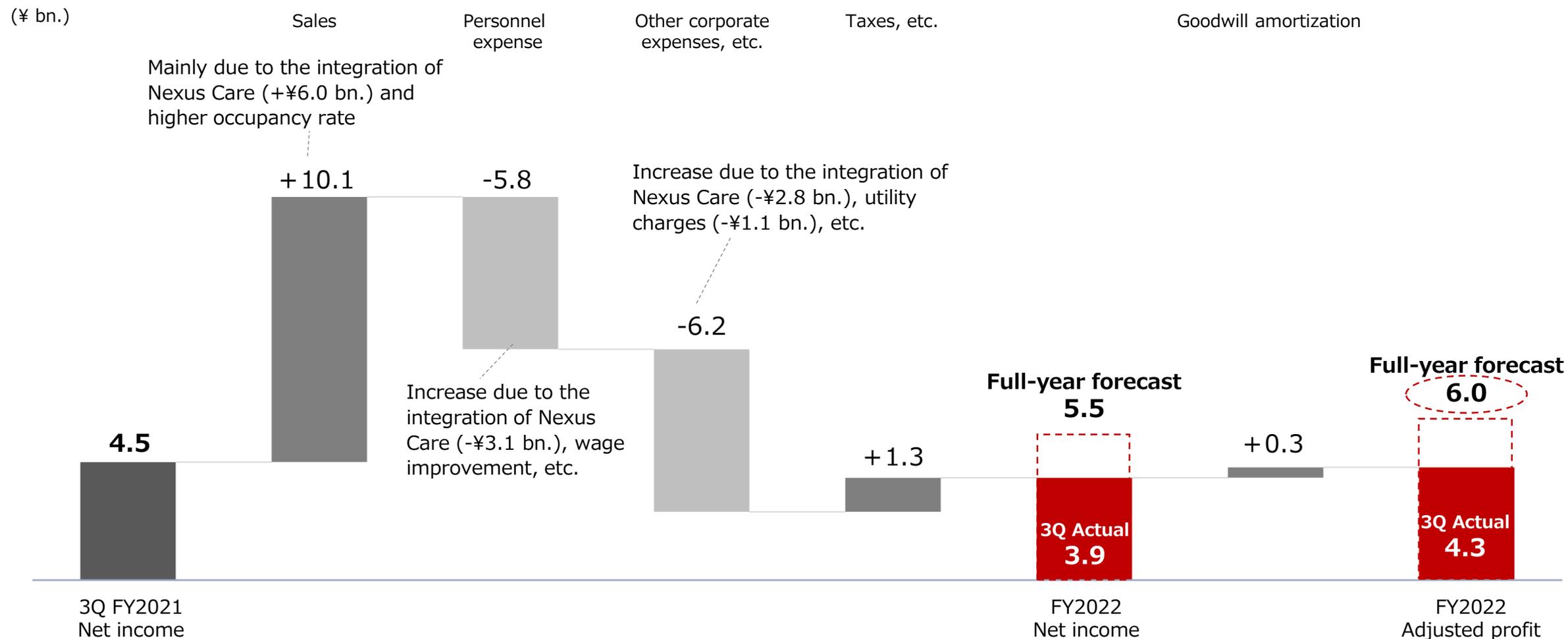
\*1 Corporate income tax, etc.

\*2 Incl. hedging cost

- Net income and adjusted profit for 3Q FY2022 were as expected and on track to meet the full-year forecast

## Increase/decrease factors of net income

## Conversion to adjusted profit



# Consolidated Financials

Overview			By business		
Consolidated	Domestic P&C	Overseas	Domestic life	Nursing care & seniors	ERM



(¥ bn.)	3Q Actual			Full-year		
	3Q FY2021	3Q FY2022	Variance	FY2021 Actual	FY2022 Forecast	Variance
Consolidated ordinary income	3,157.2	3,689.7	+532.5	4,167.4	-	-
Net premiums written (P&C)	2,455.1	2,996.1	+541.0	3,215.7	3,818.0	+602.2
Life insurance premiums	238.5	235.3	-3.1	325.1	327.0	+1.8
Consolidated ordinary profit	261.8	56.7	-205.1	315.5	115.0	-200.5
Sompo Japan	140.6	39.4	-101.1	210.8	99.0	-111.8
Overseas insurance subsidiaries*1	64.1	46.1	-17.9	86.1	103.8	+17.7
Himawari Life	20.5	-5.7	-26.2	23.2	-3.9	-27.2
SOMPO Care	7.0	5.9	-1.0	9.3	8.0	-1.2
Consolidate adjustment*1*2/Others	29.4	-29.1	-58.6	-14.0	-92.0	-77.9
Consolidated net income	183.7	37.6	-146.1	224.8	80.0	-144.8
Sompo Japan	106.5	33.8	-72.7	166.2	84.0	-82.2
Overseas insurance subsidiaries*1	47.1	33.1	-14.0	64.3	81.0	+16.7
Himawari Life	14.1	-4.7	-18.8	15.9	-3.7	-19.7
SOMPO Care	4.5	3.9	-0.5	5.9	5.5	-0.3
Consolidate adjustment*1*2/Others	11.3	-28.5	-39.9	-27.5	-86.8	-59.2
(Reference) Adjusted consolidated profit	205.1	83.4	-121.6	261.3	160.0	-101.3
Domestic P&C insurance	127.8	20.8	-107.0	157.4	35.0	-122.4
Overseas insurance	44.4	47.6	+3.2	61.8	100.0	+38.1
Domestic life insurance	26.8	8.9	-17.9	33.6	18.0	-15.6
Nursing care & seniors	4.5	4.3	-0.1	5.9	6.0	+0.0
Digital, etc.	1.4	1.7	+0.2	2.4	1.0	-1.4

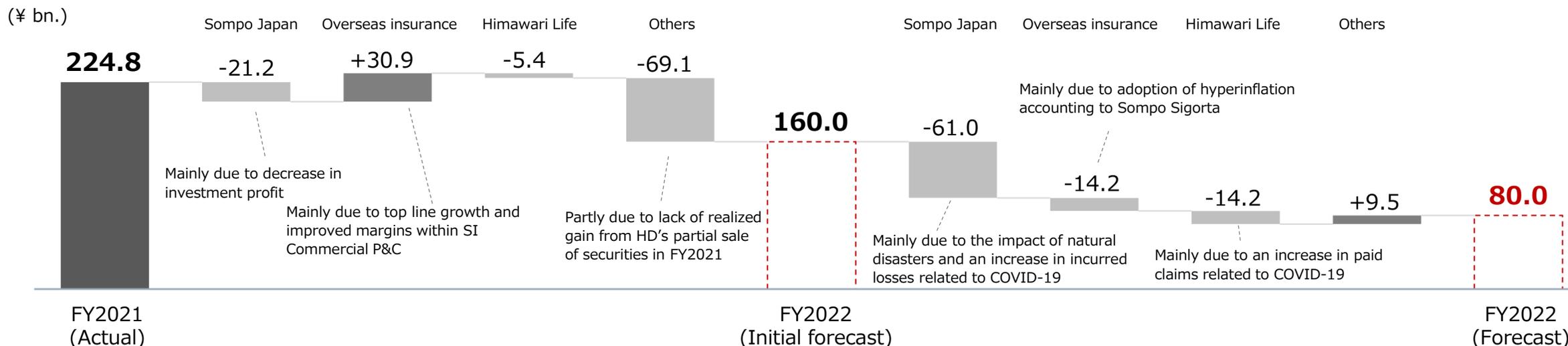
\*1 Subject to adjustment on SI local accounting standard.

(¥ bn.)	3Q FY2021	3Q FY2022	FY2021 Actual	FY2022 Forecast
Before tax	17.9	187.4	30.1	187.8
After tax	15.0	156.6	25.5	157.5

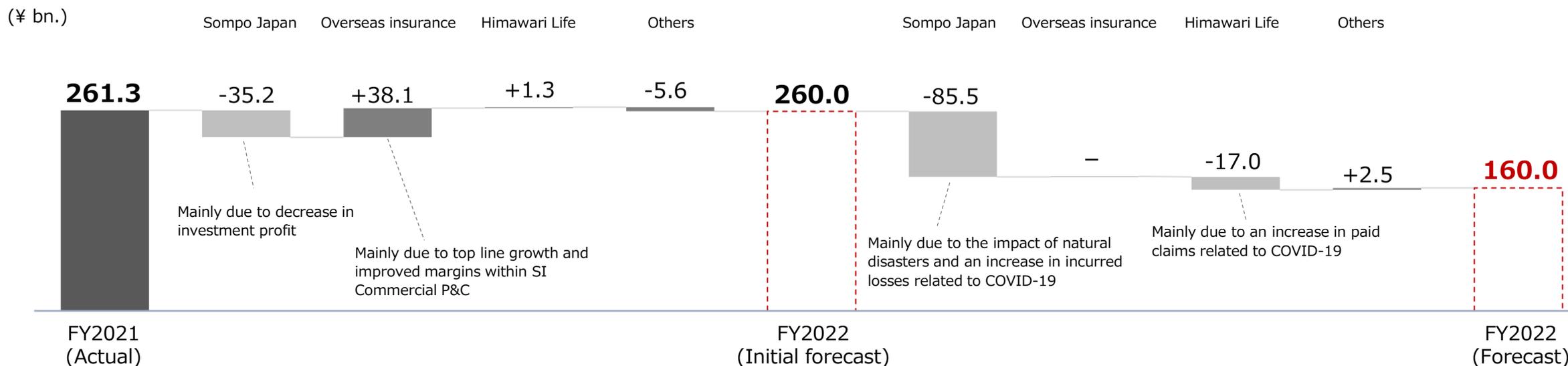
\*2 Incl. goodwill amortization (3Q FY2022 : ¥21.4 bn.) and profits and losses of consolidated companies other than the above and adjustments due to consolidation adjustment. (3Q FY2022 : ¥3.2 bn. (before tax), ¥2.3 bn. (after tax))

# (Reference) Breakdown of Revised Business Forecasts for FY2022

## Increase/decrease factors of consolidated net income

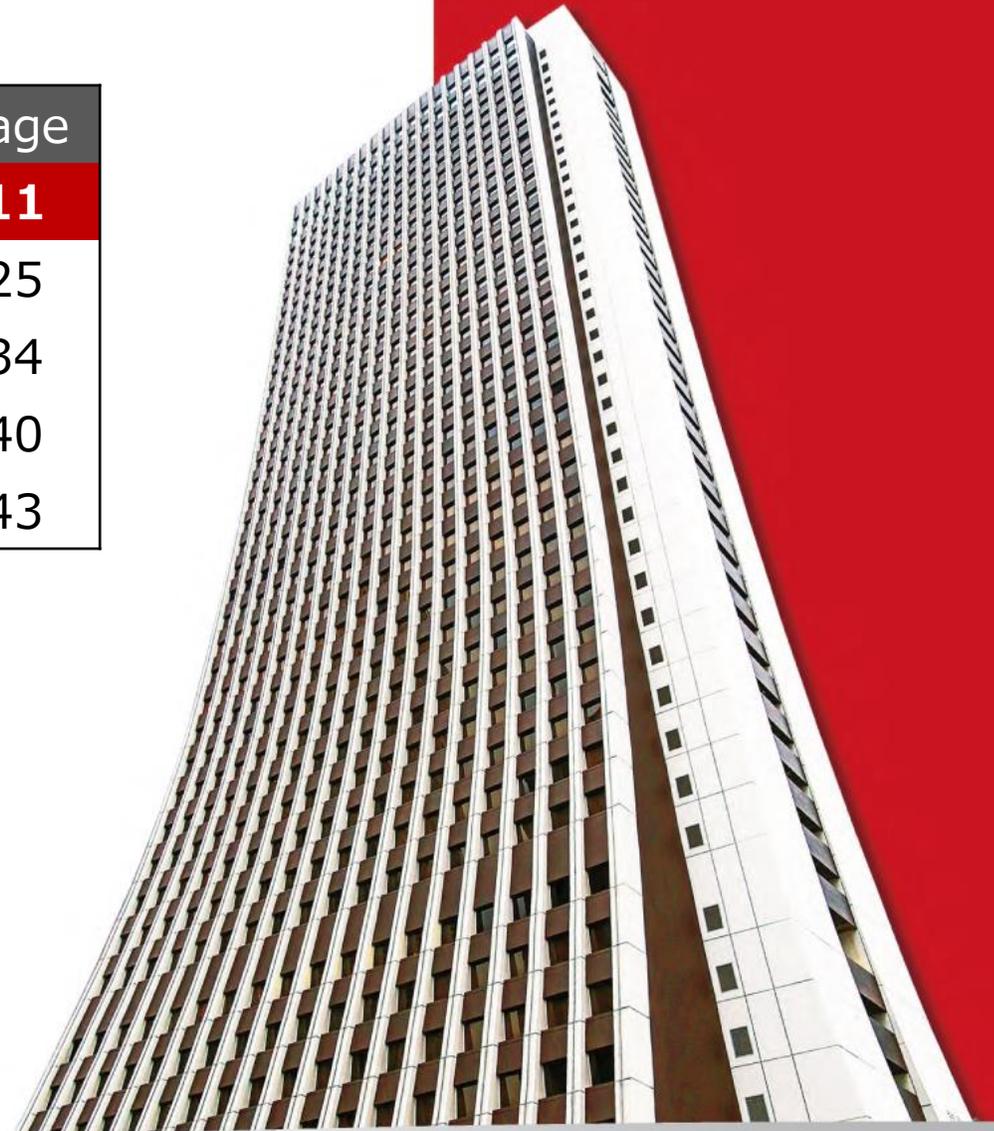


## Increase/decrease factors of adjusted consolidated profit



# Results by business

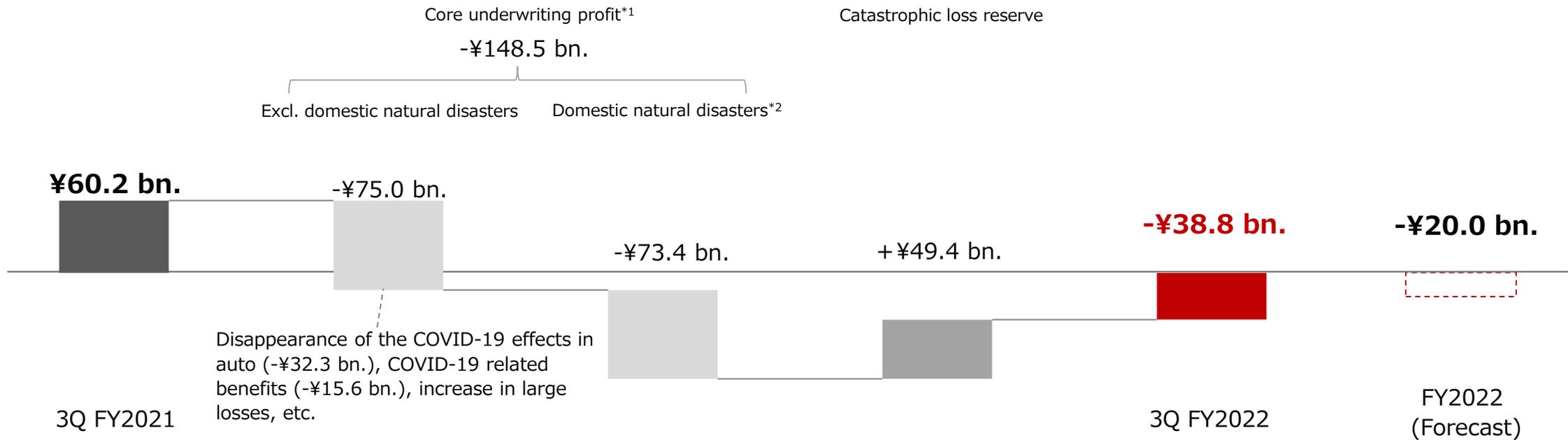
Title	Page
<b>Domestic P&amp;C Insurance Business (Sompo Japan)</b>	<b>11</b>
Overseas Insurance/Reinsurance Business	25
Domestic Life Insurance Business	34
Nursing Care & Seniors Business	40
ERM	43



# Underwriting Profit (Sompo Japan)

- Underwriting income for 3Q FY2022 was -¥38.8 bn. primarily due to the COVID-19 effects in auto and personal accident insurance in addition to losses caused by natural disasters

## Increase / decrease factors of underwriting profit (Sompo Japan)



	Core underwriting profit			Catastrophic loss reserve	Underwriting profit
		(Excl. domestic natural disasters)	(Domestic natural disasters)		
3Q FY2021	¥107.2 bn.	¥133.7 bn.	-¥26.5 bn.	-¥47.0 bn.	¥60.2 bn.
<b>3Q FY2022</b>	<b>-¥41.2 bn.</b>	<b>¥58.7 bn.</b>	<b>-¥100.0 bn.</b>	<b>¥2.3 bn.</b>	<b>-¥38.8 bn.</b>

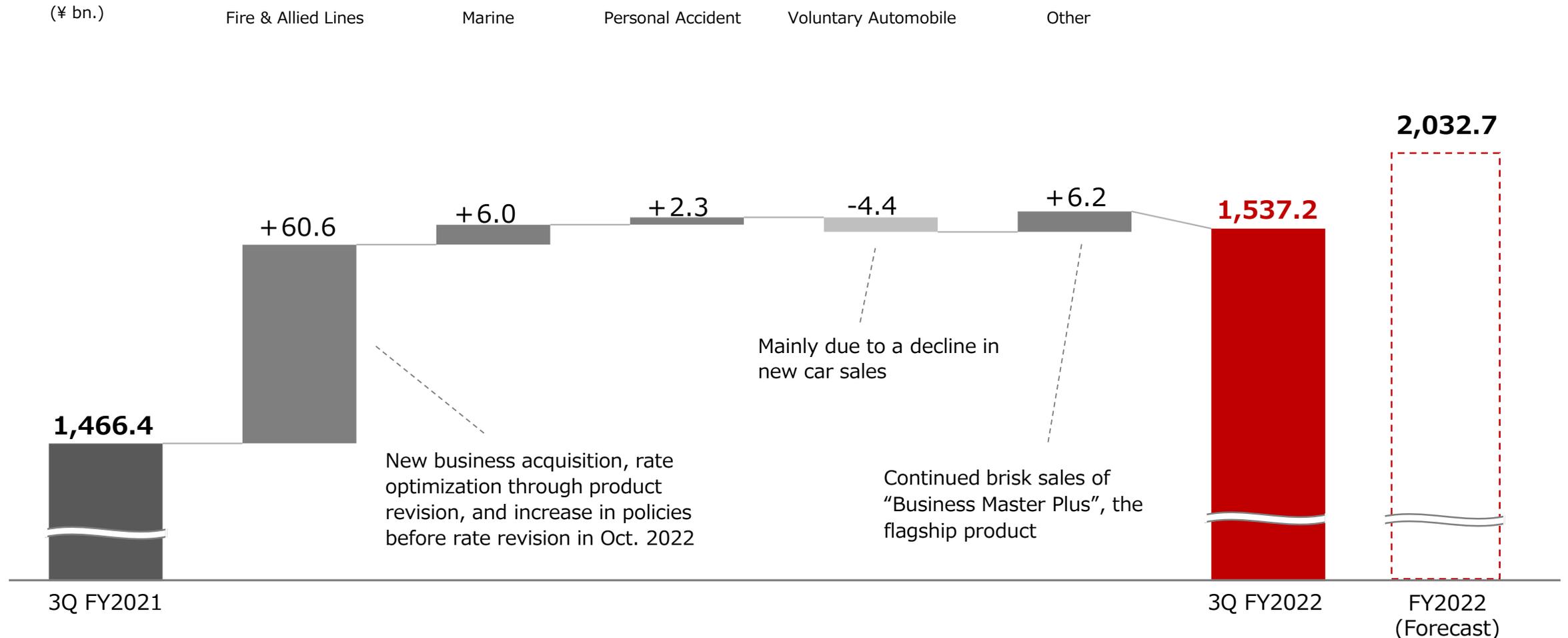
\*1 Core underwriting profit is underwriting profit less the impact related to catastrophic loss reserve.

\*2 Since the reserve for outstanding claims is calculated using the compendium method in the 3Q results. The figures of losses incurred from domestic natural disasters are approximated values reflecting the current situation as of the end of December 2022.

# Net Premiums Written (Sompo Japan)

- Net premiums written for 3Q FY2022 increased by ¥70.8 bn. YoY (+4.8%) due to strong momentum continued in fire & allied and liability insurance

## Increase / decrease factors of net premiums written (excl. CALI, household earthquake)



## (Reference) Net Premiums Written (Sompo Japan)

### Net premiums written by product line

(¥ bn.)	3Q FY2021	3Q FY2022	Variance		FY2022 Forecast
Fire & Allied Lines	245.2	305.8	+60.6	(+24.7%)	404.7
Marine	36.1	42.2	+6.0	(+16.8%)	53.6
Personal Accident	117.1	119.4	+2.3	(+2.0%)	154.8
Voluntary Automobile	814.1	809.6	-4.4	(-0.5%)	1,080.9
CALI	165.8	156.8	-8.9	(-5.4%)	207.0
Other	253.8	260.0	+6.2	(+2.5%)	338.6
Of which Liability	128.1	129.4	+1.3	(+1.0%)	161.8
<b>Total</b>	<b>1,632.4</b>	<b>1,694.2</b>	<b>+61.8</b>	<b>(+3.8%)</b>	<b>2,240.0</b>
<b>Total (excl. CALI, household earthquake)</b>	<b>1,466.4</b>	<b>1,537.2</b>	<b>+70.8</b>	<b>(+4.8%)</b>	<b>2,032.7</b>

(Reference) Year-on-Year comparison of voluntary automobile insurance (April 2022 – December 2022)  
(Sales performance basis)

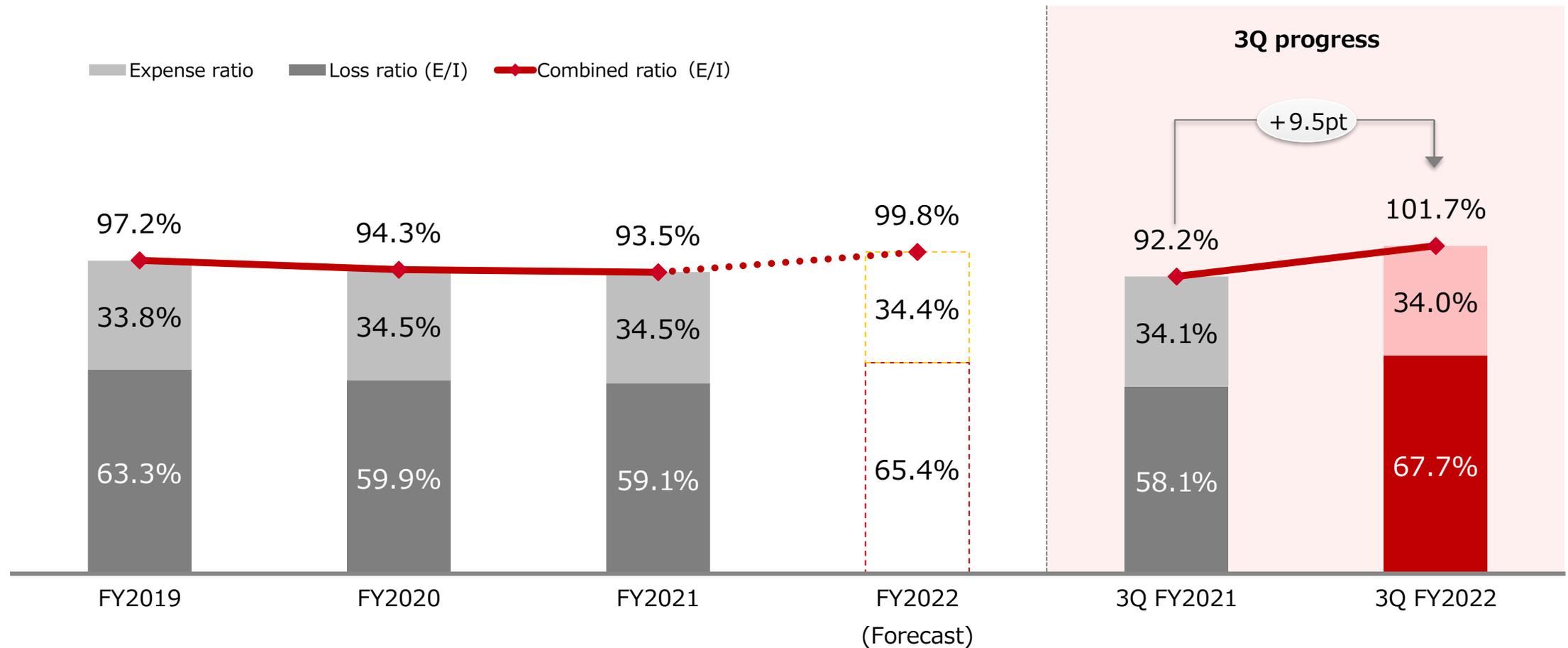
	# of vehicles*	Unit premium	Total premium
Non-fleet	-0.4%	+0.4%	-0.0%
Fleet	+1.2%	-4.0%	-2.8%
<b>Total</b>	<b>-0.1%</b>	<b>-0.4%</b>	<b>-0.5%</b>

\* Excl. per hour type automobile insurance

# Combined Ratio (Sompo Japan)

- Combined ratio for 3Q FY2022 rose by 9.5pt YoY to 101.7% due to a higher loss ratio

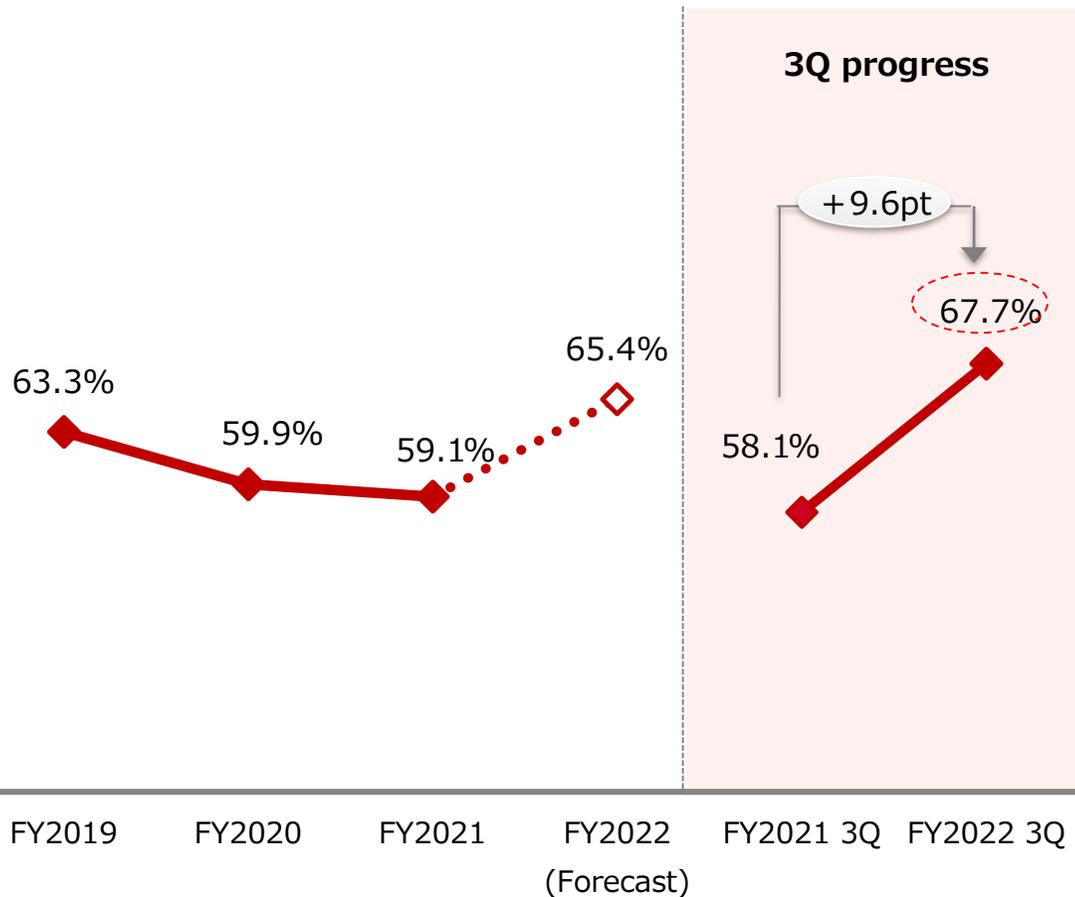
## Combined ratio (E/I) (excl. CALI, household earthquake)



# Loss Ratio (Sompo Japan)

- E/I loss ratio for 3Q FY2022 was 67.7% primarily due to Nat-Cat losses (+4.9pt) and the COVID-19 effects (+3.3pt)
- The loss ratio improved from the interim figure mostly in fire & allied and is likely to remain close to the planned level to meet the full-year forecast

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



\* Impact of exchange rates on reserve for outstanding loss and claims (Provision) : ¥2.7bn. (+0.2pt)

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

	3Q FY2022		FY2022 Forecast
	Loss ratio	Variance	Loss ratio
Fire & Allied lines (excl. household earthquake)	89.7%	+ 25.5pt	82.1%
Marine	49.1%	-10.3pt	61.9%
Personal Accident	62.1%	+ 11.5pt	62.4%
Voluntary Automobile	64.2%	+ 6.6pt	61.2%
Other	60.9%	+ 3.7pt	62.5%
<b>Total (excl. CALI, household earthquake)</b>	<b>67.7%</b>	<b>+ 9.6pt</b>	<b>65.4%</b>

(Main factors of variance)

Fire & Allied Lines : Domestic Natural disasters (+19.0pt)

Personal Accident : Paid claims related to COVID-19 (+10.5pt)

Voluntary automobile : Partial absence of COVID-19 (increase in traffic) and domestic natural disasters (+6.4pt)

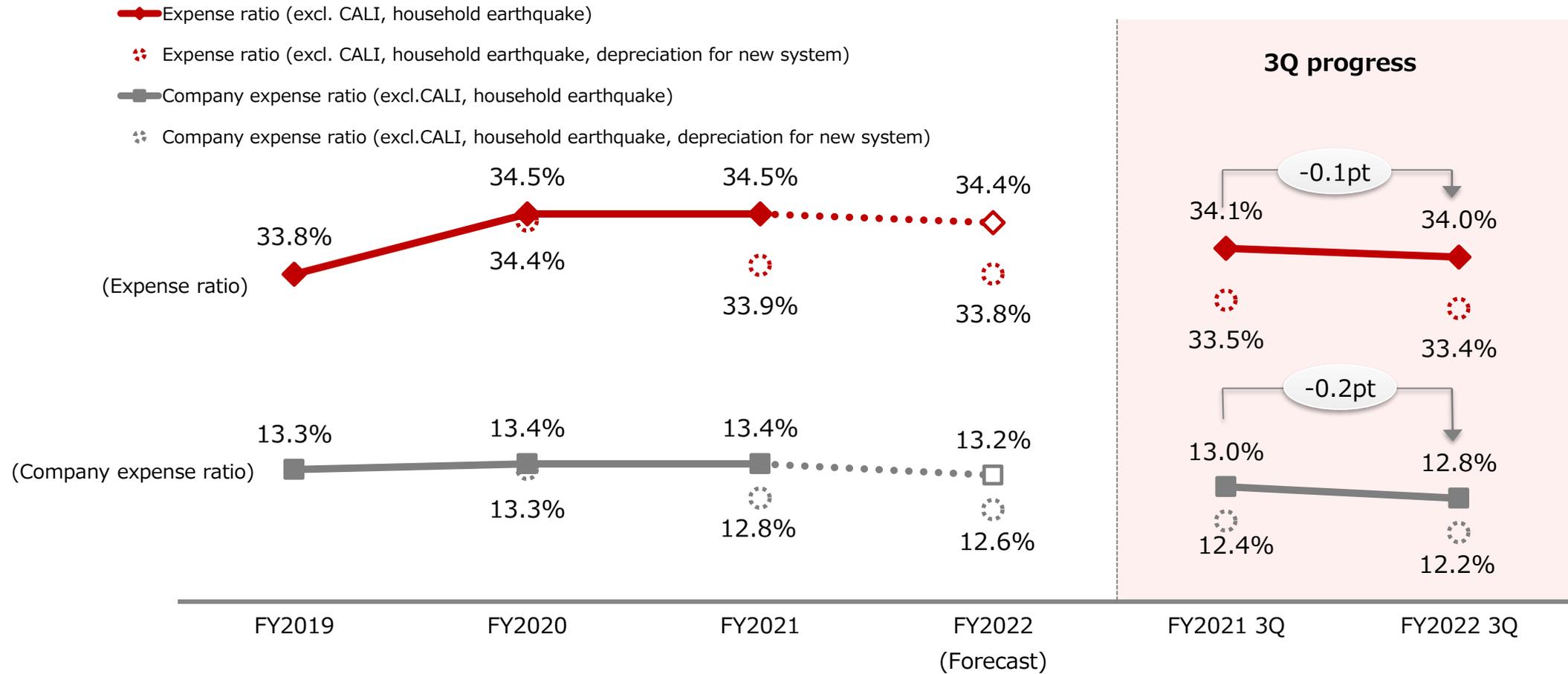
## (Reference) Loss ratio (W/P) by product line

	FY2022 3Q		FY2022 Forecast
	Loss ratio	Variance	Loss ratio
Fire & Allied lines (excl. household earthquake)	72.4%	+ 2.4pt	69.8%
Marine	40.0%	-9.0pt	53.3%
Personal Accident	61.1%	+ 12.5pt	59.8%
Voluntary Automobile	59.9%	+ 4.2pt	59.3%
Other	56.5%	+ 4.0pt	59.4%
<b>Total (excl. CALI, household earthquake)</b>	<b>61.3%</b>	<b>+ 4.5pt</b>	<b>61.3%</b>

# Expense Ratio (Sompo Japan)

- Both the G&A expense ratio and company expense ratio for 3Q FY2022 were in line with the plan

## Expense Ratio/Company expense ratio\* (excl. CALI, household earthquake)

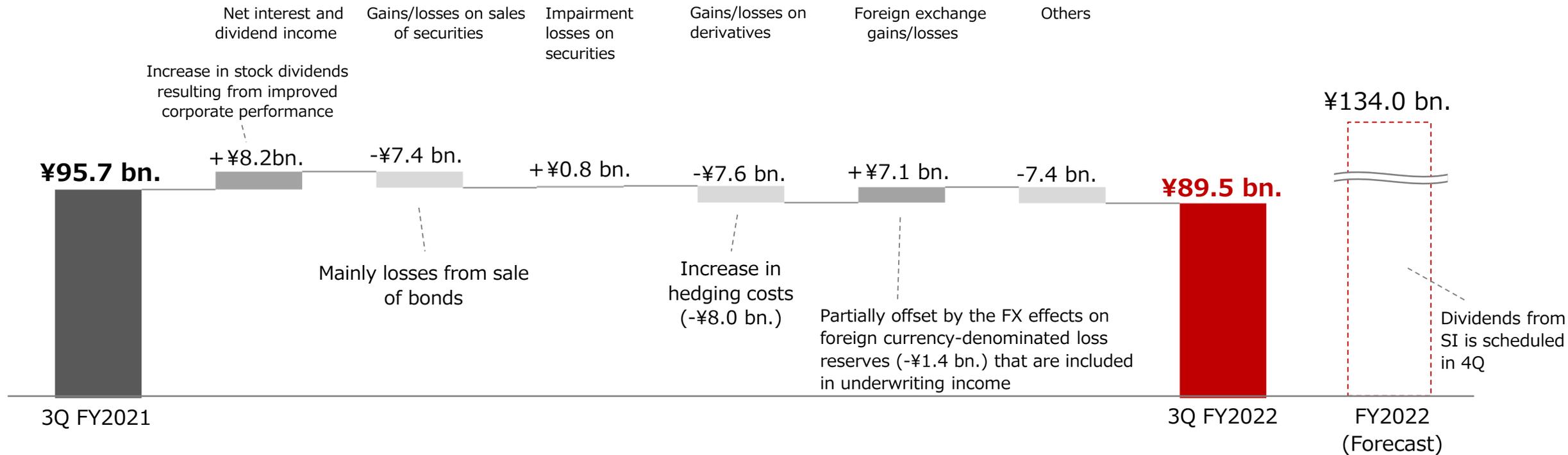


\* Ratio of general administrative and selling expense related with underwriting to net premiums written

# Investment Profit (Sompo Japan)

- “Net income and dividend income” for 3Q FY2022 increased steadily to ¥8.2 bn. YoY due to increase in stock dividends resulting from improved corporate performance
- For the full year, investment income is expected to increase due to gains on sale of strategic shareholding, solid interest & dividend income, etc.

## Increase/decrease factors of investment profit



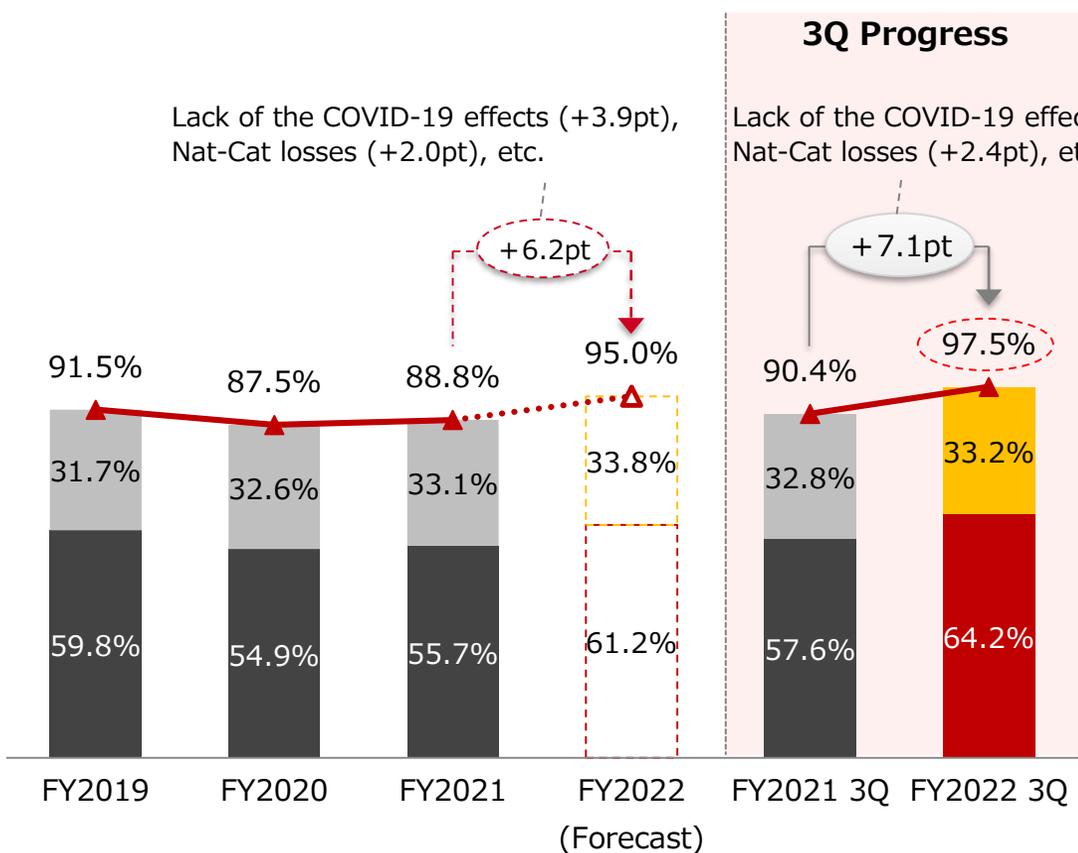
	Net interest and dividend income	Gains/losses on sales of securities	Impairment losses on securities	Gains/losses on derivatives	Foreign exchange gains/losses	Others	Investment profit
3Q FY2021	¥65.0 bn.	¥26.1 bn.	-¥2.1 bn.	¥0.2 bn.	¥3.0 bn.	¥3.5 bn.	¥95.7 bn.
<b>3Q FY2022</b>	<b>¥73.3 bn.</b>	<b>¥18.6 bn.</b>	<b>-¥1.3 bn.</b>	<b>-¥7.4 bn.</b>	<b>¥10.2 bn.</b>	<b>-3.8 bn.</b>	<b>¥89.5 bn.</b>

# (Reference) Indicators Related to Automobile Insurance (Sompo Japan)

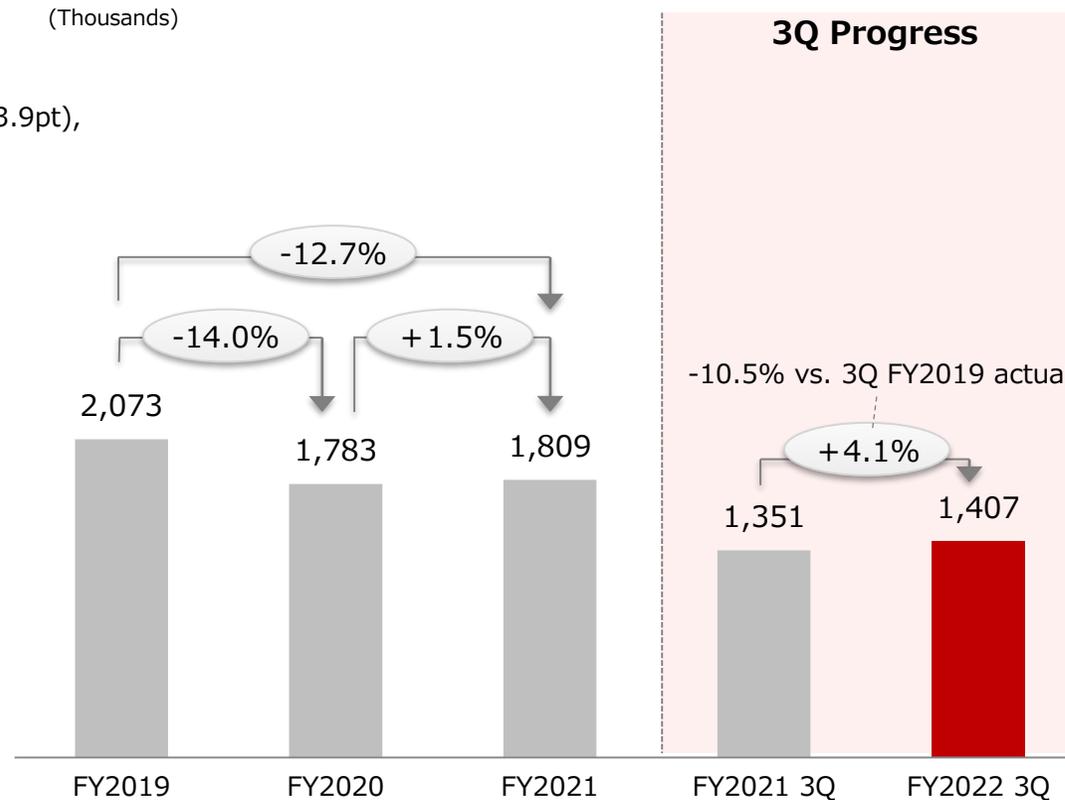
## Combined ratio (E/I)

## The number of reported claims\*2

Loss ratio\*1  
  Expense ratio  
  Combined ratio (E/I)



(Thousands)

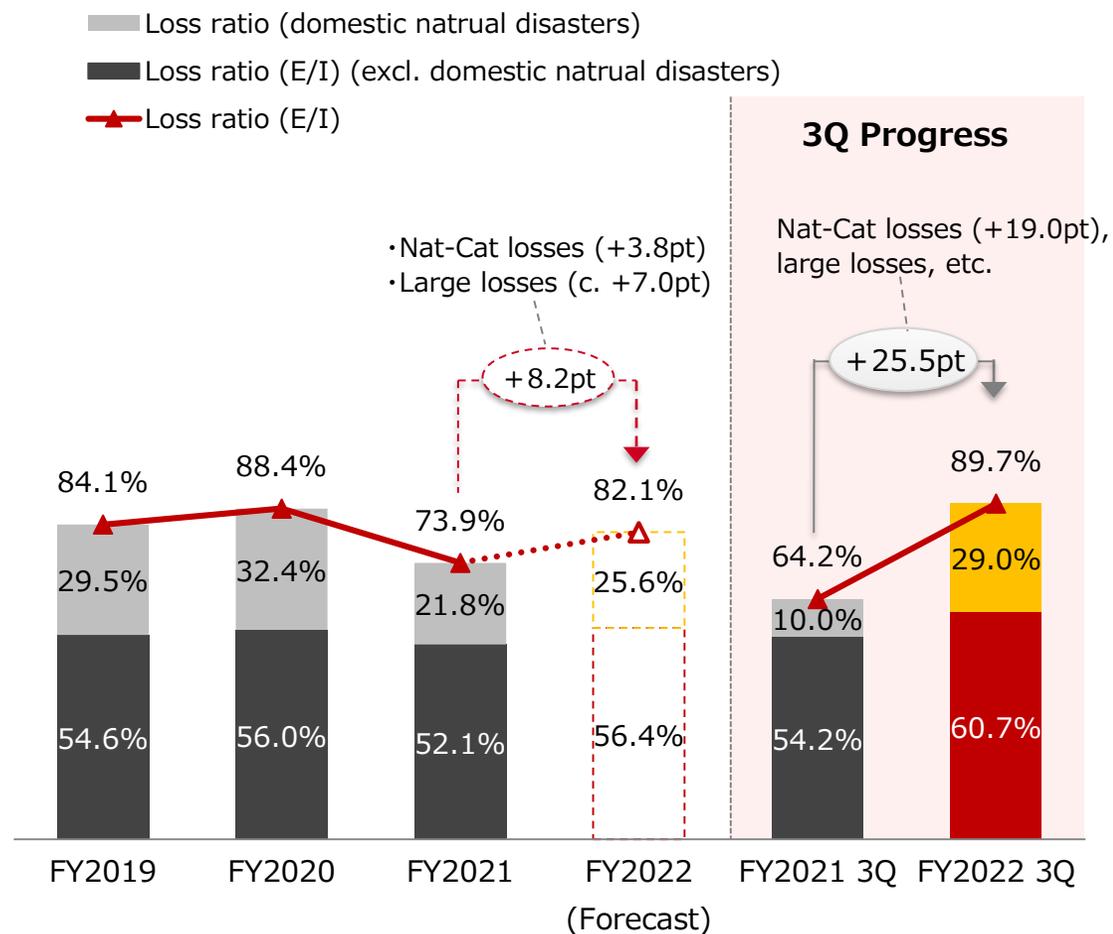


\*1 Loss ratio is on a E/I basis (incl. loss adjustment expense)

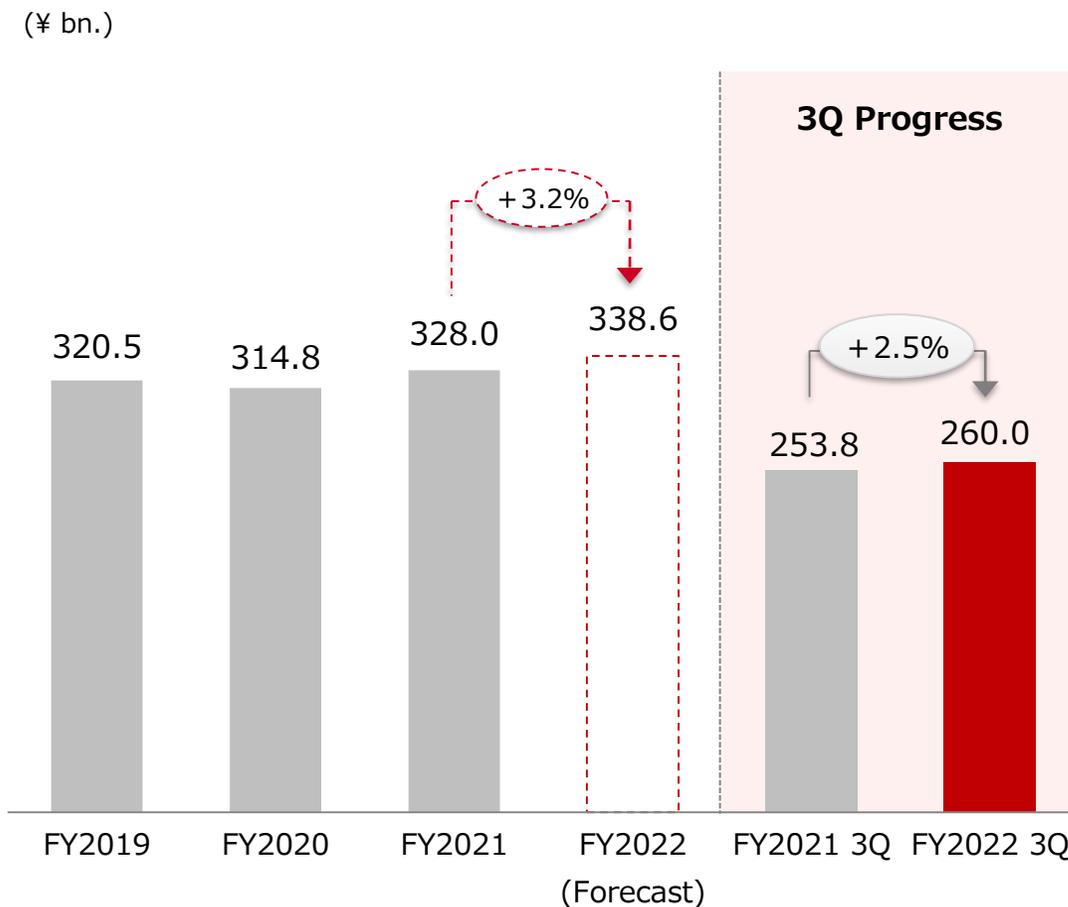
\*2 Excl. claims caused by natural disasters the total loss from which exceeds certain guideline amount

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

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



## Casualty (Other) insurance net premiums written

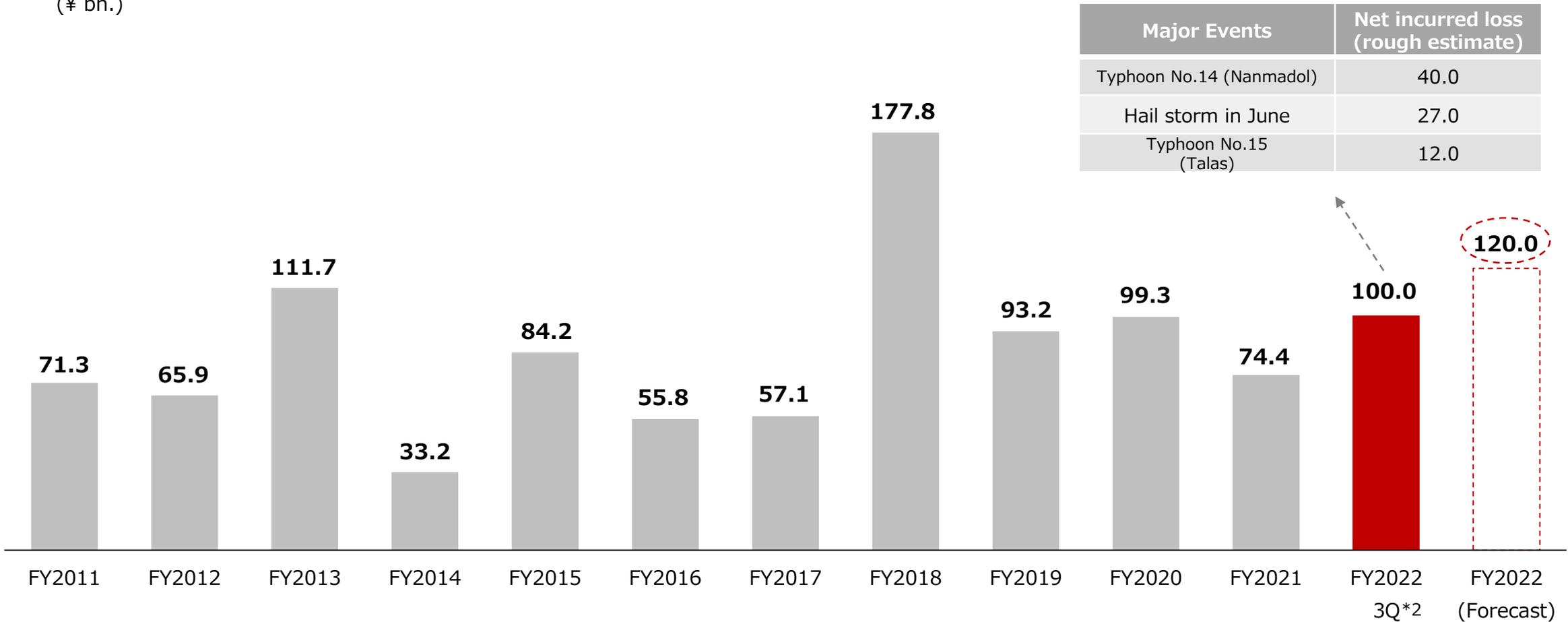


\* Excl. household earthquake

# (Reference) Domestic Natural Disasters (Sompo Japan)

## Impact of domestic natural disasters (accident year basis)\*1

(¥ bn.)



\*1 Excl. CALI, household earthquake

\*2 Since the reserve for outstanding claims is calculated using the compendium method in the 3Q results. The figures of losses incurred from domestic natural disasters are approximated value reflecting the current situation as of the end of December 2022.

# (Reference) Investment Profit (Sompo Japan)

## Investment profit

(¥ bn.)	3Q FY2021	3Q FY2022	Variance	FY2022 Forecast
Net interest and dividend income	65.0	73.3	+8.2	127.4
Interest and dividend income	87.4	94.5	+7.1	156.1
of which, dividends from overseas subsidiaries	0.2	1.3	+1.1	49.7
Gains on sales of securities	26.1	18.6	-7.4	19.4
of which, domestic stocks	25.2	30.6	+5.3	32.0
Impairment losses on securities	-2.1	-1.3	+0.8	-7.3
of which, domestic stocks	-2.1	-1.3	+0.8	-3.3
Gains/losses on derivatives	0.2	-7.4	-7.6	-15.7
Foreign exchange gains/losses	3.0	10.2	+7.1	12.9
Other investment income	3.5	-3.8	-7.4	-2.6
<b>Total</b>	<b>95.7</b>	<b>89.5</b>	<b>-6.2</b>	<b>134.0</b>

(Reference) Reduction of Strategic-holding stocks

Spot* <sup>1</sup>	¥50.2 bn.
Future* <sup>2</sup>	¥8.6 bn.
<b>Total</b>	<b>¥58.9 bn.</b>

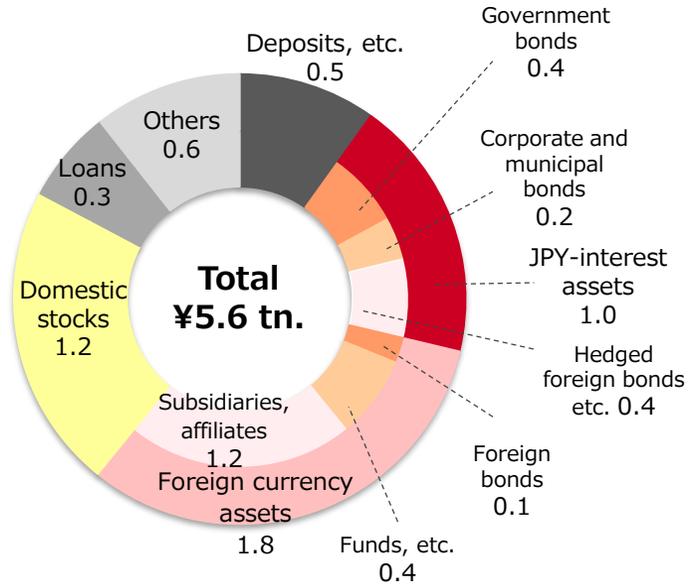
- \*1 Net reduction on fair value basis (market value of sales minus market value of purchase)  
The target amount of reduction in FY2022 on a full-year basis : around ¥70.0 bn.
- \*2 Short position of Nikkei 225 Futures

# (Reference) Asset Portfolio (Sompo Japan)

## Asset portfolio

(as of the end of Dec. 2022, General account)

(¥ tn.)



End of Mar. 2022    End of Dec. 2022

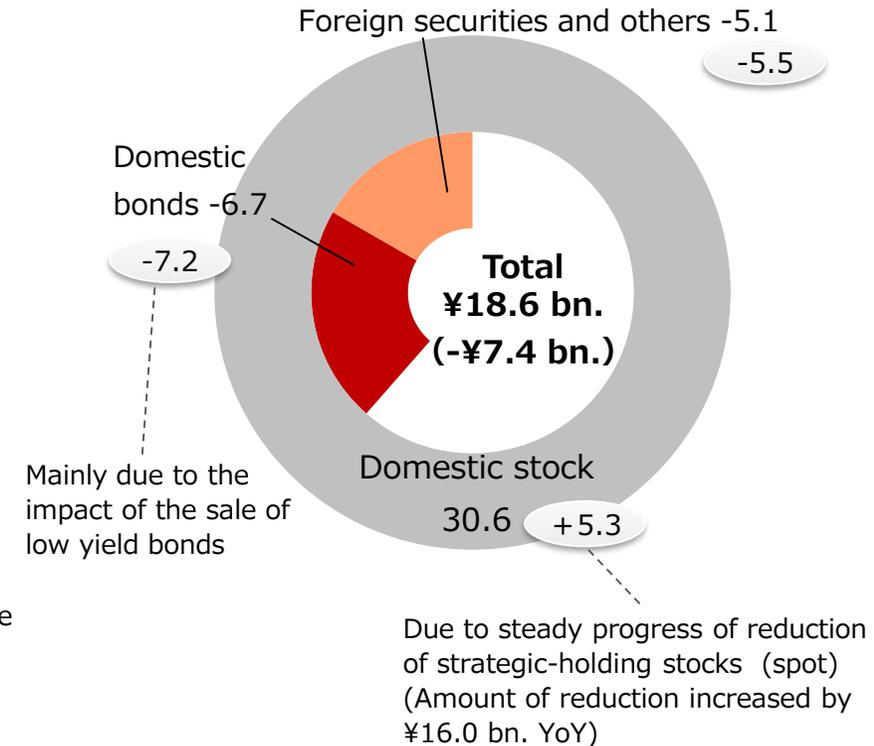
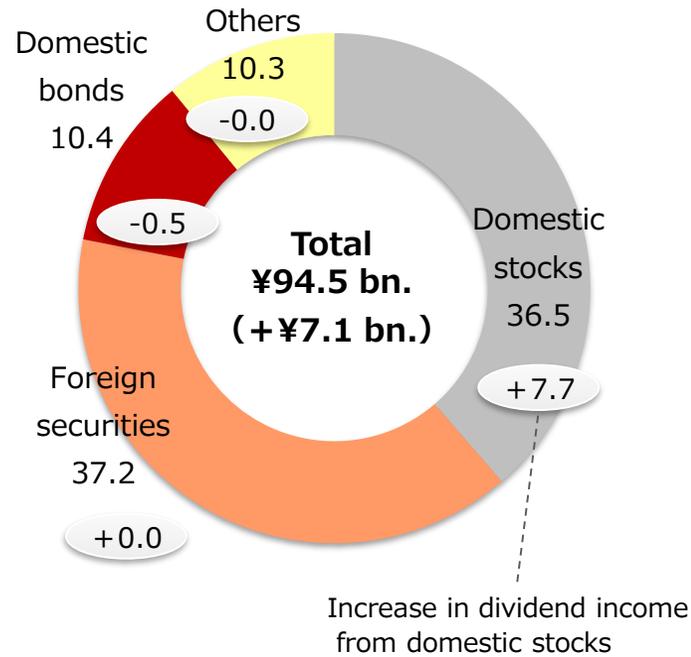
		End of Mar. 2022	End of Dec. 2022
Income yield*	Asset	3.0%	2.4%
Duration (years)	Asset	7.9	7.7
	Liability	7.7	7.4

\* Excl. overseas subsidiaries' shares, etc.

(Reference) Composition of rating (Total of JPY interest assets and foreign currency bonds) : No holdings below BB rating

## Breakdown of interest and dividend income and gains/losses on sales of securities (3Q FY2022)

(¥ bn.)



 : Variance from 3Q FY2021

# (Reference) Sompo Japan Financials

Overview			By business		
Consolidated	Domestic P&C	Overseas	Domestic life	Nursing care & seniors	ERM



(¥ bn.)	3Q Actual			Full-year		
	3Q FY2021	3Q FY2022	Variance	FY2021 Actual	FY2022 Forecast	Variance
Net premiums written	1,632.4	1,694.2	+61.8	2,158.7	2,240.0	+81.2
(excl. CALI, household earthquake)	1,466.4	1,537.2	+70.8	1,941.7	2,032.7	+91.0
Net premiums earned (excl. CALI, household earthquake)	1,454.7	1,489.6	+34.9	1,937.7	1,994.3	+56.5
E/I loss ratio (excl. CALI, household earthquake)	58.1%	67.7%	+9.6pt	59.1%	65.4%	+6.3pt
Written paid (W/P) loss ratio	59.2%	62.9%	+3.6pt	59.8%	63.5%	+3.8pt
(excl. CALI, household earthquake)	56.8%	61.3%	+4.5pt	57.4%	61.3%	+3.9pt
Expense ratio	33.6%	33.5%	-0.1pt	33.7%	33.8%	+0.1pt
(excl. CALI, household earthquake)	34.1%	34.0%	-0.1pt	34.5%	34.4%	-0.0pt
Combined ratio (E/I)* <sup>1</sup> (excl. CALI, household earthquake)	92.2%	101.7%	+9.5pt	93.5%	99.8%	+6.3pt
(Reference) Combined ratio (W/P) (excl. CALI, household earthquake)	90.9%	95.3%	+4.4pt	91.9%	95.7%	+3.8pt
Underwriting profit	60.2	-38.8	-99.1	63.0	-20.0	-83.0
Investment profit	95.7	89.5	-6.2	163.3	134.0	-29.2
Ordinary profit	140.6	39.4	-101.1	210.8	99.0	-111.8
Net income	106.5	33.8	-72.7	166.2	84.0	-82.2
(Reference)						
Provisions for catastrophic loss reserve (after tax)	+34.0	-1.2	-35.3	+41.8	+4.4	-37.3
Provisions for reserve for price fluctuation (after tax)	+2.2	+2.3	+0.1	+3.0	+2.9	-0.0
Adjusted profit						
Gains/losses on sales of securities and impairment losses on securities (after tax)	-16.7	-12.1	+4.6	-25.8	-6.6	+19.2
Special factors (after tax)* <sup>2</sup>	+2.7	-1.6	-5.1	-28.9	-49.3	-20.3
Adjusted profit	128.9	21.1	-108.4	156.2	35.5	-120.7

\*1 Sum of E/I loss ratio and expense ratio

\*2 Dividend from consolidated subsidiaries and gains/losses related to stock futures, etc.

# Results by business

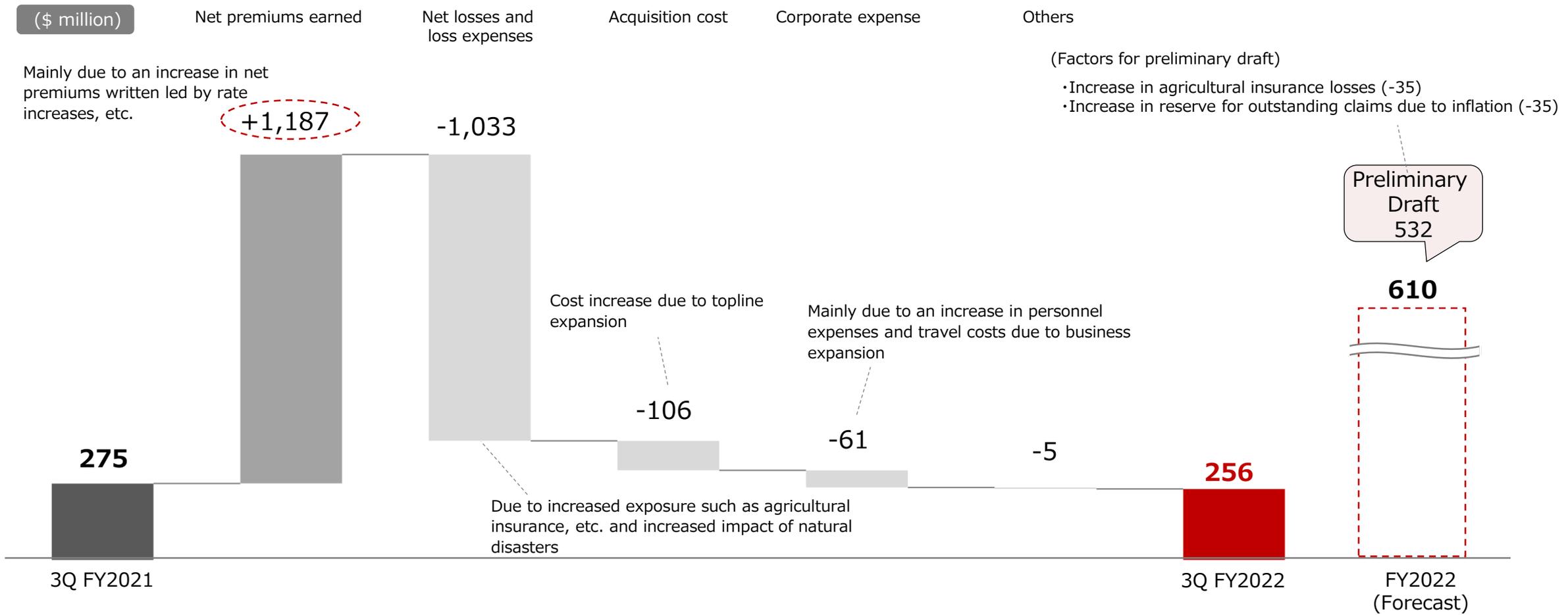
Title	Page
Domestic P&C Insurance Business (Sompo Japan)	11
<b>Overseas Insurance/Reinsurance Business</b>	<b>25</b>
Domestic Life Insurance Business	34
Nursing Care & Seniors Business	40
ERM	43



# Underwriting Profit (SI Commercial P&C)

- Underwriting income for 3Q FY2022 is \$256 million, impact of Hurricane Ian in the third quarter was partially offset by top-line growth
- Preliminary draft of underwriting income for the full-year FY2022 is \$532 million, up 25% YoY, due to margin improvement and top-line growth

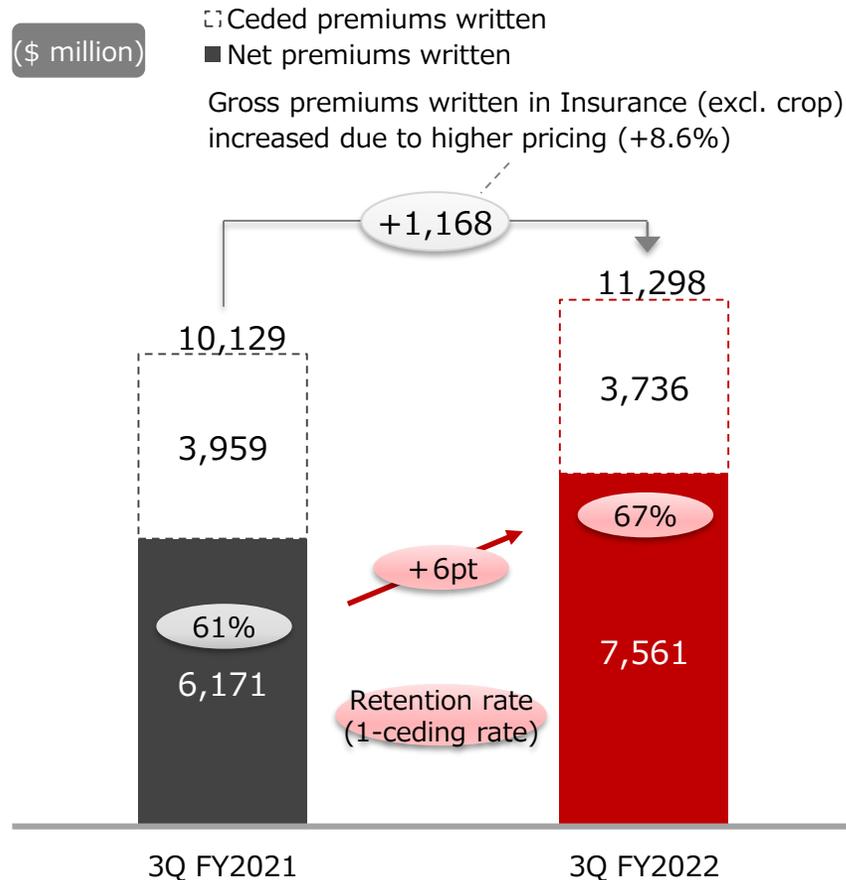
## Increase/decrease factors of underwriting profit



# Top-line (SI Commercial P&C)

- Net premiums written for 3Q FY2022 expanded 22.5%, increasing to \$7,561 million
- Pricing effect, higher retention rate of crop insurance, and growth in casualty lines supported year to date growth

## Gross premiums written



(Reference) Top-line by segment (\$ million)		3Q FY2022	Variance	FY2022 Forecast	FY2022 Preliminary Draft
Gross premiums written	Insurance (excl. crop)	4,500	+239 (+5.6%)	-	-
	AgriSompo	2,976	+505 (+20.4%)	-	-
	Reinsurance	3,820	+424 (+12.5%)	-	-
	<b>Total</b>	<b>11,298</b>	<b>+1,168 (+11.5%)</b>	<b>13,465</b>	<b>13,483</b>
Net premiums written	Insurance (excl. crop)	2,475	+205 (+9.1%)	-	-
	AgriSompo	1,610	+739 (+85.0%)	-	-
	Reinsurance	3,447	+417 (+13.8%)	-	-
	<b>Total</b>	<b>7,561</b>	<b>+1,390 (+22.5%)</b>	<b>8,993</b>	<b>8,904</b>
Net premiums earned	Insurance (excl. crop)	2,405	+458 (+23.5%)	-	-
	AgriSompo	1,238	+504 (+68.8%)	-	-
	Reinsurance	2,630	+209 (+8.7%)	-	-
	<b>Total</b>	<b>6,289</b>	<b>+1,187 (+23.3%)</b>	<b>8,437</b>	<b>8,444</b>
Retention rate	Insurance (excl. crop)	55%	+2pt	-	-
	AgriSompo	54%	+19pt	-	-
	Reinsurance	90%	+1pt	-	-
	<b>Total</b>	<b>67%</b>	<b>+6pt</b>	<b>67%</b>	<b>66%</b>

(Main drivers of year to date variance of net premiums written for 3Q)

Insurance (excl. crop) : Continued rate increases in property and casualty lines

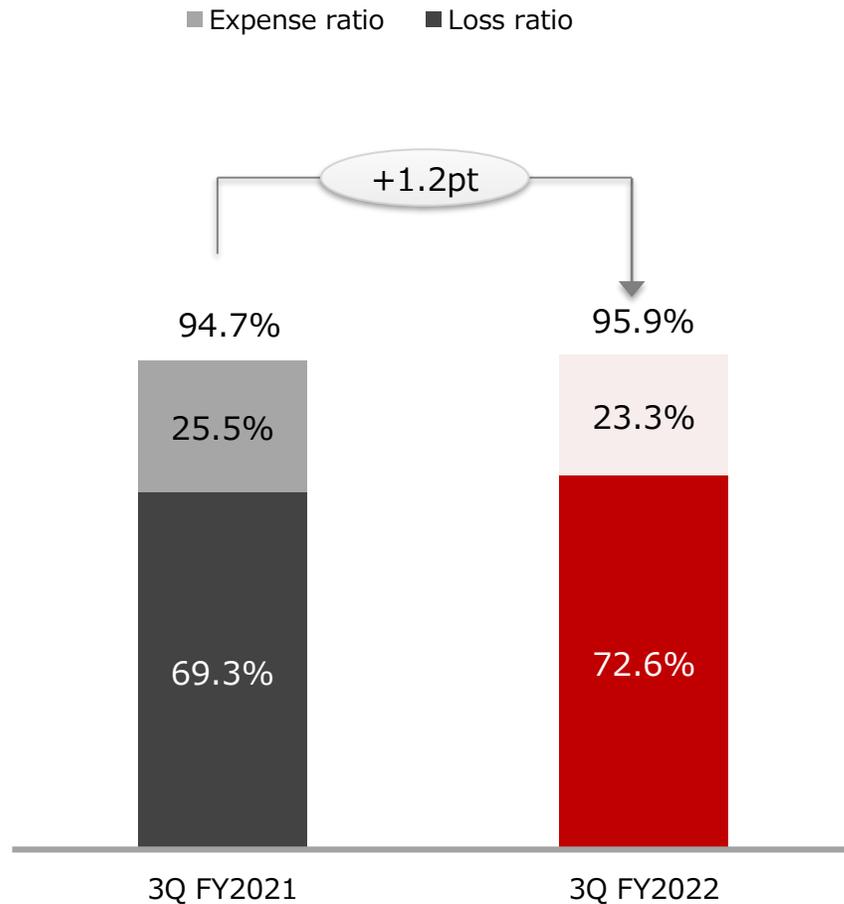
AgriSompo : Impact of higher commodity price and increase in retention related to Diversified's policies

Reinsurance : Largely driven by growth in casualty line (Corporate Liability, etc.)

# Combined Ratio (SI Commercial P&C)

- Combined ratio for 3Q FY2022 was 95.9% due to natural disaster impact (+8.5pt)
- The preliminary draft combined ratio for full-year FY2022 improved to 93.5% as catastrophes normalized in 4Q 2022 and top-line growth

## Combined Ratio



(Reference) Combined ratio by segment

	3Q FY2022	Variance	FY2022 Forecast	FY2022 Preliminary Draft	
Loss ratio	Insurance (excl. crop)	75.8%	+6.5pt	-	69.6%
	AgriSompo	86.9%	-0.1pt	-	93.3%
	Reinsurance	63.1%	-0.9pt	-	60.0%
	Total	72.6%	+3.3pt	69.5%	70.2%
Expense ratio	Insurance (excl. crop)	22.0%	-0.2pt	-	22.2%
	AgriSompo	8.4%	-5.3pt	-	5.9%
	Reinsurance	29.5%	-0.1pt	-	30.1%
	Total	23.3%	-2.1pt	23.3%	23.3%
Combined ratio	Insurance (excl. crop)	97.8%	+6.4pt	-	91.7%
	AgriSompo	95.3%	-5.3pt	-	99.2%
	Reinsurance	92.6%	-0.9pt	-	90.1%
	Total	95.9%	+1.2pt	92.8%	93.5%

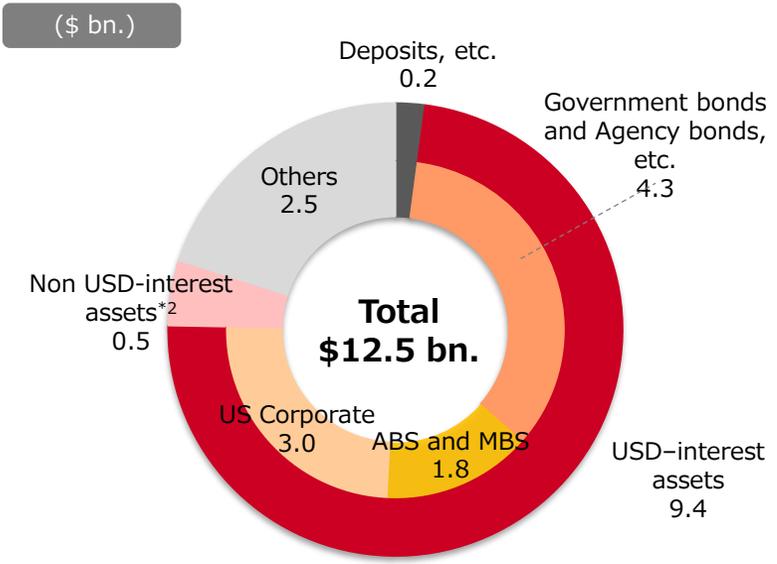
(Main drivers of year to date variance for 3Q in the combined ratio)

- Insurance (excl. crop) : Largely due to higher natural disasters such as Hurricane Ian
- AgriSompo : Due to decrease in corporate expenses from the acquisition of Diversified
- Reinsurance : Topline growth effect from improved pricing

# Investment Income/Asset Portfolio (SI Commercial P&C)

- Investment income for 3Q FY2022 is \$267 million due to increased net interest and dividend income on a larger investment base
- The full-year FY2022 preliminary draft of investment income is \$418 million, mainly due to higher reinvestment yields following U.S interest rate hikes

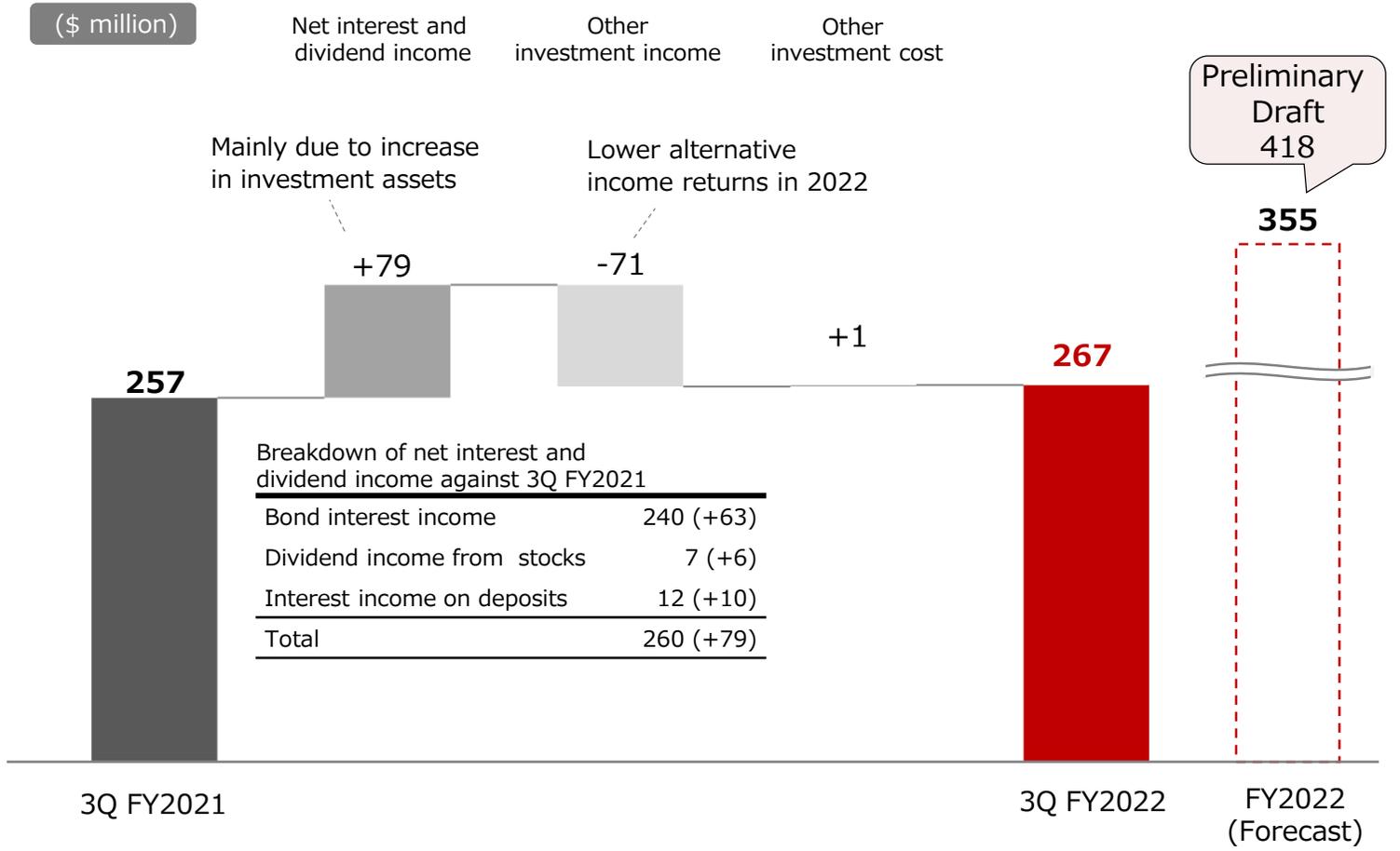
## Asset portfolio\*1 (as of the end of Sep. 2022)



		End of Dec. 2021	End of Sep. 2022
Book yield		2.1%	3.1%
Duration (years)	Asset	3.1	3.7
	Liability	3.1	2.5

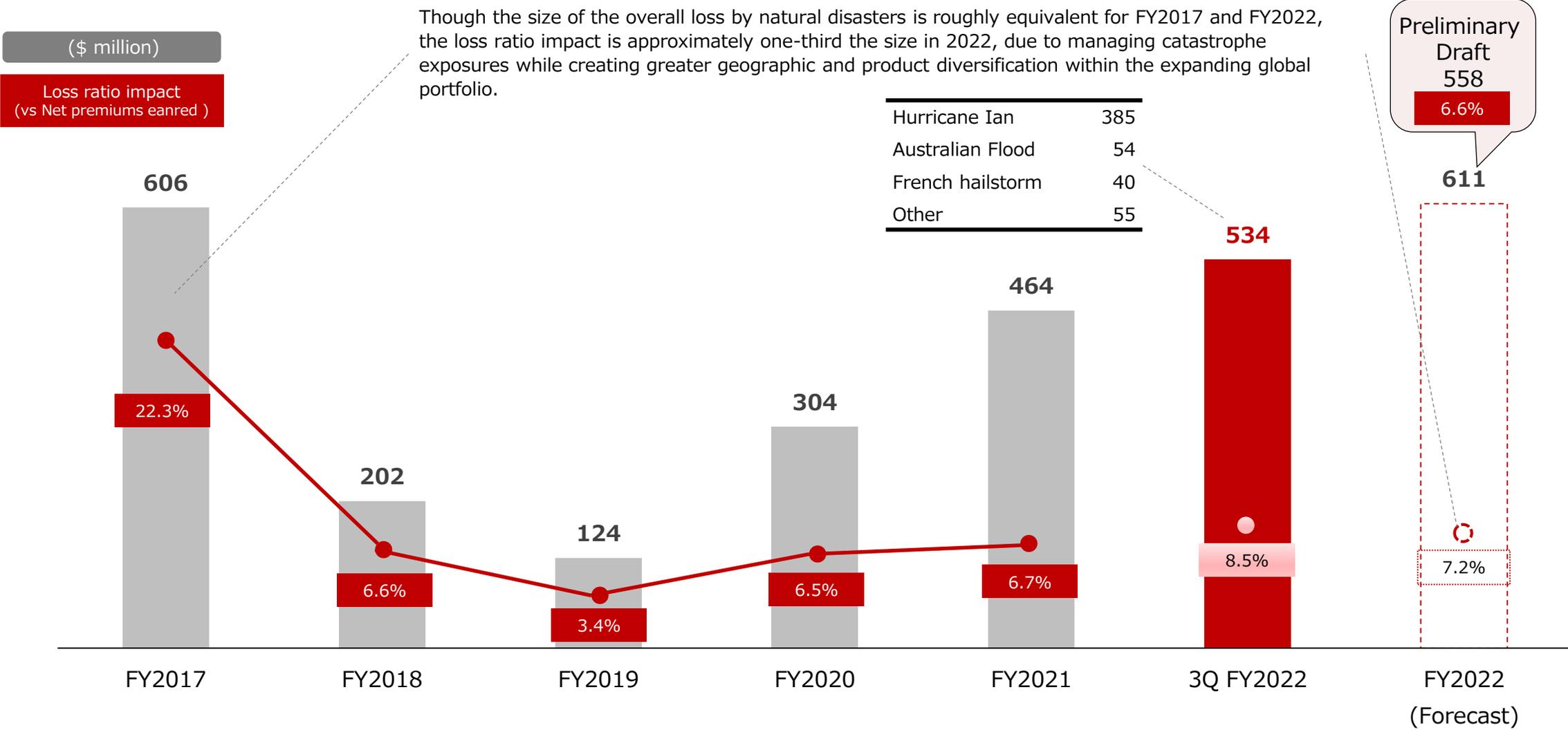
\*1 Composition of rating (Total of bond assets) :  
10% of the total is BB-rated or lower  
\*2 Incl. cash

## Breakdown of investment income (3Q FY2022)



(Reference) Overseas Natural Disasters (SI Commercial P&C)

Net incurred losses related to overseas natural disasters (accident year)



# (Reference) SI Commercial P&C Financials

Overview			By business		
Consolidated	Domestic P&C	Overseas	Domestic life	Nursing care & seniors	ERM



## Major indicators

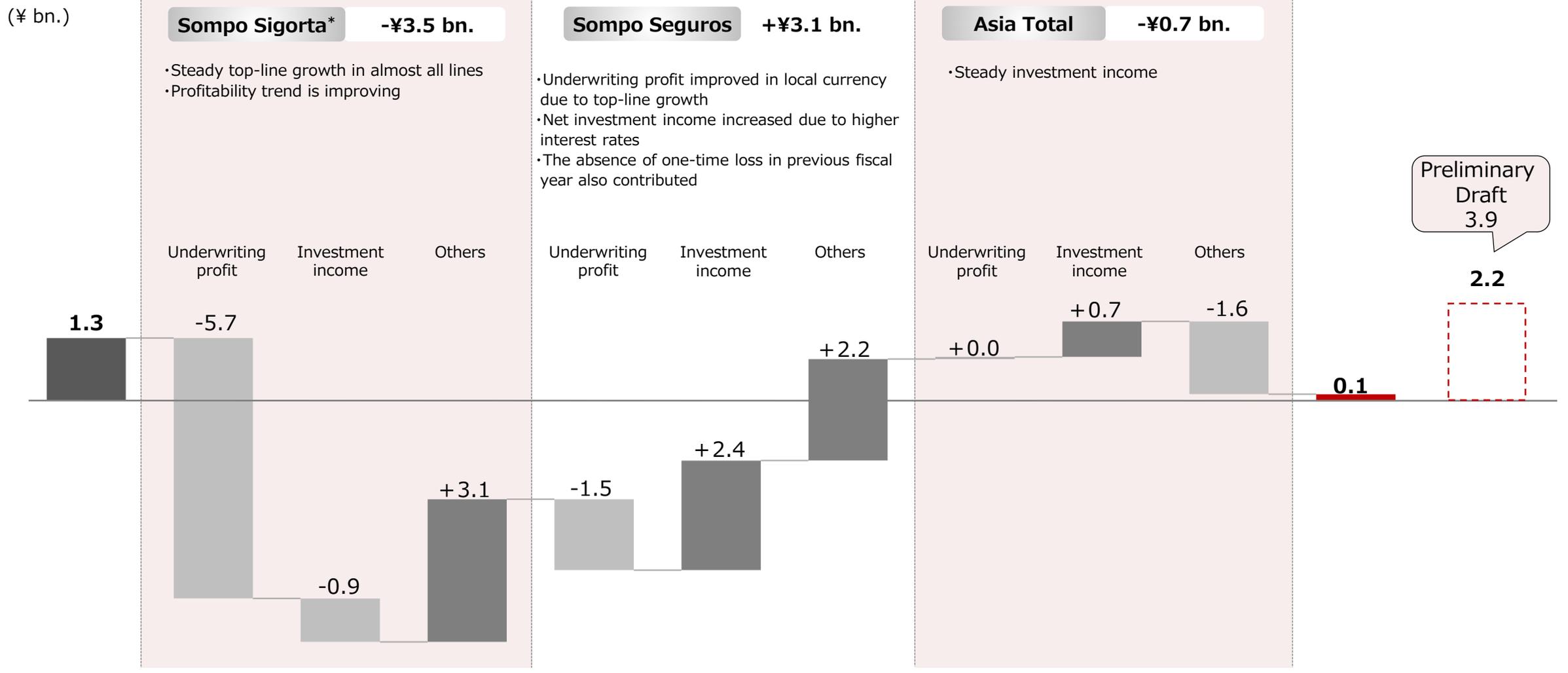
(\$ million)	3Q Actual			Full-year				Preliminary Draft
	FY2022 3Q Actual	YoY Variance		FY2021 Actual	FY2022 Forecast	YoY Variance		FY2022 Preliminary Draft
Gross premiums written	11,298	+1,168	(+11.5%)	12,272	13,465	+1,192	(+9.7%)	13,483
Net premiums written	7,561	+1,390	(+22.5%)	7,564	8,993	+1,429	(+18.9%)	8,904
Net premiums earned	6,289	+1,187	(+23.3%)	6,889	8,437	+1,547	(+22.5%)	8,444
Net losses and loss expenses	4,567	+1,033	(+29.2%)	4,697	5,861	+1,163	(+24.8%)	
Expense	1,466	+168	(+13.0%)	1,769	1,966	+196	(+11.1%)	
Loss ratio*1	72.6%	+3.3pt	-	68.2%	69.5%	+1.3pt	-	70.2%
Expense ratio*1	23.3%	-2.1pt	-	25.7%	23.3%	-2.4pt	-	23.3%
Combined ratio*1	95.9%	+1.2pt	-	93.9%	92.8%	-1.1pt	-	93.5%
Underwriting income	256	-19	(-7.1%)	426	610	+183	(+43.1%)	532
Net investment income	267	+9	(+3.6%)	335	355	+20	(+6.0%)	418
Other income*2	-1,447	-1,295	-	-255	-1,470	-1,214	-	
Net income*2	-794	-1,116	-	427	-443	-870	-	
Net foreign exchange gains	-26	+14	-	-59	-26	+33	-	
Net realized and unrealized gains, net impairment losses, etc.*2	+1,398	+1,276	-	+220	+1,398	+1,178	-	
Tax (loss) benefit	-233	-215	-	-25	-229	-203	-	
Adjusted profit	344	-40	(-10.6%)	562	699	+137	(+24.4%)	691

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

\*2 Incl. unrealized gains and losses of securities on local IFRS standard.

# (Reference) Performance Overview (SI Consumer)

## Increase/decrease factors of SI Consumer (adjusted profit)



3Q FY2021

3Q FY2022

FY2022 (Forecast)

\* Adjusted to remove for hyperinflation accounting

# (Reference) Business Results by Region

## Business results by region

		Net premiums written		Adjusted profit			
		3Q FY2022		FY2022	3Q FY2022		FY2022
(¥ bn.)		Actual	Variance	forecasts	Actual	Variance	forecasts
SI Commercial P&C (North America & Europe)		1,095.0	+404.3	1,302.4	49.8	+6.7	101.2
	Sompo Sigorta (Middle East, Turkey)	31.8	+14.7	53.7	-0.1	-3.5	-0.0
SI Consumer	Sompo Seguros (Latin America, Brazil)	75.0	+33.0	94.0	-5.8	+3.1	-6.2
	Asia Total	53.8	+18.2	72.5	6.1	-0.7	8.5
Other(corporate cost, etc.)		-	-	-	-2.2	-2.2	-3.5
Total		1,256.5	+471.1	1,523.7	47.6	+3.2	100.0

(Reference) Exchange rate*	Sep. 2022	YoY Variance
JPY/USD	144.81	+29.4%
JPY/TRY	7.82	-37.4%
JPY/BRL	26.81	+29.7%

Exchange rate impact  
-¥8.5 bn.

Preliminary  
Draft  
93.3

\* Exchange rate for Preliminary Draft for FY2022 is based at the end of December 2022. (JPY/USD 132.70)

# Results by business

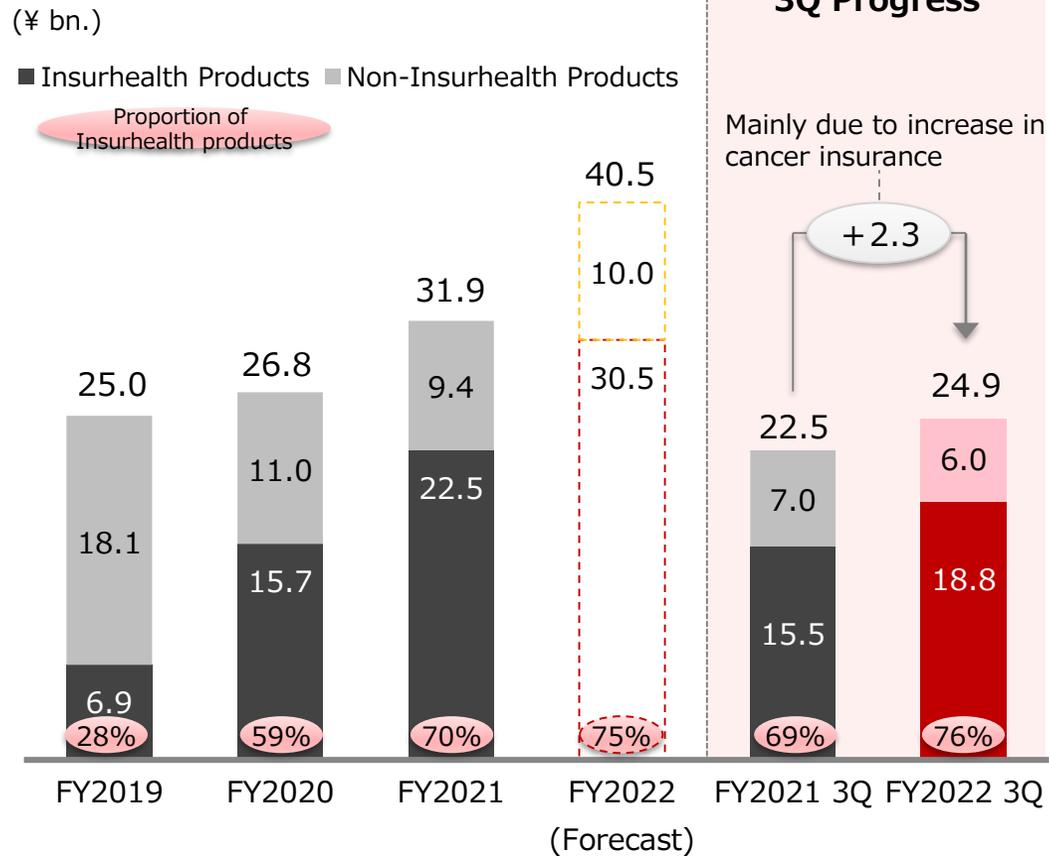
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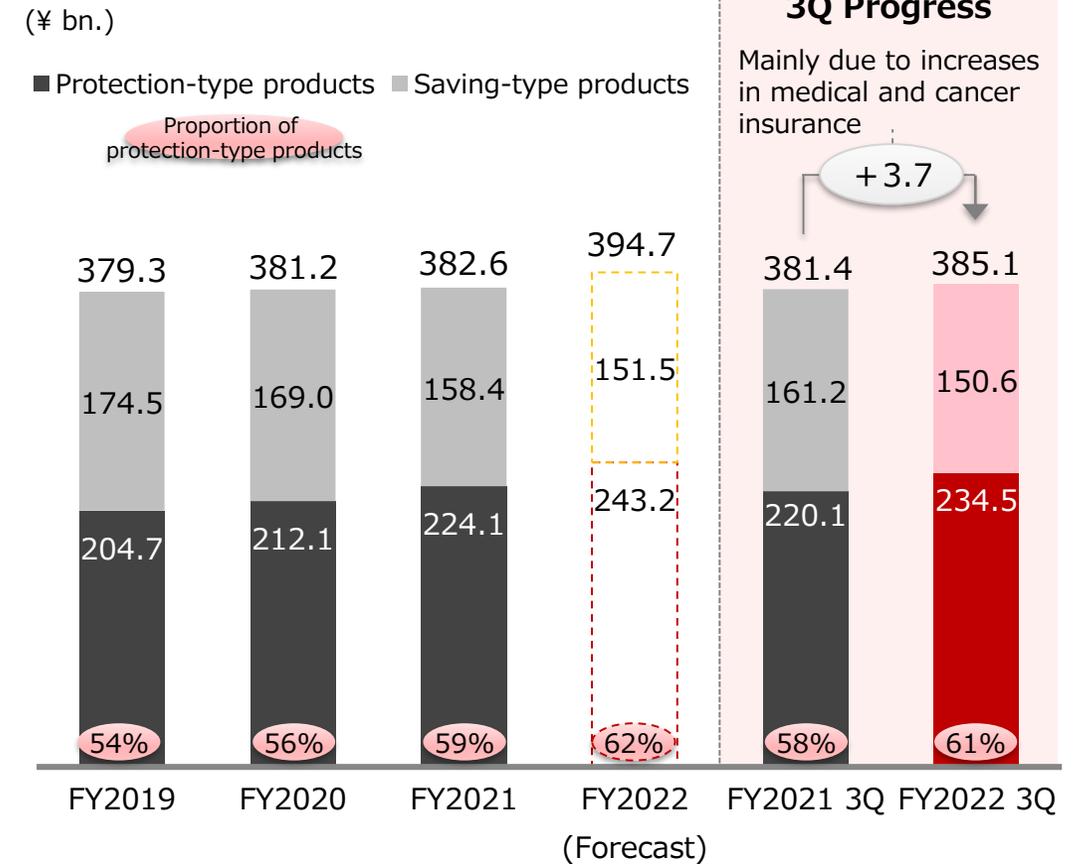
# Annualized New Premium and Annualized Premium in Force

- Annualized new premium increased by ¥2.3 bn. YoY to ¥24.9 bn. owing to continued brisk sales of Insurhealth\* products, including cancer insurance
- Annualized premium in force for 3Q FY2022 also increased steadily to ¥385.1 bn.

## Annualized new premium



## Annualized premium in force



\* Insurhealth is a new type of product that is aimed to provide both traditional insurance and healthcare support

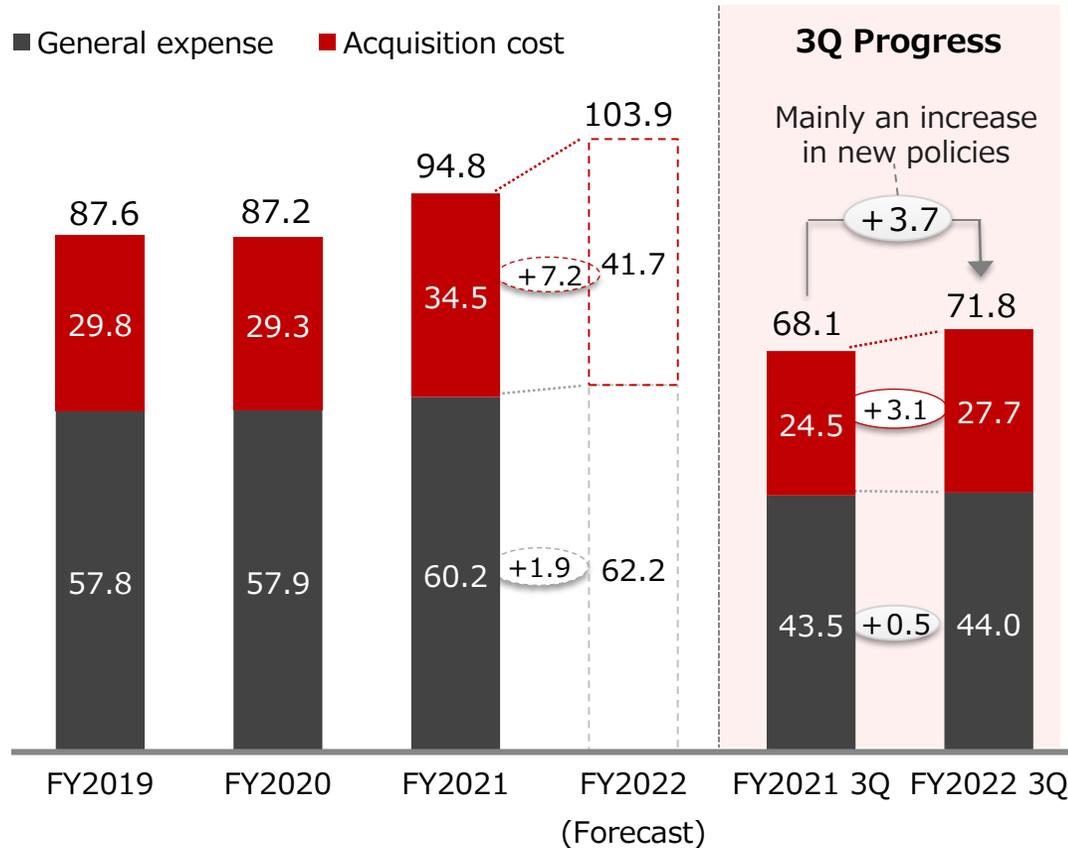
# Expense

- Acquisition costs for 3Q FY2022 increased due to an increase in new business, but recurring expenses were appropriately controlled

## Expense

(¥ bn.)

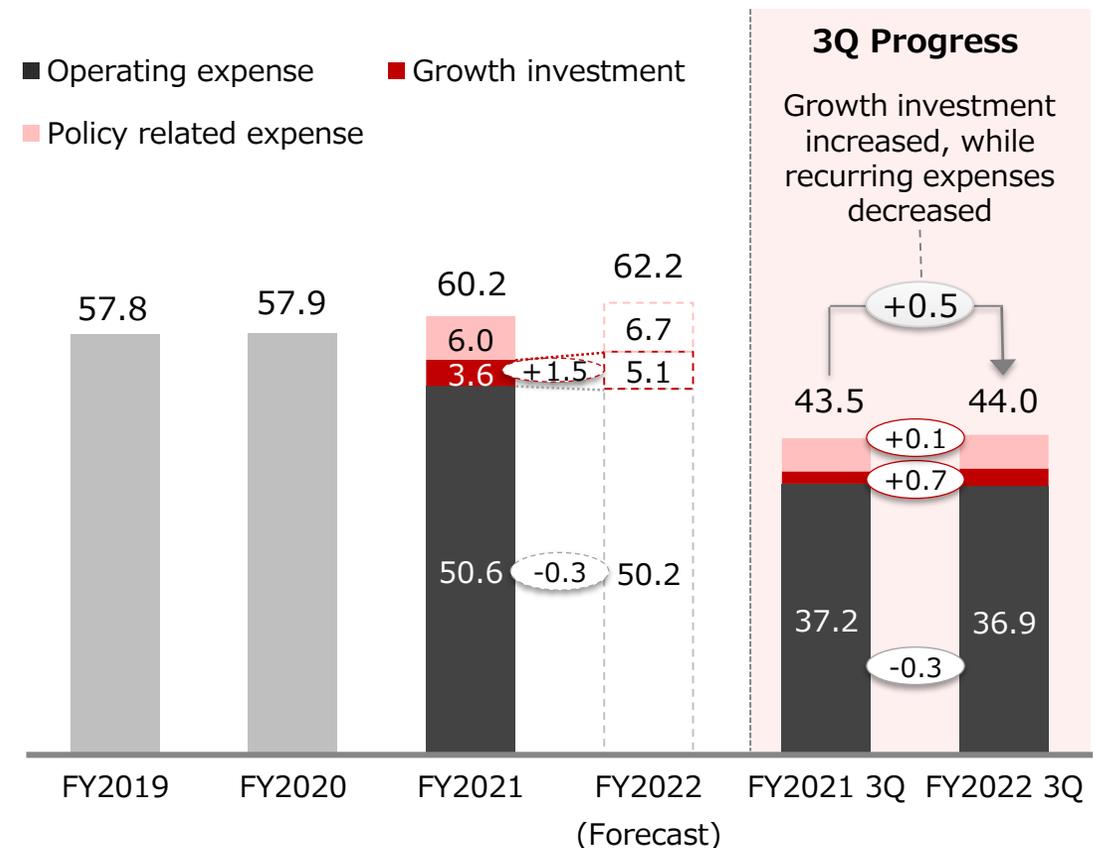
■ General expense ■ Acquisition cost



## General expense

(¥ bn.)

■ Operating expense ■ Growth investment  
 ■ Policy related expense

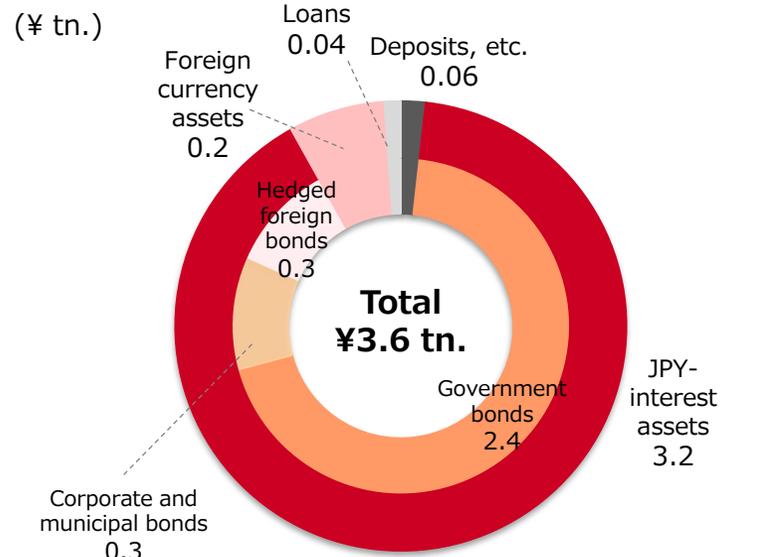


# Investment Profit/Asset Portfolio

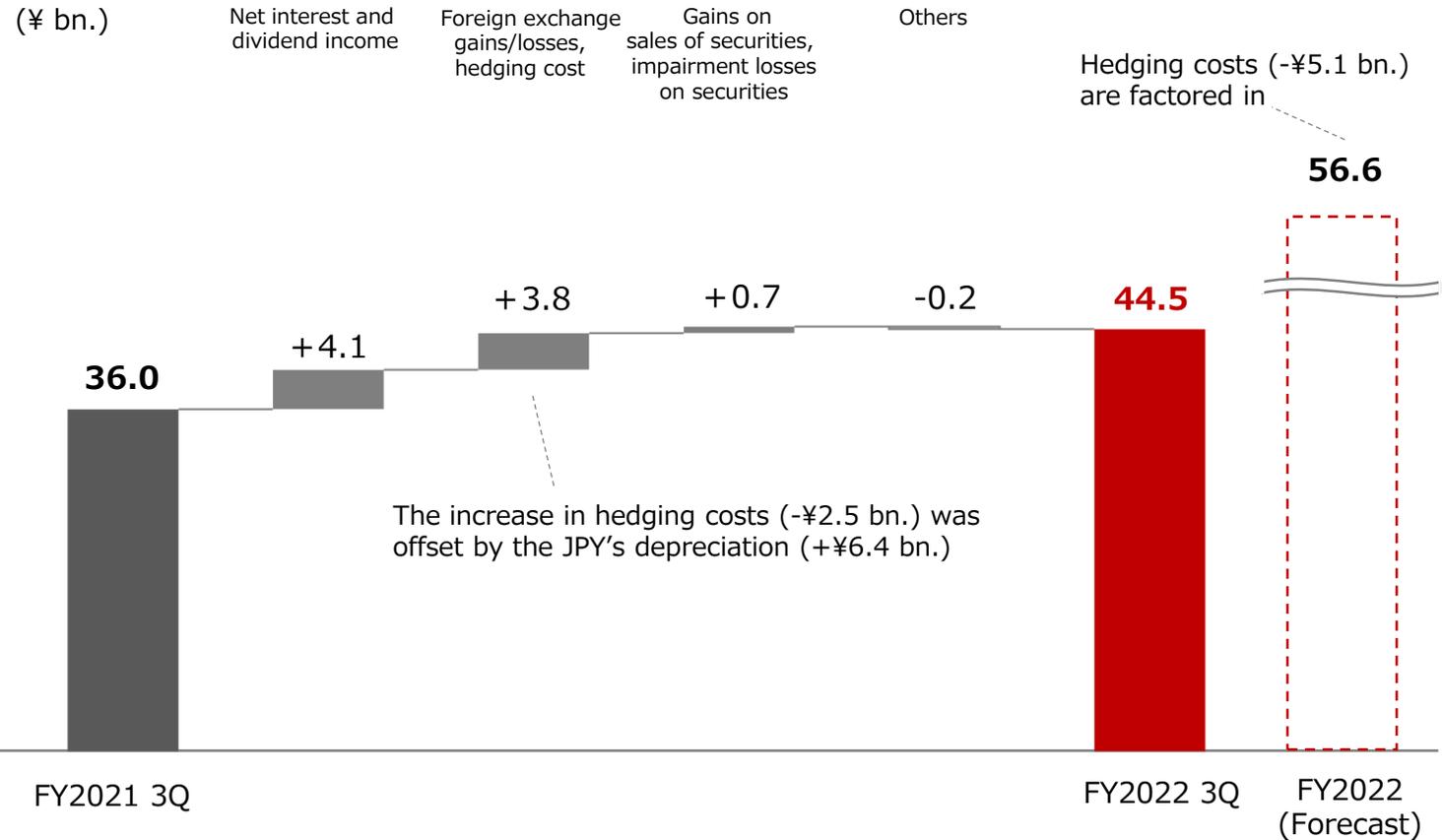
- The duration gap narrowed due to increased purchases of ultra long bonds (¥361.9 bn. vs. annual plan of ¥500.0 bn.\*)
- Investment income increased by ¥8.4 bn. YoY to ¥44.5 bn. due to the increase in interest & dividend income as a result of higher interest rates outweighed the negative effect of hedging costs

## Asset portfolio

(as of the end of Dec. 2022, General account)



## Increase/decrease factors of investment profit (General account)



	End of Mar. 2022	End of Dec. 2022
Income yield	1.5%	1.5%
Duration (years)	16	17
	Asset	Liability
	24	20

(Reference) Composition of rating (Total of JPY-interest assets and foreign currency bonds) : No holdings below BB rating

\* Conversion to 30 years bonds

# (Reference) Financials

Overview			By business		
Consolidated	Domestic P&C	Overseas	Domestic life	Nursing care & seniors	ERM



(¥ bn.)	3Q Actual				Full-year		
	3Q FY2021	3Q FY2022	Variance		FY2021 Actual	FY2022 Forecast	Variance
Annualized new premium	22.5	24.9	+2.3	(+10.5%)	31.9	40.5	+8.5
Premium and other income*1	321.1	319.9	-1.1	(-0.4%)	436.8	437.8	+0.9
Provision for policy reserve, etc.*2	204.8	198.7	-6.1	(-3.0%)	278.6	271.9	-6.6
Paid claims, etc.	58.0	93.4	+35.3	(+60.9%)	80.3	113.6	+33.2
Expense	68.1	71.8	+3.7	(+5.4%)	94.8	103.9	+9.1
Investment profit	37.2	44.6	+7.4	(+20.1%)	50.2	56.2	+5.9
of which, general account	36.0	44.5	+8.4	(+23.5%)	48.4	56.6	+8.1
Basic profit*3	24.6	-8.1	-32.8	(-133.2%)	27.5	1.2	-26.7
Ordinary profit*1	23.1	-2.8	-25.9	(-112.3%)	26.4	-0.2	-26.7
Net income	14.1	-4.7	-18.8	(-133.6%)	15.9	-3.7	-19.7
Adjusted profit	26.8	8.9	-17.9	(-66.8%)	33.6	18.0	-15.6

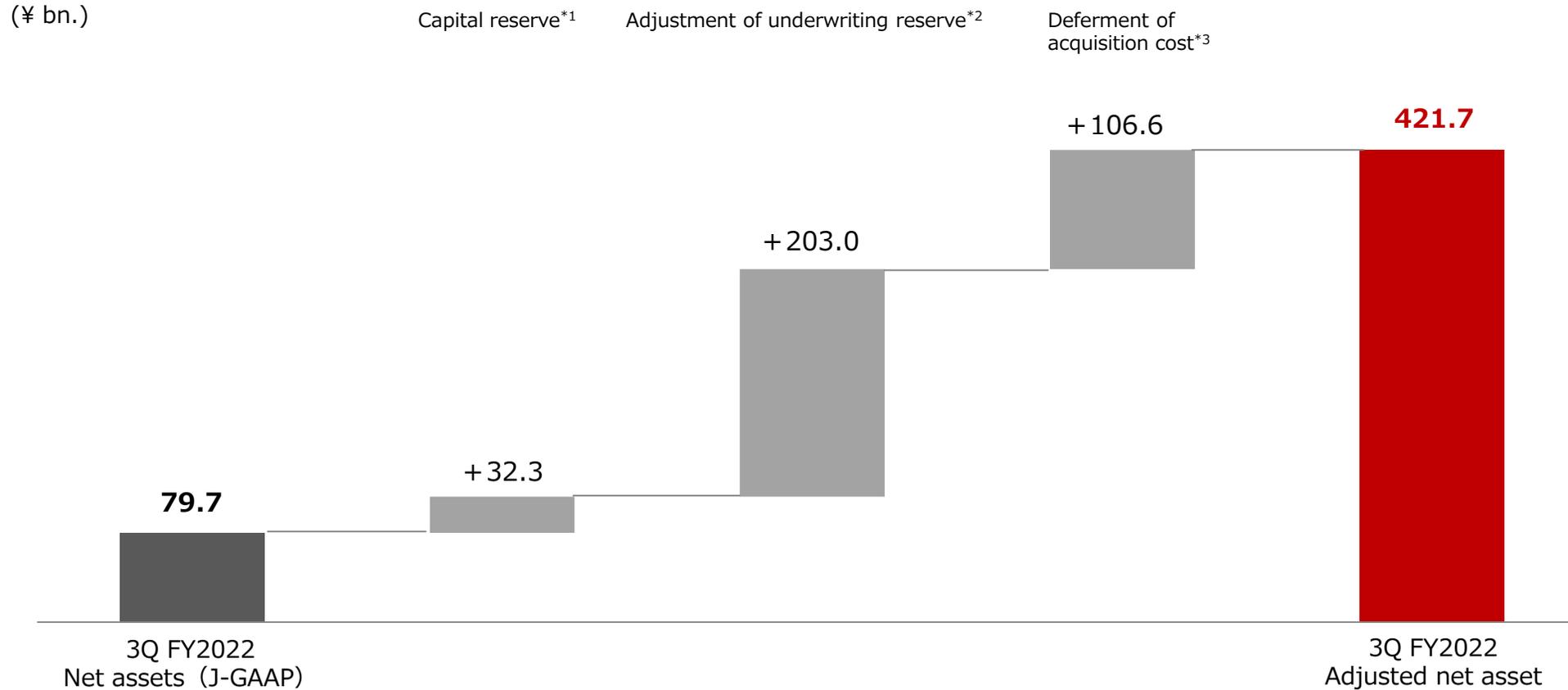
\*1 Figures based on legally required format for life insurance companies (which differ from the consolidated statement format)

\*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 Incl. hedging cost

## (Reference) Conversion from Net Assets to Adjusted Net Assets

### Conversion from net assets to 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 contacts, depreciated over 10 years (after tax)

# Results by business

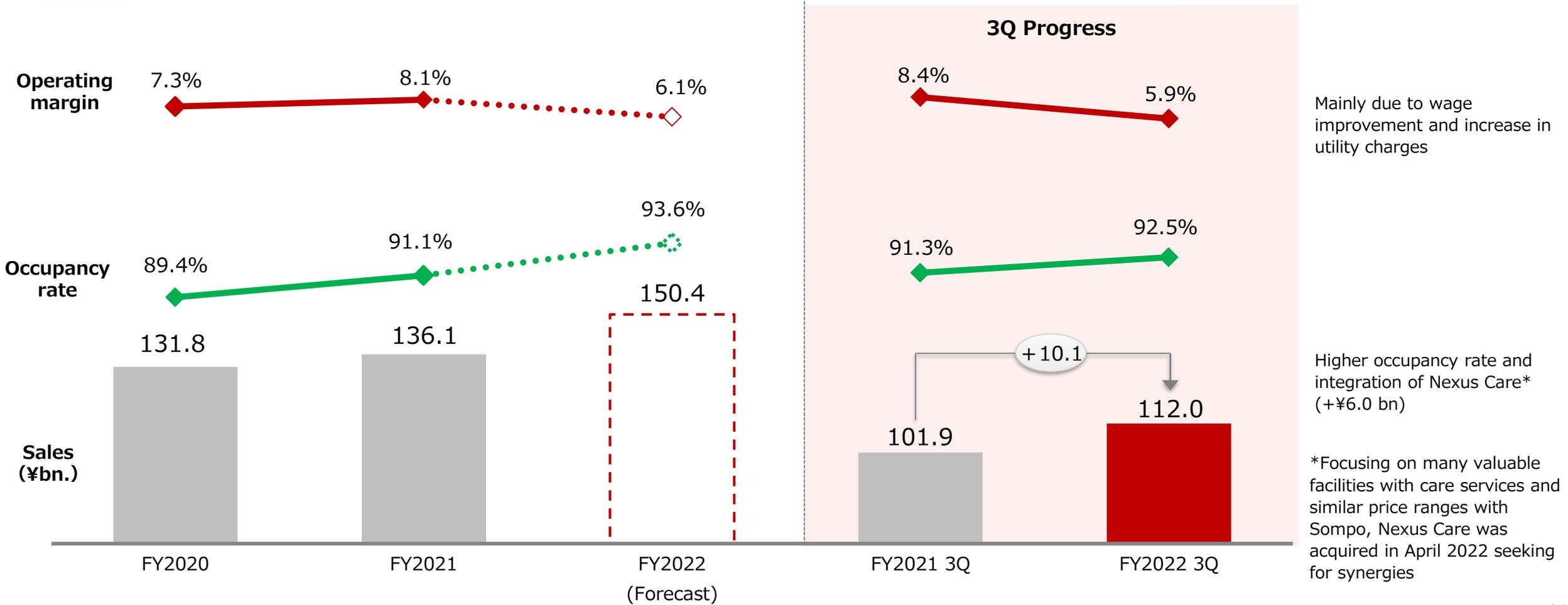
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ERM	43



# Sales/Occupancy Rate/Operating Margin

- Revenue for 3Q FY2022 increased by ¥10.1 bn. YoY primarily due to a improved occupancy rate in addition to the acquisition of Nexus Care
- In Q4 FY2022, the occupancy rate is expected to improve further

## Sales, occupancy rate and operating margin of SOMPO Care

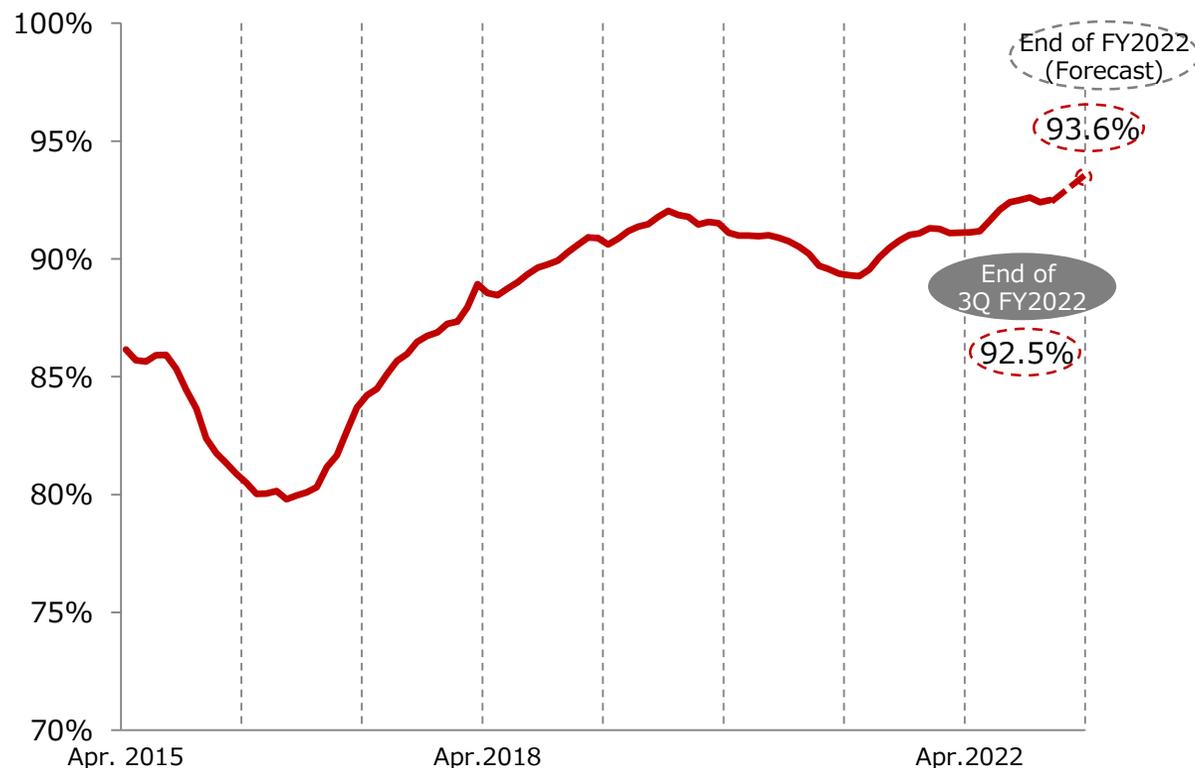


# (Reference) Detail Occupancy Rate/Number of Facilities

Overview			By business		
Consolidated	Domestic P&C	Overseas	Domestic life	Nursing care & seniors	ERM

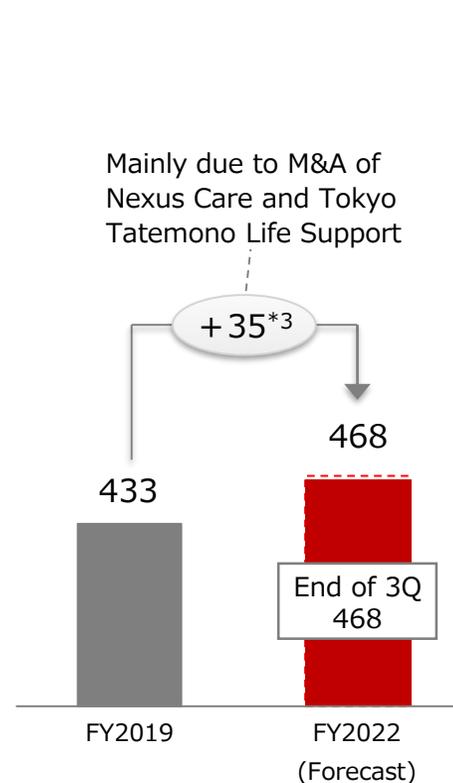


## Occupancy rate\*1\*2



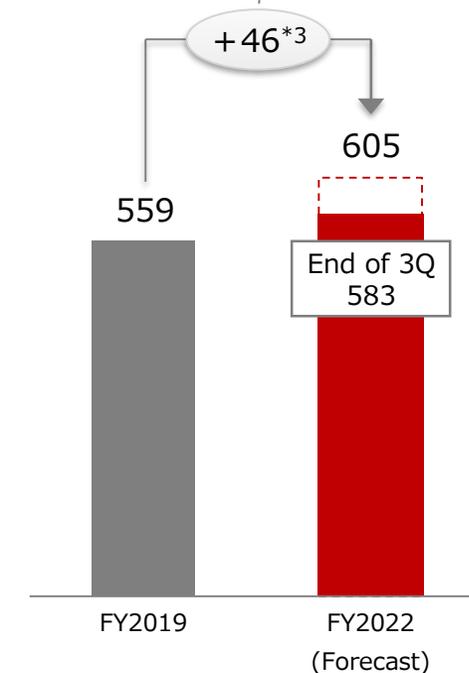
## Number of facilities

### Number of residential facilities



### Number of facilities of home care service

New facility opening mainly in home visit nursing/care



\*1 Occupancy rate = the number of residents / capacity of facilities  
 \*2 The occupancy rate represents the sum of former SOMPO Care and SOMPO Care Next

\*3 Net increase in the number of facilities  
 (Number of new facilities opened + M&A contribution - Number of facilities closed)

# Results by business

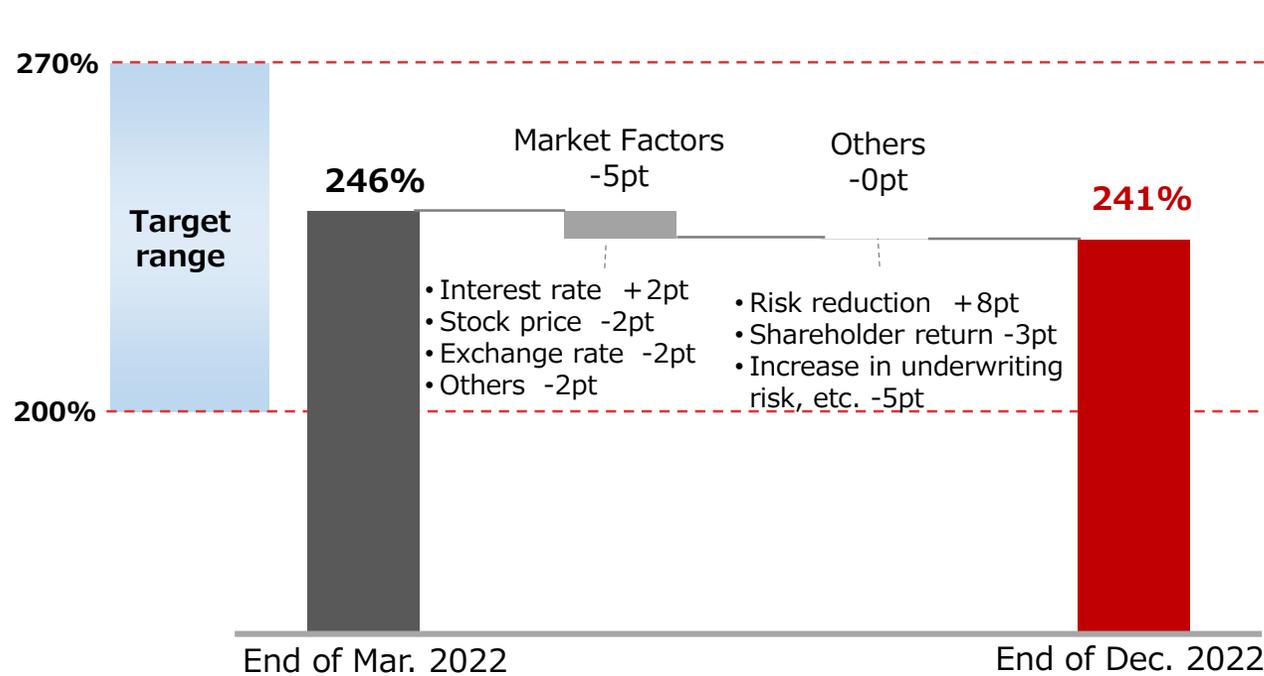
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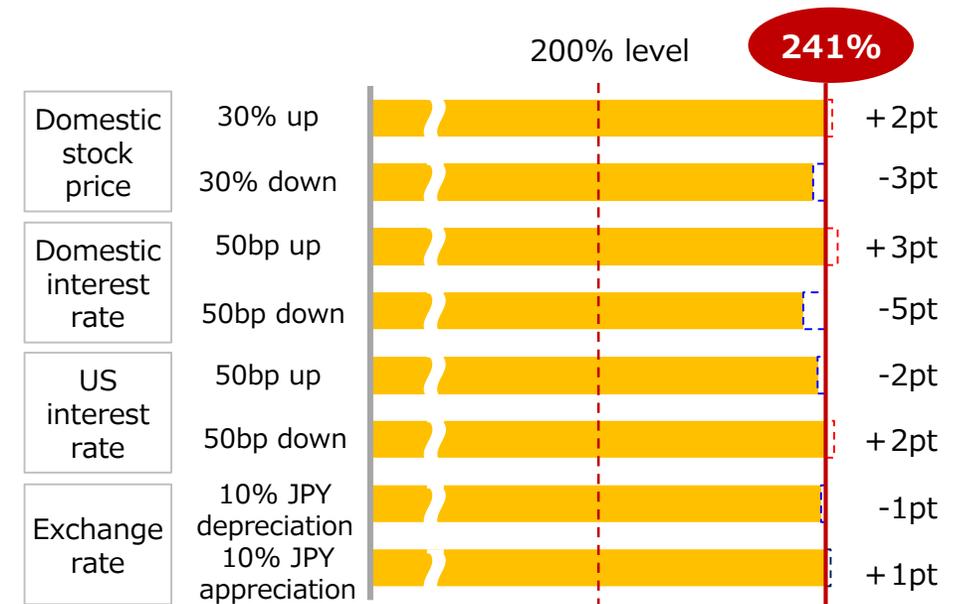
# Financial Soundness – ESR (99.5% VaR)

- The ESR was 241% and within the target range as of the end of December 2022
- The sensitivity to domestic interest rates fell since interest rate risk decreased as a result of purchases of ultra long bonds

## Trend of ESR (99.5%VaR)\*1



## Sensitivity analysis of ESR (99.5%VaR) (as of the end of Dec. 2022)



(Reference) Market indicators	End of Dec. 2022	(Variance*2)
Domestic stock price (TOPIX)	1,891.71	(-2.8%)
Domestic interest rate (30y JGB)	1.58%	(+64bp)
US interest rate (10y Treasury)	3.87%	(+153bp)
Exchange rate (JPY/USD)	¥132.70	(+8.4%)

\*2 Against end of Mar. 2022

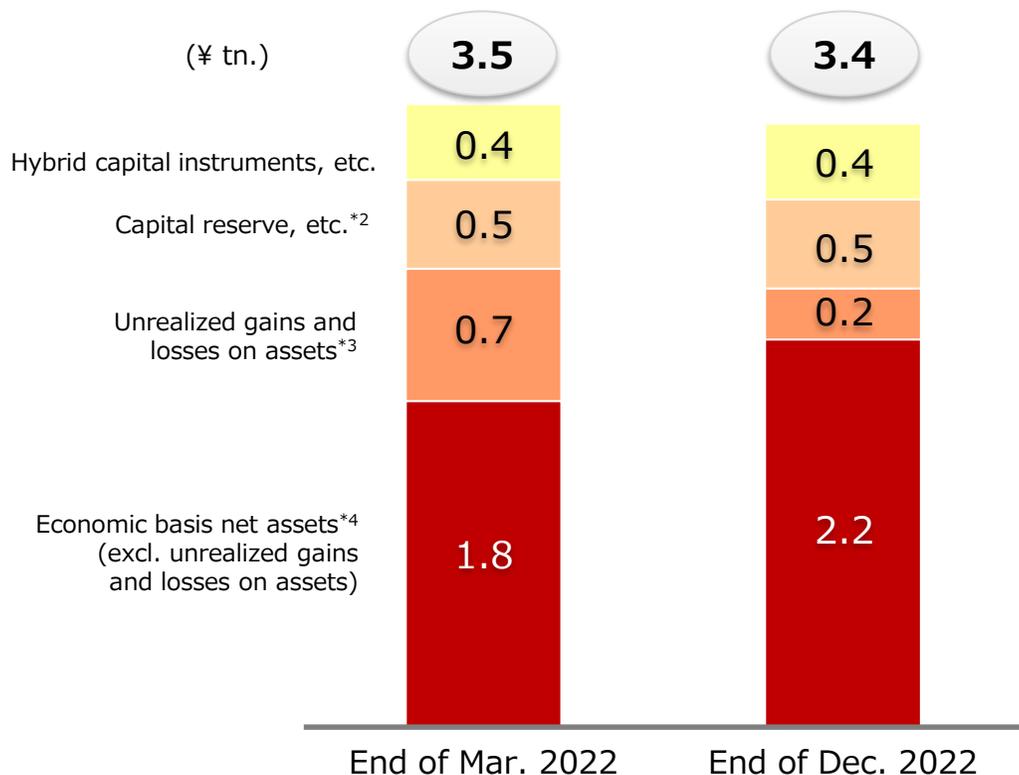
Risk reduction initiative  
(progress against the FY2022 target)

<b>Stock price risk</b>	Reduction of strategic-holding stocks	¥58.9bn./¥70.0bn.
<b>Interest rate risk</b>	Investment in super long-term bonds	¥361.9bn./¥500.0bn

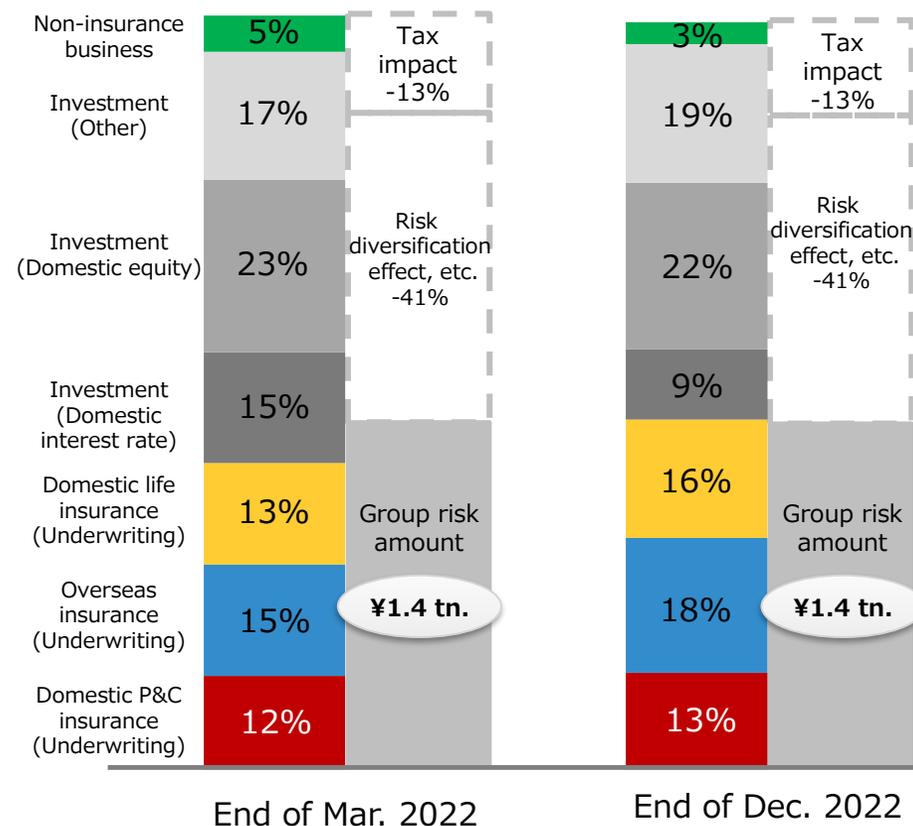
\*1 In accordance with Solvency II

# (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)

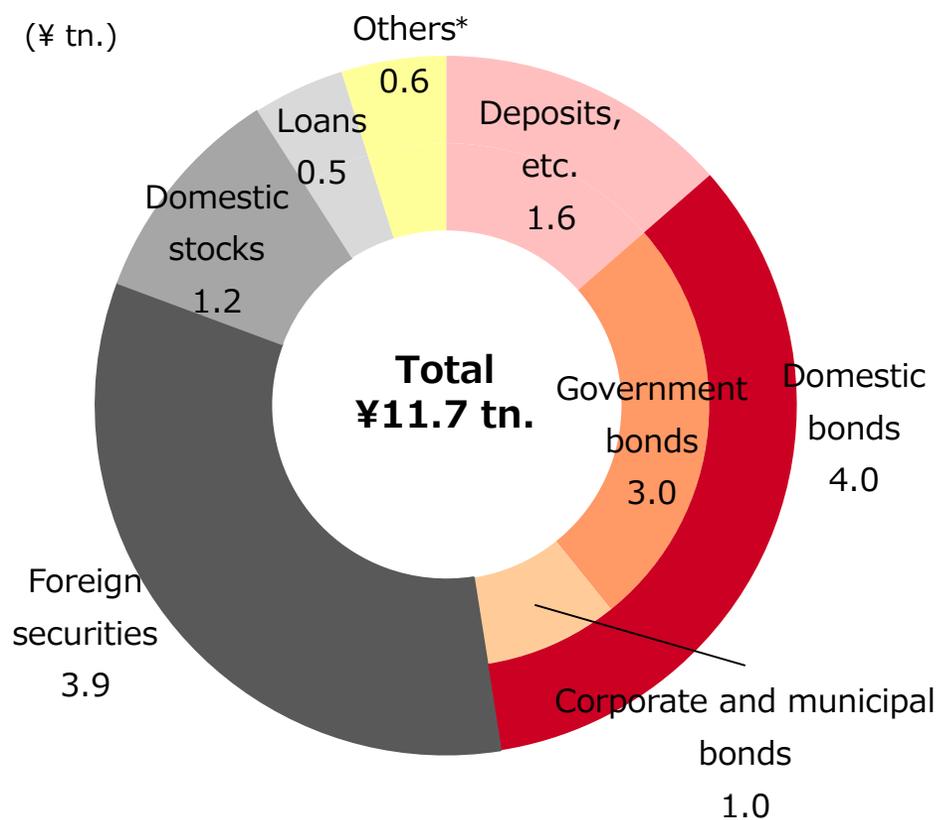
\*3 Unrealized gains and losses on securities, etc., including non mark-to-market assets

\*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

## Amount of investment assets (as of the end of Dec. 2022, group consolidated basis)



## Investment assets by company

(¥ bn.)	Amount of investment assets	Composition
Sompo Japan	5,040.8	43%
Sompo International	2,763.2	23%
Himawari Life (General account)	3,613.5	31%
Others	373.9	3%
<b>Total</b>	<b>11,791.4</b>	<b>100%</b>

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

# (Reference) Numerical Management Targets, etc.

## Numerical management targets for plan

(¥bn.)	FY2022 3Q		FY2022		FY2023	
	Actual	Variance	Forecast	Segment ROE*4	Plan	Segment ROE
Domestic P&C insurance	20.8	-107.0	35.0	2.5%	150.0+	11.4%
Overseas insurance	47.6	+3.2	100.0	9.6%	100.0+	11.6%
Domestic life insurance	8.9	-17.9	18.0	2.5%	40.0+	5.7%
Nursing care & seniors	4.3	-0.1	6.0	10.3%	8.0+	14.3%
Digital, etc.	1.7	+0.2	1.0	-	2.0+	-
<b>Total (Adjusted consolidated profit)</b>	<b>83.4</b>	<b>-121.6</b>	<b>160.0</b>	<b>-</b>	<b>300.0+</b>	<b>-</b>
<b>Adjusted consolidated ROE*3</b>	<b>-</b>	<b>-</b>	<b>5.8%</b>	<b>-</b>	<b>10%+</b>	<b>-</b>
ROE (J-GAAP)	-	-	4.1%	-	-	-

## Definition of adjusted profit\*1

Domestic P&C insurance	<ul style="list-style-type: none"> <li>Net income</li> <li>+ Provisions for catastrophic loss reserve, etc. (after tax)</li> <li>+ Provisions for reserve for price fluctuation (after tax)</li> <li>- Gains/losses on sales of securities and impairment losses on securities (after tax)</li> </ul>		
Overseas insurance	<ul style="list-style-type: none"> <li>Operating Income*2</li> <li>Equity-method affiliates are in principle included as net income</li> </ul>		
Domestic life insurance	<ul style="list-style-type: none"> <li>Net income</li> <li>+ Provision of contingency reserve (after tax)</li> <li>+ Provision of reserve for price fluctuation (after tax)</li> <li>+ Adjustment of underwriting reserve (after tax)</li> <li>+ Deferral of acquisition costs (after tax)</li> <li>- Depreciation of acquisition costs (after tax)</li> <li>- Gains/losses on sales of securities and impairment losses on securities (after tax)</li> </ul>		
Nursing care & seniors		Others	
Digital	<ul style="list-style-type: none"> <li>Net income</li> <li>- Gains/losses and impairment losses on investment (after tax)</li> </ul>		

\*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 Adjusted consolidated ROE = Adjusted consolidated profit / Adjusted consolidated net assets (The denominator is the average balance at the end/start of each fiscal year.)

Adjusted consolidated net assets = Consolidated net assets (excluding life insurance subsidiary's net assets) + Catastrophic loss reserve, etc., in domestic P&C insurance (after tax) + Reserve for price fluctuation in domestic P&C insurance (after tax) + Domestic life insurance adjusted net assets

Domestic life insurance adjusted net assets = Net assets (J-GAAP) + Contingency reserve (after tax) + Reserve for price fluctuation (after tax) + Adjustment of underwriting reserve (after tax) + Non-depreciated acquisition cost (after tax)

\*4 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.

## 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.

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