

# Highlights of FY2022 Results

May 19, 2023

Sompo Holdings, Inc.

<b>Executive Summary</b>	<b>3</b>
<b>Key Point (1) Overview of FY2022 Results</b>	<b>4</b>
<b>Key Point (2) Business Forecast for FY2023</b>	<b>5</b>
<b>Key Point (3) Shareholder Return</b>	<b>6</b>
<b>Performance Overview</b>	
<b>Breakdown of Consolidated Net Income</b>	<b>8</b>
<b>Breakdown of Net Income – Sampo Japan</b>	<b>9</b>
<b>Breakdown of Net Income – Overseas Insurance/Reinsurance Business</b>	<b>10</b>
<b>Breakdown of Net Income – Himawari Life</b>	<b>11</b>
<b>Breakdown of Net Income – Nursing Care &amp; Seniors</b>	<b>12</b>
<b>(Reference) Breakdown of Adjusted Consolidated Profit</b>	<b>13</b>
<b>(Reference) Consolidated Financials</b>	<b>14</b>
<b>Results by business</b>	
<b>Domestic P&amp;C Business (Sampo Japan)</b>	
Underwriting Profit	16
Net Premiums Written	17
(Reference) Net Premiums Written by Product Line	18
Combined Ratio	19
Loss Ratio	20
Expense Ratio	21
Investment Profit	22
(Reference) Indicators Related to Automobile Insurance	23
(Reference) Indicators Related to Fire & Allied, Casualty (Others)	24
(Reference) Domestic Natural Disasters	25
(Reference) Investment Profit	26
(Reference) Asset Portfolio	27
(Reference) Sampo Japan Financials	28

<b>Overseas Insurance/Reinsurance Business</b>	
Underwriting Profit	30
Top-Line	31
Combined Ratio	32
Investment Income/Asset Portfolio	33
(Reference) Overseas Natural Disasters	34
(Reference) Financials	35
(Reference) Performance Overview	36
(Reference) Business Results by Region	37

<b>Domestic Life Insurance Business</b>	
Annualized New Premium and Annualized Premium in Force	39
Expense	40
Investment Profit/Asset Portfolio	41
(Reference) Financials	42
(Reference) Conversion from Net Assets to Adjusted Net Assets	43
(Reference) MCEV	44

<b>Nursing Care &amp; Seniors Business</b>	
Sales/Operating Margin/Adjusted Profit	46
(Reference) Occupancy Rate/Number of Facilities	47

<b>ERM</b>	
Financial Soundness – ESR (99.5% VaR)	49
(Reference) Breakdown of Adjusted Capital and Risk	50
(Reference) Management Indicators, etc	51

<b>Exchange Rate (JPY/USD)</b>		
FY2022	133.53 (YoY : +9.1%)	End of Mar. 2023
	-Overseas* 132.70 (YoY : +15.4%)	End of Dec. 2022
FY2023 (Forecast)	133.53	End of Mar. 2023

# Executive Summary

## Key Point (1)

### Overview of FY2022 Results

- ✓ Top-line **expanded significantly**
- ✓ Though bottom-line was affected by domestic/overseas natural disasters and COVID-19, it's **normal year basis after deducting these transitory factors is on a growing trend**

## Key Point (2)

### Business Forecast for FY2023

- ✓ Despite a deteriorating business environment, **consolidated net income of ¥230.0 bn.** and **adjusted consolidated profit of ¥280.0 bn. are the highest ever**
- ✓ In addition to the absence of one-time factors, an increase in **underwriting profit in the overseas** and increase **in investment income including conglomerate premium** deliver an increase in overall profit

## Key Point (3)

### Shareholder Return

- ✓ Total return for FY2022 is ¥112.1 bn. based on adjusted profit of ¥225.0 bn. on a normal year basis (incl. ¥87.1 bn. in dividends (¥260 per share) and ¥25.0 bn. in share buybacks)
- ✓ Dividend is planned to be ¥300 per share (+¥40 YoY) per share in FY2023, **achieving growth for 10 consecutive fiscal year**

# Key Points (1) Overview of FY2022 Results

- Net premiums written increased by ¥455.0 bn., driven by a significant increase in SI Commercial and Sompo Japan's Fire & Allied
- Consolidated net income exceeded the full-year forecast of ¥91.1 bn., despite the impact of natural disasters and COVID-19 (a one-time factor)
- Adjusted consolidated profit is ¥152.2 bn. After deducting one-time factors (-¥73.0 bn.), the normal-year-basis consolidated profit is ¥225.0 bn., an increase of +¥5.0 bn.

## Overview of Top-Line Results

## Overview of Bottom-Line Results

## Breakdown One-time Factor

Category	Top-Line Results	Bottom-Line Results	One-time Factor	Breakdown
<b>Consolidated</b>	Net premiums written increased by +¥455.0 bn.	<ul style="list-style-type: none"> <li>• Consolidated net income is ¥91.1 bn., +¥11.1 bn. higher than the forecast</li> <li>• Adjusted consolidated profit increased by +¥5.0 bn. on an average year basis</li> </ul>	-¥73.0bn.	<b>Domestic P&amp;C</b> Overseas <b>Natural Disaster</b> <b>-¥30.0bn.</b> <small>Above-normal natural disaster impact</small>
<b>Domestic P&amp;C</b>	Net premiums written increased by +¥73.4 bn, driven by Fire & Allied	Net income was ¥107.5 bn., +¥22.8 bn. higher than the forecast	-¥47.0bn.	<b>Domestic P&amp;C</b> Domestic Life <b>COVID-19</b> <b>-¥34.0bn.</b> <small>Payment for deemed hospitalization benefits, etc.</small>
<b>Overseas</b>	Net premiums written increased by +¥381.5 bn., driven by SI commercials	Net income increased by +¥8.7 bn. mainly due to the effect of top-line expansion, Adjusted profit increased by +¥31.4 bn.	-¥4.0bn.	
<b>Domestic Life</b>	Annualized new premium increased by +¥1.3 bn. due to strong sales of Insurhealth®.	Excluding COVID-19 effect (one-time factor), net income increased by +¥7.1 bn. and adjusted profit increased by +¥6.3 bn., mainly due to the effect of increased revenue	-¥22.0bn.	<b>Domestic P&amp;C</b> Overseas <b>Others</b> <b>-9.0bn.</b> <small>Above-normal major accidents, etc.</small>
<b>Nursing Care &amp; Seniors</b>	Sales up +¥13.7 bn. due to acquisition effects and occupancy rate improvement	Net income was ¥5.4 bn., which is at similar level to that of the previous year, as cost increases were offset by revenue growth	-	

## Key Points (2) Business Forecast for FY2023

- Consolidated net income for FY2023 is expected to reach a record high of ¥230.0 bn., as a result of efforts made during the current medium-term management plan period that deliver growth in all businesses
- Although revised consolidated profit for FY2023 may fall short of the medium-term target, mainly due to the current fundamental deterioration in the business environment, it is expected to reach a record high of ¥280.0 bn.

### Forecast for FY2023 by business

(¥ bn.) Consolidated Net Income (Year on Year) Adjusted Consolidated Profit (Year on Year)

Domestic P&C	<b>181.1</b> (+73.6)	<b>80.0</b> (+47.9)
	<ul style="list-style-type: none"> <li>Stripping of transitory factors related to natural disasters and COVID-19</li> <li>Improved profitability through profit structure reforms</li> </ul>	

Overseas	<b>151.4</b> (+78.2)	<b>150.0</b> (+56.6)
	<ul style="list-style-type: none"> <li>Increase in underwriting profit due to improvement in combined ratio</li> <li>Increase in investment income due to conglomerate premiums, etc.</li> </ul>	

Domestic Life	<b>15.3</b> (+14.3)	<b>40.0</b> (+22.1)
	<ul style="list-style-type: none"> <li>Stripping of transitory factor related to COVID-19</li> </ul>	

Nursing Care & Seniors	<b>6.3</b> (+0.8)	<b>7.0</b> (+1.0)
	<ul style="list-style-type: none"> <li>Increase mainly due to sales growth from acquisitions and improved occupancy rates</li> </ul>	

### Increase/decrease factors of Consolidated Net Income/Adjusted Consolidated Profit

	FY2022 (Actual)	Consolidated Net Income	Adjusted Consolidated Profit
		¥91.1 bn.	¥152.2 bn.
Absence of one-time negative factors	Domestic P&C, Domestic Life, Overseas	+¥73.0 bn.	+¥73.0 bn.
Increase in underwriting profit from overseas insurance business	Overseas	+¥37.0 bn.	+¥37.0 bn.
Profit structure reform	Domestic P&C	+¥20.5 bn.	+¥20.5 bn.
Conglomerate premium	Domestic P&C, Domestic Life, Overseas	+¥15.0 bn.	+¥15.0 bn.
Increase in investment income from overseas insurance business	Overseas	+¥14.0 bn.	+¥14.0 bn.
Catastrophic loss reserve	Domestic P&C	+¥4.5 bn.	
Others (increase in automobile accrual losses, higher FX hedging costs, etc.)	Domestic P&C	-¥25.0 bn.	-¥31.5 bn.
	FY2023 (Forecast)	Consolidated Net Income	Adjusted Consolidated Profit
		<b>¥230.0 bn.</b>	<b>¥280.0 bn.</b>

\* Factors are approximate (after-tax basis)

# Key Points (3) Shareholder Return

- In FY2022, we will return ¥112.1 bn. to shareholders, based on the adjusted consolidated profit of ¥225.0 bn. on a normal year basis
- In FY2023, dividends are expected to increase for the 10th consecutive fiscal year in line with profit growth, while adhering to the principle of returning 50% of adjusted consolidated profits to shareholders

## Shareholder Returns in FY2022

Returns based on adjusted consolidated profit of ¥225.0 bn. on a normal year basis



## Key Points of Shareholder Returns in FY2023

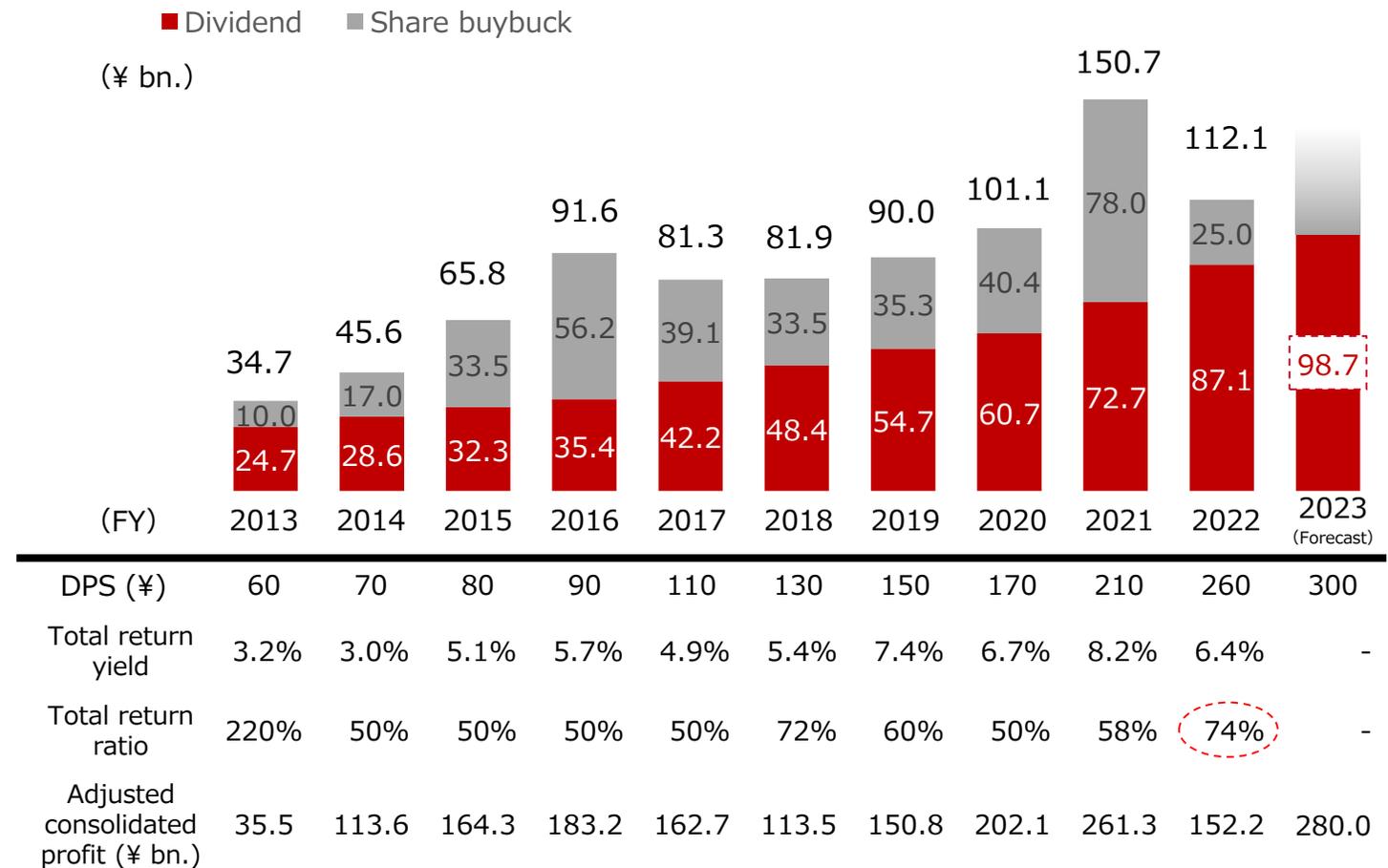
**No change in return policy**

Based on 50% of adjusted consolidated profit

**Dividend yield\*2 : 5.7%**

DPS (Forecast): FY2022 ¥260 → FY2023 (Forecast) ¥300  
 Dividends increase for 10 consecutive FYs

## Shareholder Return History



\*1 Basic return of ¥76.1 bn., additional return of ¥36.0 bn.

\*2 Calculated based on the share price at the end of March 2023.

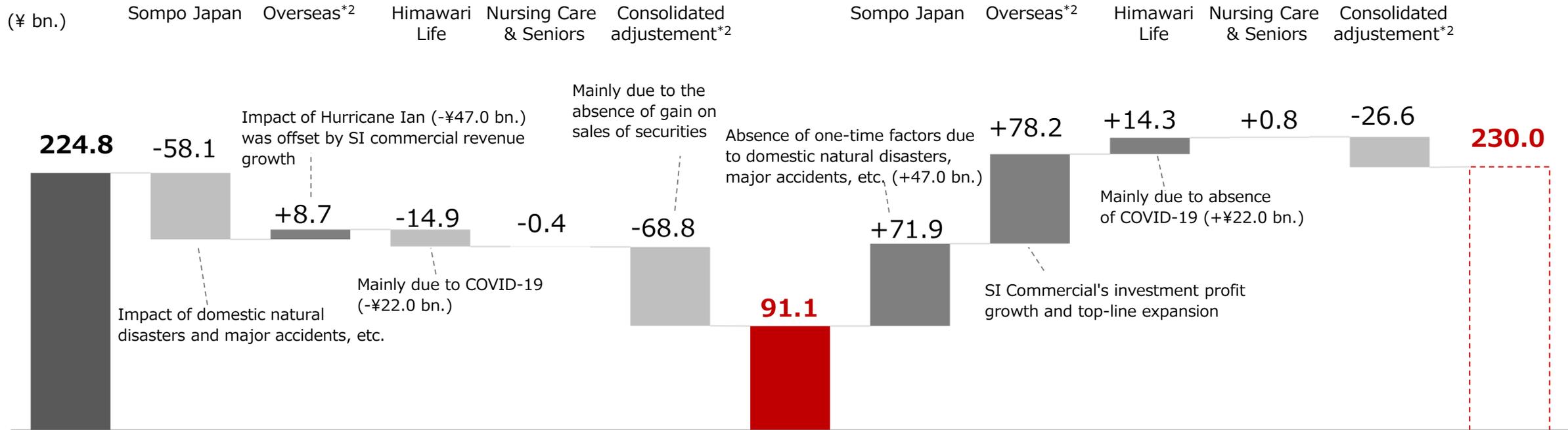
# Performance Overview



# Breakdown of Consolidated Net Income

- Despite the impact of one-time negative factors such as natural disasters and COVID-19, consolidated net income for FY2022 is ¥91.1 bn., +¥11.1 bn. from the November forecast
- In FY2023, all business segments are expected to increase profits due to the absence of one-time factors. Consolidated net income is expected to reach a record high of ¥230.0 bn.

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



FY2021  
Consolidated net income

FY2022  
Consolidated net income

FY2023  
Consolidated net income  
(Forecast)

	Sompo Japan	Overseas	Himawari Life	Nursing Care & Seniors	Consolidated adjustment/Others	Consolidated net income
FY2021	¥166.2 bn.	¥64.3 bn.	¥15.9 bn.	¥5.9 bn.	-¥27.5 bn.	¥224.8 bn.
<b>FY2022</b>	<b>¥108.0 bn.</b>	<b>¥73.1 bn.</b>	<b>¥0.9 bn.</b>	<b>¥5.4 bn.</b>	<b>-¥96.3 bn.</b>	<b>¥91.1 bn.</b>
<b>FY2023 (Forecast)</b>	<b>¥180.0 bn.</b>	<b>¥151.4 bn.</b>	<b>¥15.3 bn.</b>	<b>¥6.3 bn.</b>	<b>-¥123.0 bn.</b>	<b>¥230.0 bn.</b>

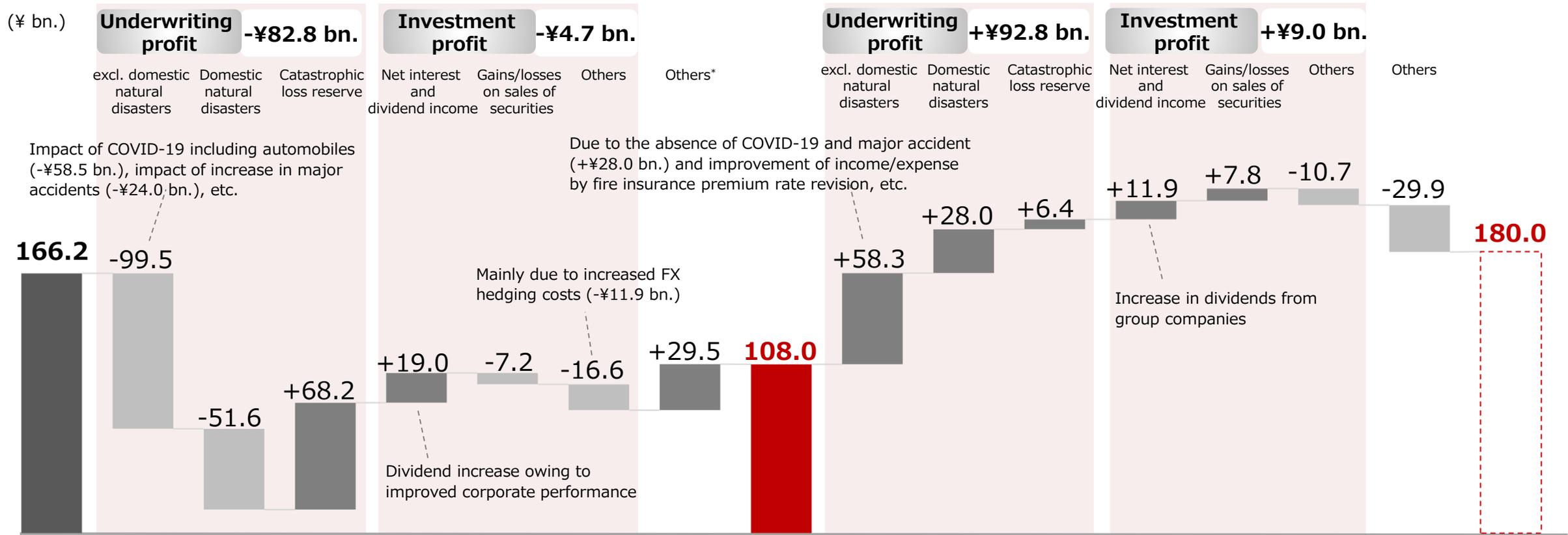
\*1 Consolidated net income denotes net income (loss) attributable to shareholders of the parent (The same shall apply hereafter)

\*2 Impacted by adjustment on SI local accounting standard (See page 14)

# Breakdown of Net Income – Sompo Japan

- FY2022 net income was ¥108.0 bn. due to the impact of one-time factors such as domestic natural disasters, COVID-19, and major accidents
- FY2023 net income is expected to increase by +¥71.9 bn. to ¥180.0 bn., driven by an increase in underwriting profit due to the absence of one-time factors and improved profitability in fire insurance

## Increase/decrease factors of net income



FY2021 Net income

FY2022 Net income

	Projected assumptions	FY2022 Initial Forecast	FY2023 Forecast	FY2023 Net income (Forecast)
Natural disaster		¥83.0 bn.	¥98.0 bn.	
Major accident		¥27.0 bn.	¥34.0 bn.	

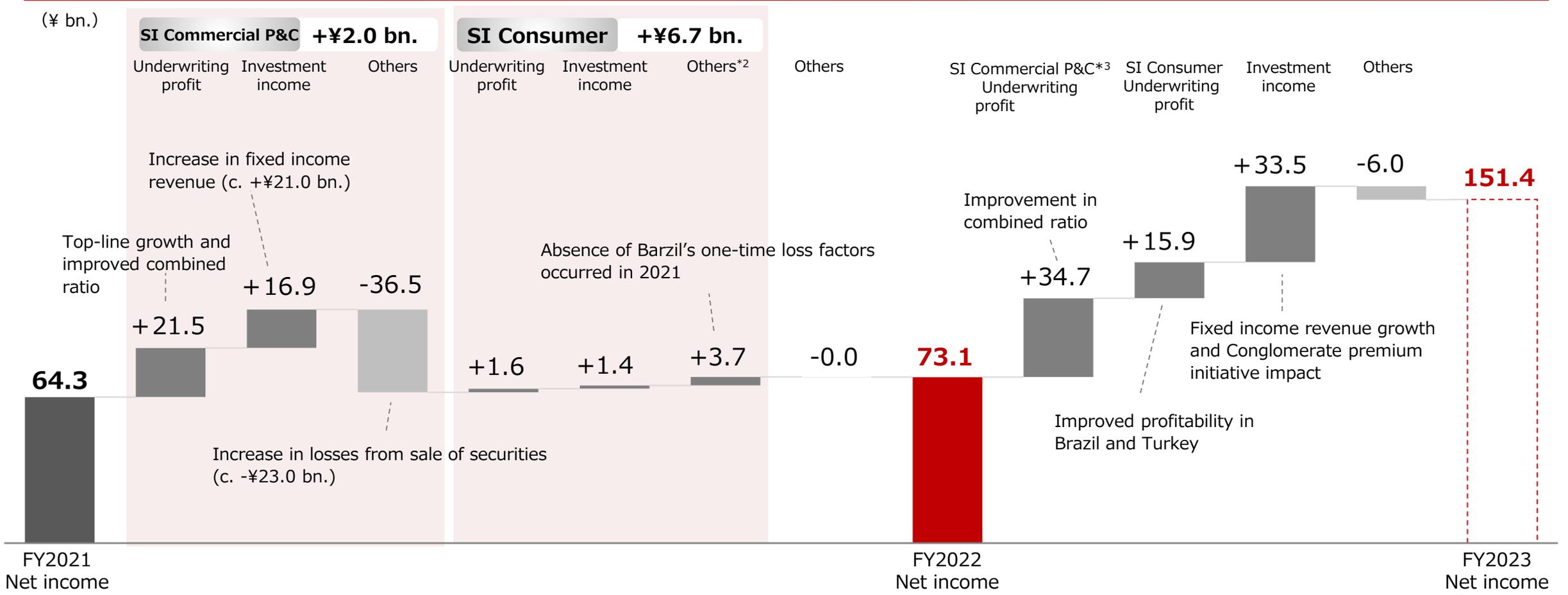
\* Extraordinary gains/losses, corporate taxes, etc.

# Breakdown of Net Income

## - Overseas Insurance/Reinsurance Business

- FY2022 net income reached ¥73.1 bn., up ¥8.7 bn. YoY, driven by increase in SI Commercial's underwriting profit
- FY2023 net income is expected to increase by ¥78.2 bn. to ¥151.4 bn., mainly due to profit growth at SI Commercial and increased investment income

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

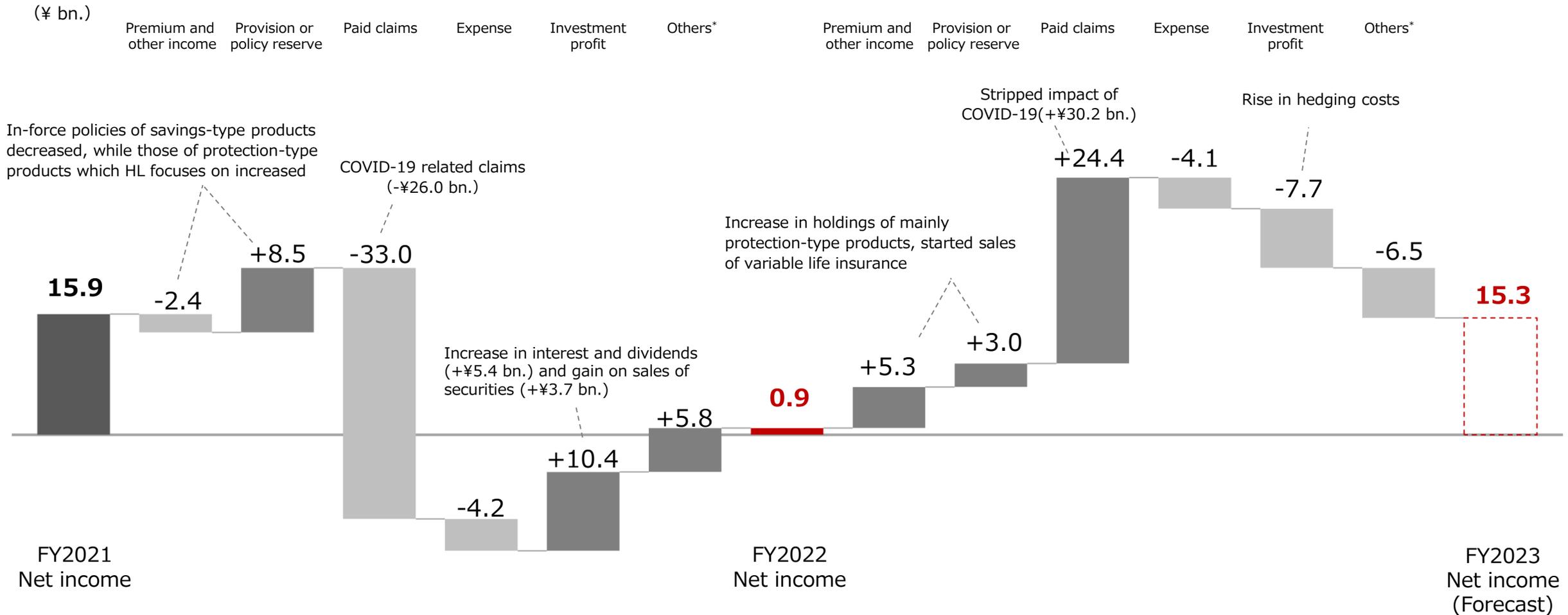


\*1 Impacted by adjustment on SI local accounting standard (See page 14)  
 \*2 Incl. minority interest  
 \*3 For the 2023 Forecast, the commercial business within Sampo Sigorta, Sampo Seguros and Asia are included within SI Commercial

# Breakdown of Net Income – Himawari Life

- FY2022 net income was ¥0.9 bn. due to a transitory factor of insurance claims related to COVID-19, and after deducting the transitory factor, net income on a normal year basis is ¥23.0 bn.
- FY2023 net income is expected to increase by +¥14.3 bn. to ¥15.3 bn. due to the absence of transitory factors and the contribution of increased holdings

## Increase/decrease factors of net income

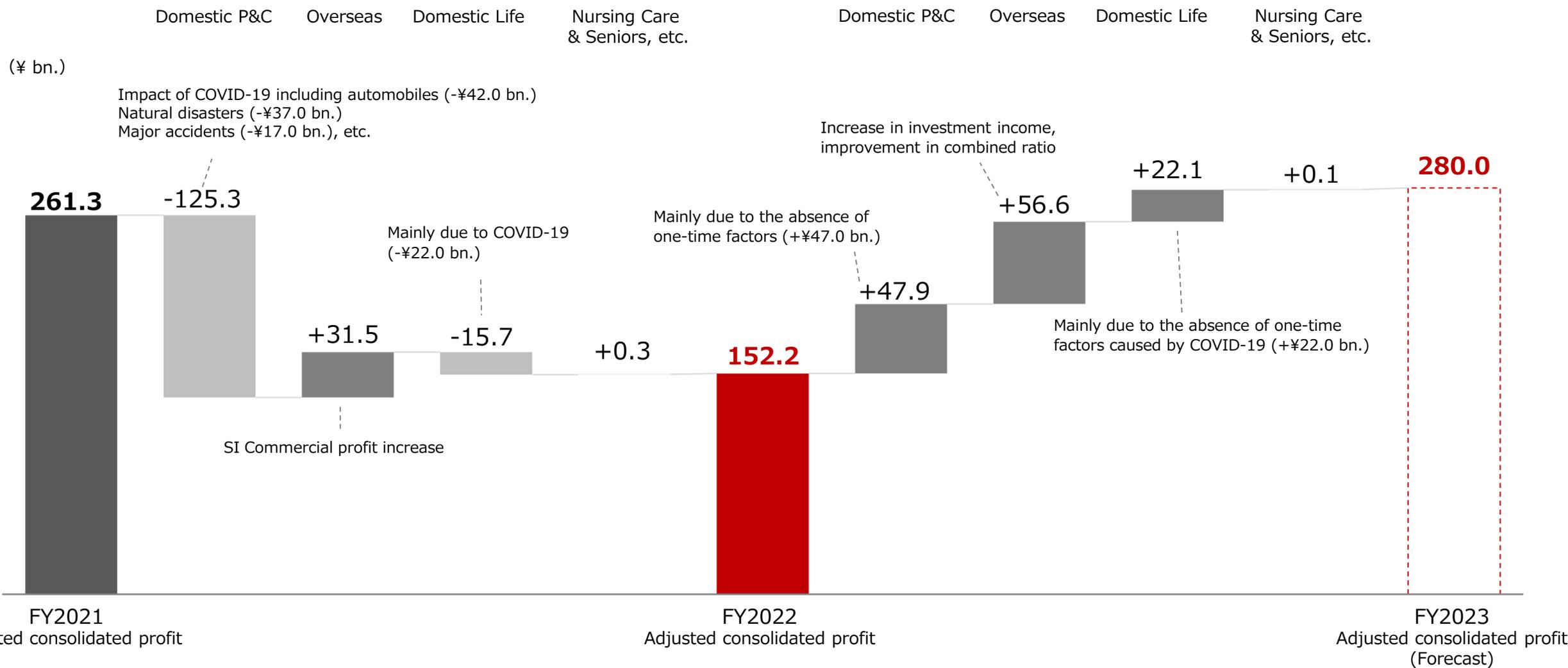


\* Corporate income tax, etc.



# (Reference) Breakdown of Adjusted Consolidated Profit

## Breakdown of Adjusted Consolidated Profit (after tax)



# (Reference) Consolidated Financials

(¥ bn.)	FY2021	FY2022		FY2023	
		Actual	Variance	Forecast	Variance
Consolidated ordinary income	4,167.4	4,607.1	+439.6	-	-
Net premiums written (P&C)	3,215.7	3,670.7	+455.0	3,731.0	+60.2
Life insurance premiums	325.1	316.7	-8.4	334.0	+17.2
Consolidated ordinary profit	315.5	122.5	-192.9	322.0	+199.4
Sompo Japan	210.8	124.9	-85.8	225.0	+100.0
Overseas insurance subsidiaries*1	86.1	87.4	+1.2	191.5	+104.1
Himawari Life	23.2	2.9	-20.3	22.9	+19.9
SOMPO Care	9.3	7.9	-1.4	9.9	+2.0
Consolidate adjustment**1*2/Others	-14.0	-100.6	-86.5	-127.4	-26.7
Consolidated net income	224.8	91.1	-133.6	230.0	+138.8
Sompo Japan	166.2	108.0	-58.1	180.0	+71.9
Overseas insurance subsidiaries*1	64.3	73.1	+8.7	151.4	+78.2
Himawari Life	15.9	0.9	-14.9	15.3	+14.3
SOMPO Care	5.9	5.4	-0.4	6.3	+0.8
Consolidate adjustment**1*2/Others	-27.5	-96.3	-68.8	-123.0	-26.6
(Reference) Adjusted consolidated profit	261.3	152.2	-109.1	280.0	+127.7
Domestic P&C insurance	157.4	32.0	-125.3	80.0	+47.9
Overseas insurance	61.8	93.3	+31.5	150.0	+56.6
Domestic life insurance	33.6	17.8	-15.7	40.0	+22.1
Nursing care & seniors	5.9	5.9	-0.0	7.0	+1.0
Digital, etc.	2.4	3.0	+0.5	2.0	-1.0

\*1 Subject to adjustment on SI local accounting standard

(¥ bn.)	FY2021	FY2022
Before tax	30.1	153.5
After tax	25.5	128.2

\*2 Incl. goodwill amortization (FY2022 : ¥26.6 bn., FY2023 : ¥30.0 bn.)

and profits and losses of consolidated companies other than the above and adjustments due to consolidation adjustment. (FY2022 : ¥3.9 bn. (before tax), ¥2.8 bn. (after tax), FY2023 : ¥5.0 bn. (before tax), ¥3.6 bn. (after tax))

# Results by business

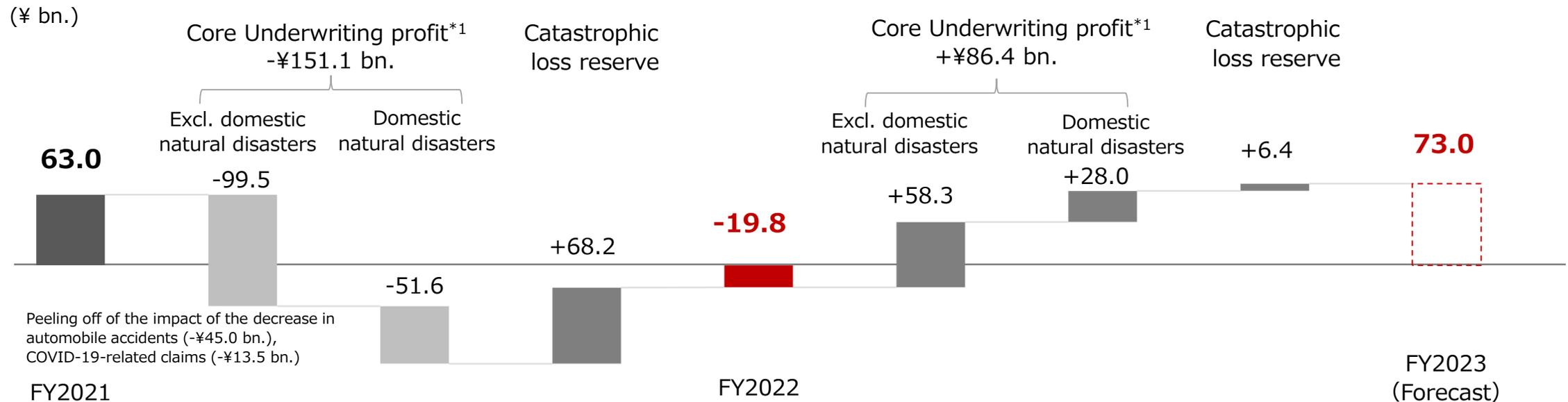
Title	Page
<b>Domestic P&amp;C Business (Sompo Japan)</b>	<b>15</b>
Overseas Insurance/Reinsurance Business	29
Domestic Life Insurance Business	38
Nursing Care & Seniors Business	45
ERM	48



# Underwriting Profit (Sompo Japan)

- Underwriting profit for FY2022: -¥19.8 bn., mainly due to the impact of the COVID-19 in addition to natural disasters
- Underwriting profit is expected to increase by ¥92.8 bn., to ¥73.0 bn., in FY2023 due to the absence of one-time factors such as the impact of natural disasters

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



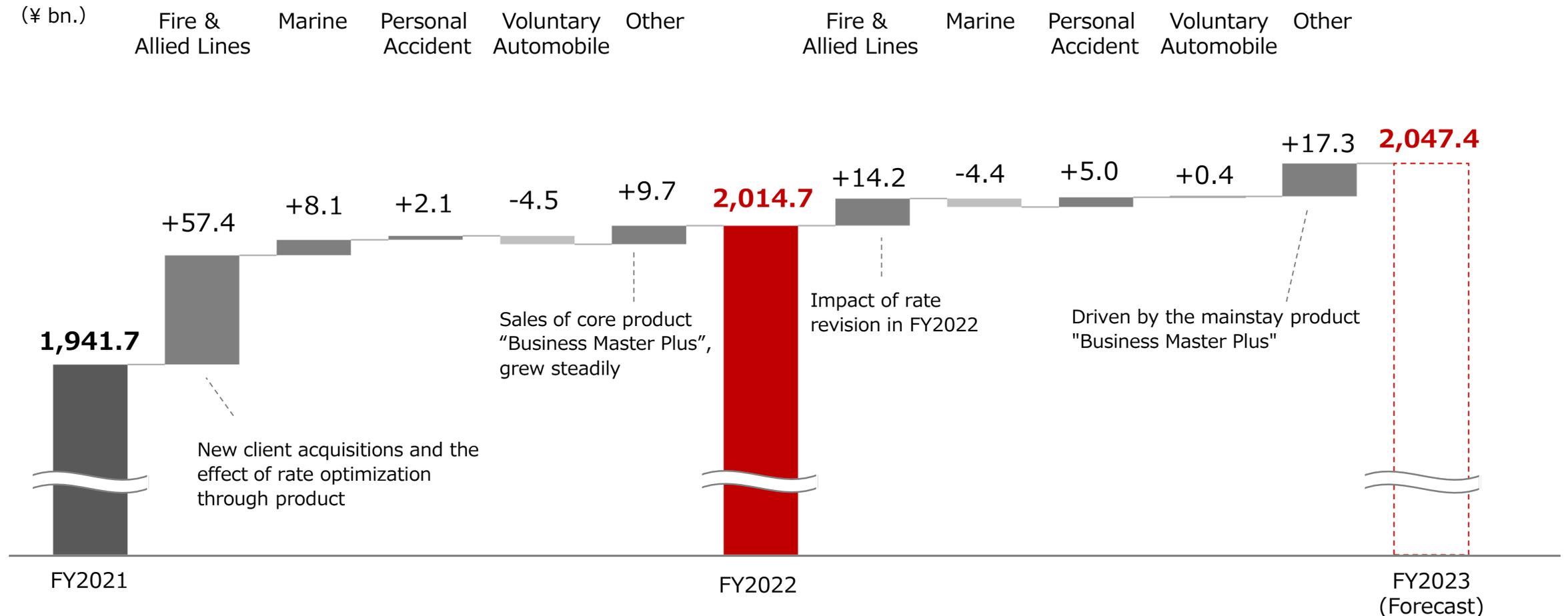
	Core Underwriting profit*1			Catastrophic loss reserve	Underwriting profit
	(Excl. domestic natural disasters)	(Domestic natural disasters)			
FY2021	¥120.2 bn.	-¥74.4 bn.	¥194.6 bn.	-¥57.1 bn.	¥63.0 bn.
<b>FY2022</b>	<b>-¥30.9 bn.</b>	<b>-¥126.0 bn.</b>	<b>¥95.1 bn.</b>	<b>¥11.0 bn.*2</b>	<b>-¥19.8 bn.</b>
<b>FY2023(Forecast)</b>	<b>¥55.4 bn.</b>	<b>-¥98.0 bn.</b>	<b>¥153.4 bn.</b>	<b>¥17.5 bn.</b>	<b>¥73.0 bn.</b>

\*1 Core underwriting profit is underwriting profit less the impact related to catastrophic loss reserve. \*2 Including special provision (-¥20.0bn.)

# Net Premiums Written

- In FY2022, net premiums written increased by ¥72.9 bn. due to strong growth in Fire and Allied, Casualty (Other) line
- In FY2023, net premiums written are expected to increase by +¥32.7 bn. owing to the continued growth trend of Fire and Allied, Casualty (Other) line

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



(Reference) Net Premiums Written by Product Line  
(Sompo Japan)

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



Net Premiums written by product line

(¥ bn.)	FY2021	FY2022	Variance		FY2023 (Forecast)
Fire & Allied	327.6	385.0	+57.3	(+17.5%)	399.2
Marine	46.8	54.9	+8.1	(+17.3%)	50.5
Personal Accident	151.6	153.7	+2.1	(+1.4%)	158.8
Voluntary Automobile	1,087.7	1,083.2	-4.5	(-0.4%)	1,083.6
CALI	216.8	210.7	-6.1	(-2.8%)	177.4
Other	328.0	337.8	+9.7	(+3.0%)	355.2
Of which Liability	159.3	162.4	+3.1	(+2.0%)	164.0
Total	2,158.7	2,225.5	+66.7	(+3.1%)	2,225.0
Total (excl. CALI, household earthquake)	1,941.7	2,014.7	+72.9	(+3.8%)	2,047.4

(Reference) Year-on-Year comparison of voluntary automobile insurance (April 2022 – March 2023)  
(Sales Performance basis)

	# of vehicles*	Unit Premium	Total Premium
Non - fleet	-0.3%	+0.3%	-0.1%
Fleet	+1.5%	-3.3%	-1.8%
Total	+0.0%	-0.4%	-0.3%

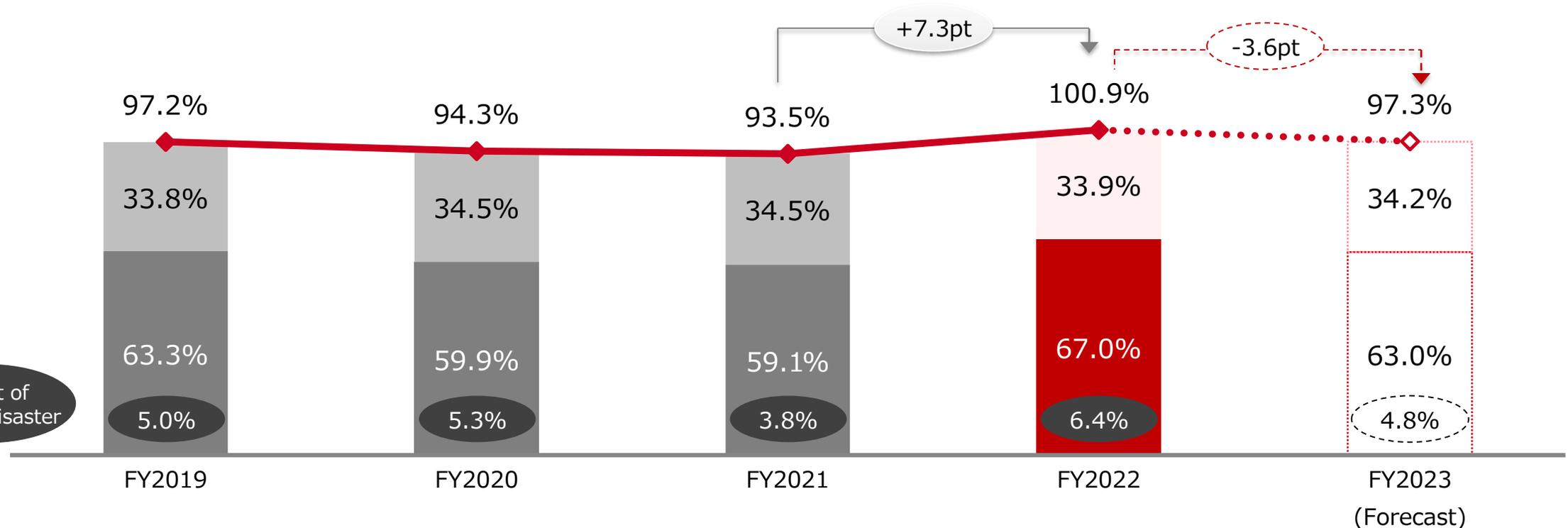
\* Excl. per hour type automobile insurance

# Combined Ratio (Sompo Japan)

- FY2022 combined ratio increased by 7.3pt to 100.9% due to an increase in the loss ratio with natural disasters and the impact of COVID-19
- FY2023 combined ratio is expected to improve by 3.6pt to 97.3% due to improvement in the loss ratio, owing to the absence of one-time factors

## Combined ratio(E/I)\* (Excl. CALI, household earthquake)

Net expense ratio
  Loss ratio(E/I)
  Combined ratio (E/I)

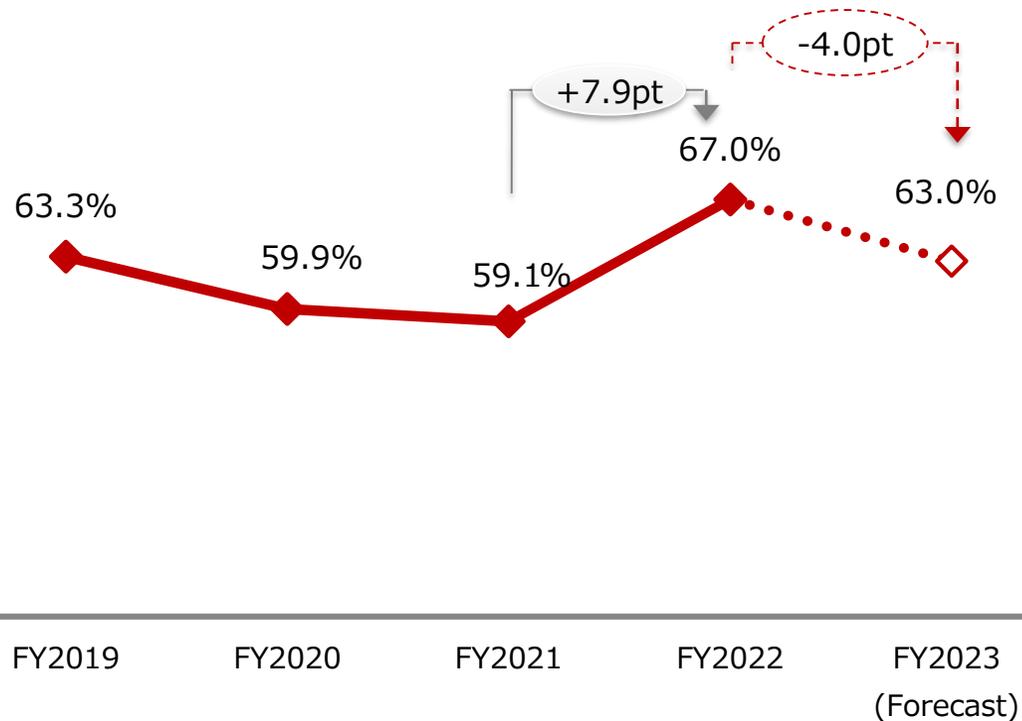


\* Loss Ratio (E/I) + Net Expense Ratio (The same shall apply hereafter)

# Loss Ratio (Sompo Japan)

- Loss ratio(E/I) increased by 7.9pt, mainly due to the impact of natural disasters and COVID-19 in Voluntary Automobile, Personal Accident
- FY2023 E/I loss ratio expected to improve by 4.0pt to 63.0% due to the absence of one-time factors such as the impact COVID-19

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



\* Foreign exchange impact (provision) on foreign currency reserve for outstanding claims in FY2022: ¥3.1 bn. (+0.4pt)

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

	FY2022		FY2023
	Actual	Variance	Forecast
Fire & Allied (Excl. CALI, household earthquake)	88.8%	+14.9pt	68.6%
Marine	48.8%	-8.2pt	63.3%
Personal Accident	62.8%	+11.0pt	54.8%
Voluntary Automobile	62.1%	+6.4pt	62.1%
Other	64.4%	+5.0pt	63.0%
<b>Total (Excl. CALI, household earthquake)</b>	<b>67.0%</b>	<b>+7.9pt</b>	<b>63.0%</b>

(Main drivers of variance)

Fire & Allied : Increase in domestic natural disaster (+6.1pt)

Personal Accident : Impact of COVID-19 related insurance claim (+6.4pt)

Voluntary Automobile : Absence of impact of COVID-19 (+4.1pt) and impact of natural disasters (+2.0pt)

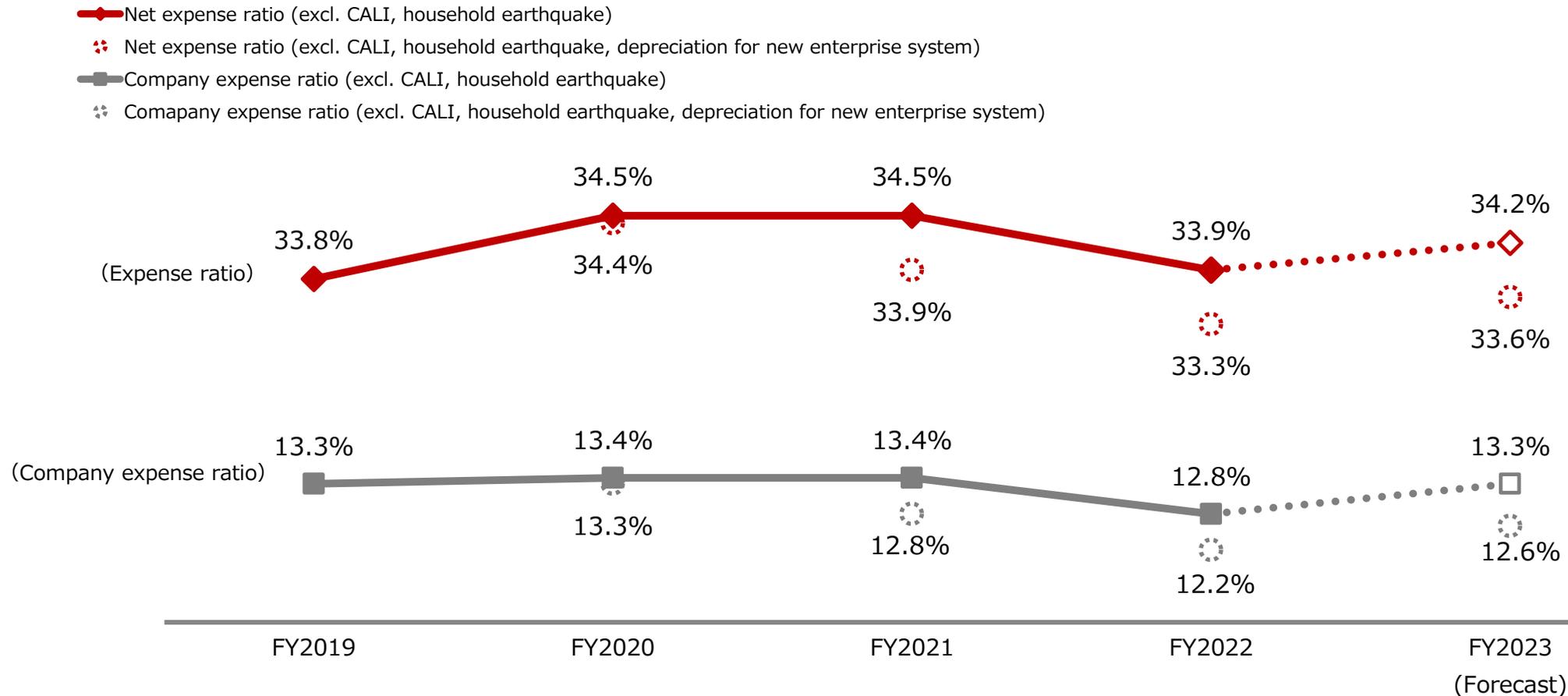
## (Reference) Loss ratio(W/P)

	FY2022		FY2023
	Actual	Variance	Forecast
Fire & Allied (Excl. CALI, household earthquake)	76.3%	+8.4pt	71.6%
Marine	44.2%	-7.5pt	60.2%
Personal Accident	61.3%	+11.2pt	53.2%
Voluntary Automobile	60.2%	+4.2pt	61.1%
Other	59.3%	+3.8pt	60.7%
<b>Total (Excl. CALI, household earthquake)</b>	<b>62.8%</b>	<b>+5.4pt</b>	<b>62.4%</b>

# Expense Ratio (Sompo Japan)

- Both expense ratio and company expense ratio for FY2022 improved by 0.6pt
- FY2023 expense ratio expected to be +0.4pt due to increase in system-related costs, etc.

## Net expense ratio, Company expense ratio\* (excl. CALI, household earthquakes)

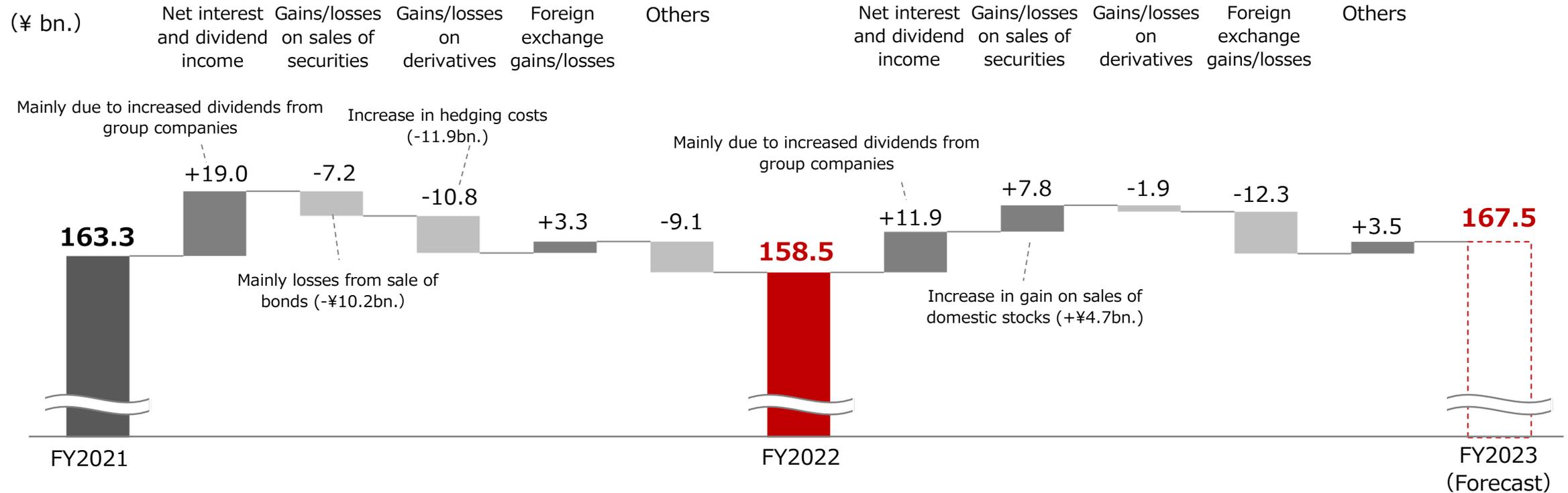


\* Ration of general administrative and selling expense related with underwriting to net premiums written

# Investment Profit (Sompo Japan)

- FY2022 investment profit reached ¥158.5 bn. Net interest and dividend income increased (+¥19.0 bn.) thanks to improved corporate performances
- FY2023 investment profit expected to increase by +¥9.0 bn. to ¥167.5 bn., due to an increase in interest and dividend income

## Increase/decrease factors of investment

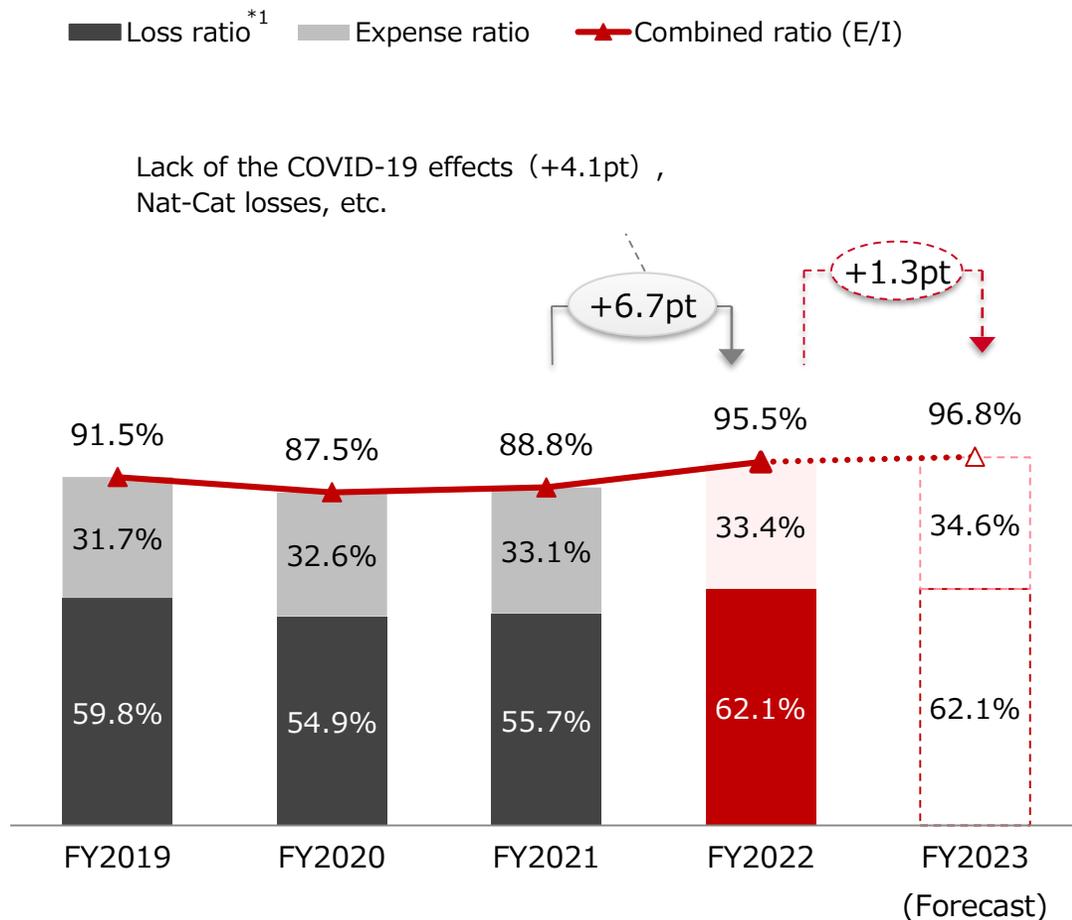


	Net interest and dividend income	Gains/losses on sales of securities	Gains/losses on derivatives	Foreign exchange gains/losses	Others	Investment profit
FY2021	¥117.0 bn.	¥38.1 bn.	-¥2.4 bn.	¥9.9 bn.	¥0.5 bn.	¥163.3 bn.
<b>FY2022</b>	<b>¥136.1 bn.</b>	<b>¥30.9 bn.</b>	<b>-¥13.3 bn.</b>	<b>¥13.3 bn.</b>	<b>-¥8.5 bn.</b>	<b>¥158.5 bn.</b>
<b>FY2023(Forecast)</b>	<b>¥148.0 bn.</b>	<b>¥38.8 bn.</b>	<b>-¥15.2 bn.</b>	<b>¥1.0 bn.</b>	<b>-¥5.0 bn.</b>	<b>¥167.5 bn.</b>

Reduction of Strategic-holding stocks
¥50.1 bn.
<b>¥70.3 bn.</b>
<b>¥70.0 bn.</b>

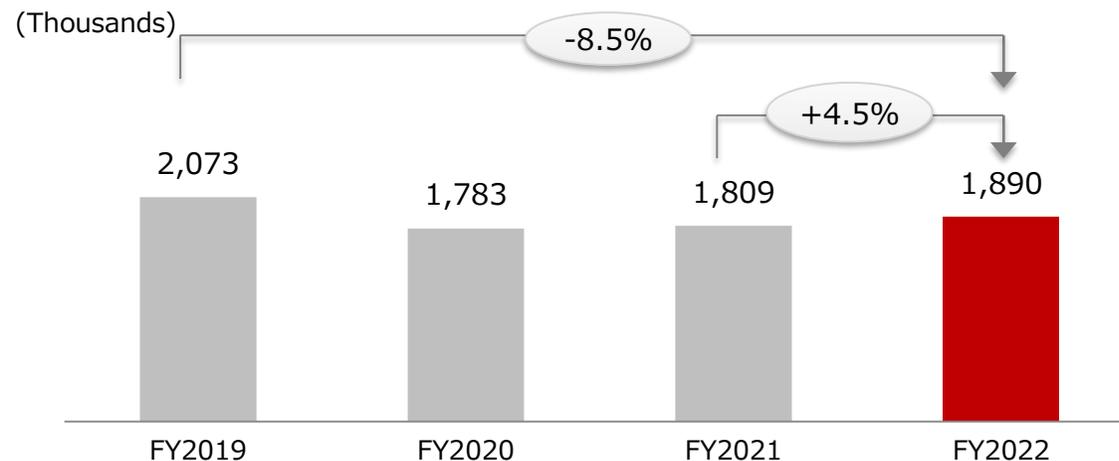
# (Reference) Indicators Related to Automobile Insurance (Sompo Japan)

## Combined ratio(E/I)



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

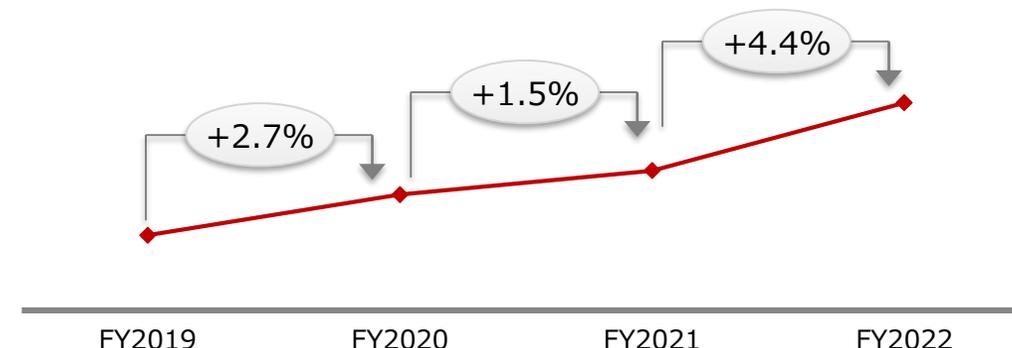
## The number of reported claims\*2 \*3



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

\*3 Accident rate for FY2023 is not expected to decrease due to COVID-19 impact

## Repair cost per unit\*4 \*5

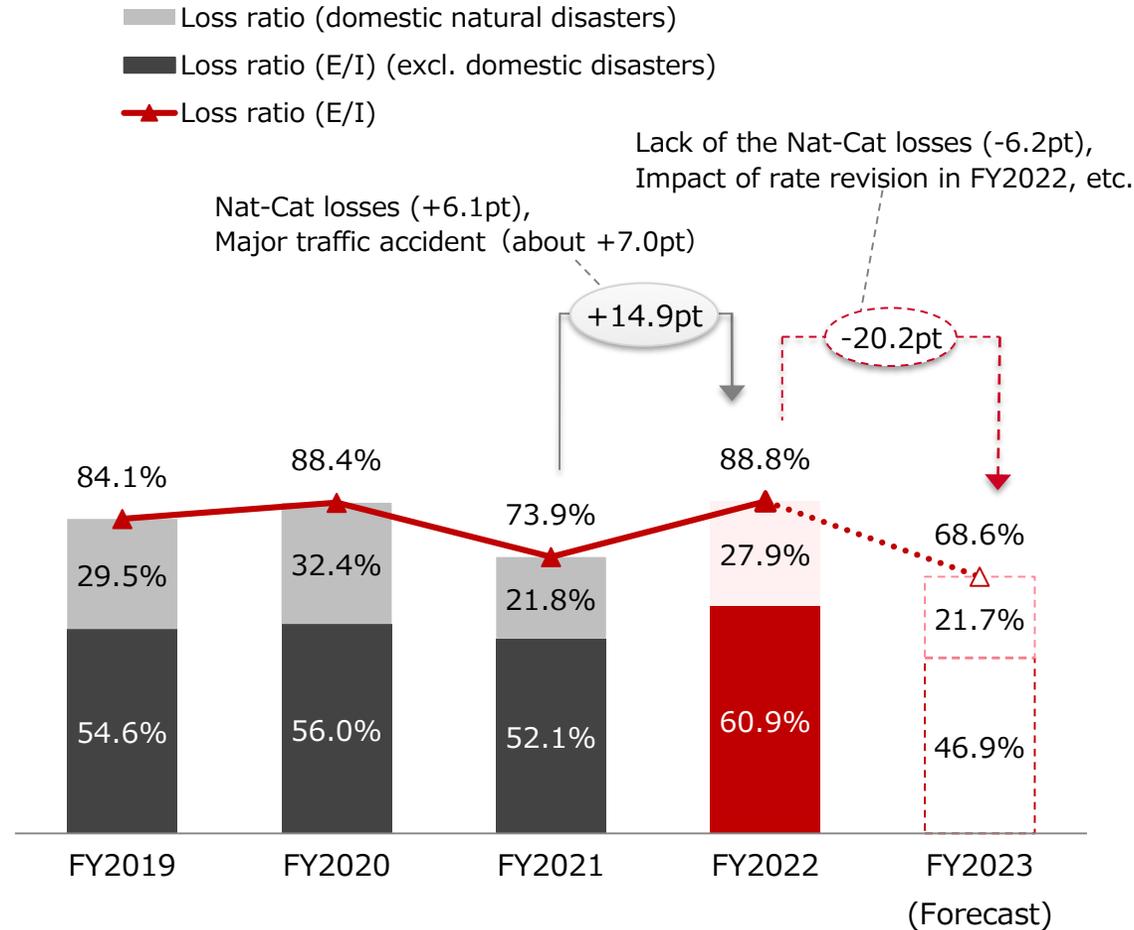


\*4 Combined vehicle insurance (excl. natural disasters) and property damage liability insurance

\*5 Repair cost per unit in FY2023 are expected to increase at approximately the same level as in FY2022, while taking into account the actual results in FY2022.

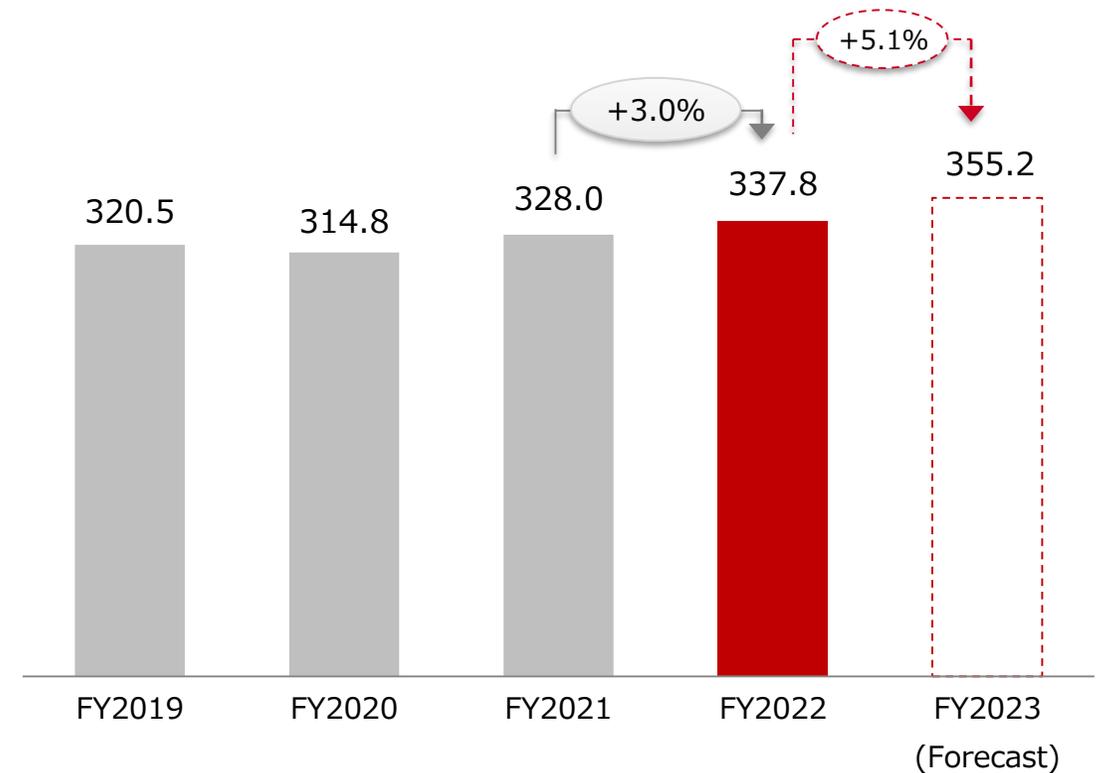
# (Reference) Indicators Related to Fire & Allied, Casualty (Others) (Sompo Japan)

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



## Casualty (Other) insurance net premiums written

(¥ bn.)

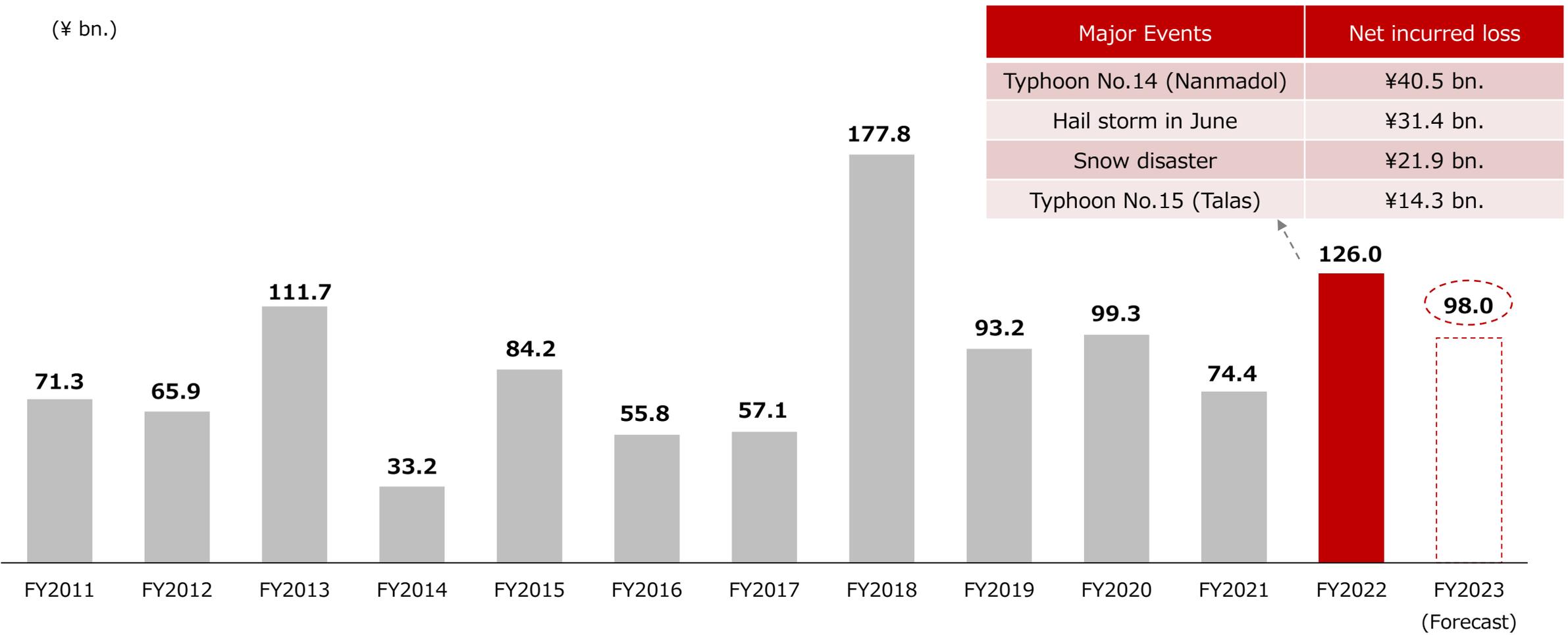


\* Excl. household earthquake

# (Reference) Domestic Natural Disasters (Sompo Japan)

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

(¥ bn.)



\* Excl. CALI, household earthquake

# (Reference) Investment Profit (Sompo Japan)

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



## Investment profit

(¥ bn.)	FY2021	FY2022	Variance	FY2023 (Forecast)
Net interest and dividend income	117.0	136.1	+19.0	148.0
Interest and dividend income	147.9	166.2	+18.2	176.9
of which, dividends from overseas subsidiaries	31.2	50.0	+18.8	73.7
Gains on sales of securities	38.1	30.9	-7.2	38.8
of which, domestic stocks	38.6	43.4	+4.7	42.0
Impairment losses on securities	-1.8	-1.9	-0.1	-7.0
of which, domestic stocks	-1.5	-1.7	-0.2	-3.0
Gains/losses on derivatives	-2.4	-13.3	-10.8	-15.2
Foreign exchange gains/losses	9.9	13.3	+3.3	1.0
Other investment income	2.3	-6.6	-8.9	1.9
Total	163.3	158.5	-4.7	167.5

(Reference) Reduction of Strategic-holding stocks\*

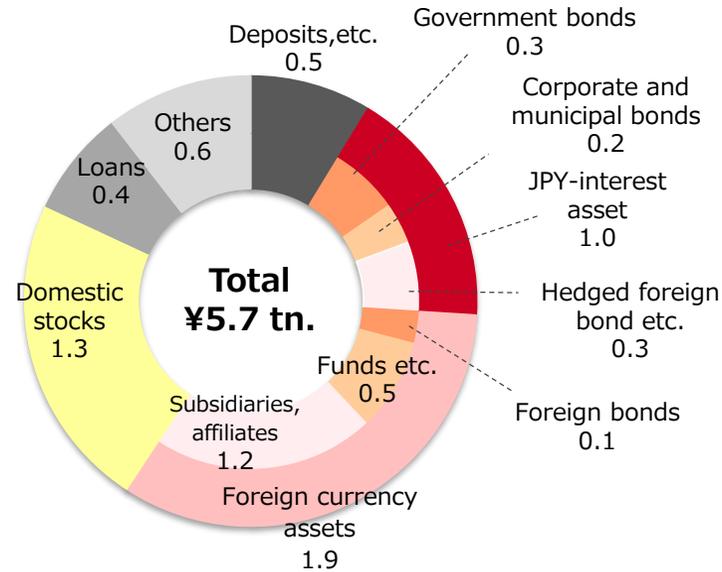
**¥70.3bn.**

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

# (Reference) Asset Portfolio (Sompo Japan)

## Asset portfolio (as of the end of Mar. 2023, General account)

(¥ tn.)



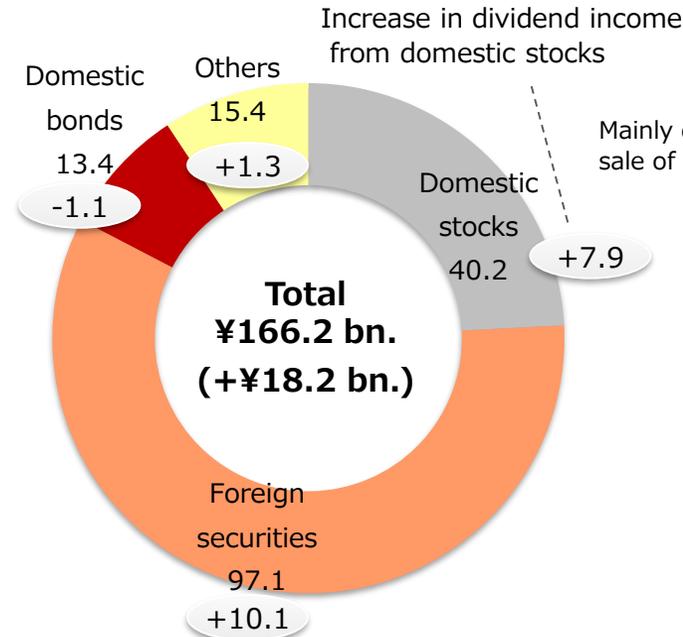
		End of Mar. 2022	End of Mar. 2023
Income yield*		3.0%	3.0%
Duration (years)	Asset	7.9	7.9
	Liability	7.7	7.6

\* 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

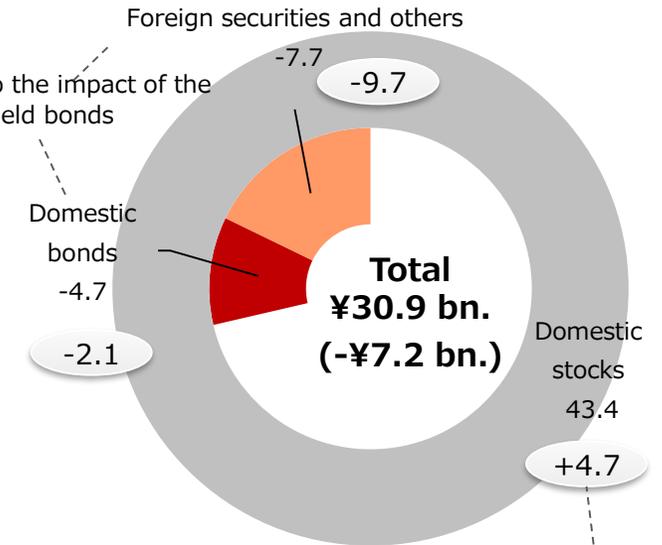
(¥ bn.)



Increase in dividends of group companies (+¥18.8 bn.)

## Breakdown of gains/losses on sales of securities

(¥ bn.)



Increase in strategic stocks (spot) reduction (+¥18.6 bn.)

 : Variance from FY2021

# (Reference) Sompo Japan Financials

(¥ bn.)	FY2021	FY2022	Variance	FY2023 (Forecast)
Net premiums written	2,158.7	2,225.5	+66.7 (+3.1%)	2,225.0
(excl. CALI, household earthquake)	1,941.7	2,014.7	+72.9 (+3.8%)	2,047.4
Net premiums earned (excl. CALI, household earthquake)	1,937.7	1,979.7	+41.9 (+2.2%)	2,047.9
E/I loss ratio (excl. CALI, household earthquake)	59.1%	67.0%	+7.9pt	63.0%
Written paid (W/P) loss ratio	59.8%	64.1%	+4.3pt	64.5%
(excl. CALI, household earthquake)	57.4%	62.8%	+5.4pt	62.4%
Expense ratio	33.7%	33.5%	-0.2pt	34.4%
(excl. CALI, household earthquake)	34.5%	33.9%	-0.6pt	34.2%
Combined ratio (E/I) (excl. CALI, household earthquake)	93.5%	100.9%	+7.3pt	97.3%
(Reference) Combined ratio (W/P) (excl. CALI, household earthquake)	91.9%	96.7%	+4.8pt	96.7%
Underwriting profit	63.0	-19.8	-82.8	73.0
Investment profit	163.3	158.5	-4.7	167.5
Ordinary profit	210.8	124.9	-85.8	225.0
Net income	166.2	108.0	-58.1	180.0
(Reference) Provisions for catastrophic loss reserve (after tax)	+41.8	-7.1	-48.9	-11.7
Provisions for reserve for price fluctuation (after tax)	+3.0	+3.2	+0.1	+3.1
Adjusted profit Gains/losses on sales of securities and impairment losses on securities (after tax)	-25.8	-20.4	+5.4	-21.0
Special factors (after tax)*	-28.9	-50.4	-21.5	-70.9
Adjusted profit	156.2	33.1	-123.0	79.5

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

# Results by business

Title	Page
Domestic P&C Business (Sompo Japan)	15
<b>Overseas Insurance/Reinsurance Business</b>	<b>29</b>
Domestic Life Insurance Business	38
Nursing Care & Seniors Business	45
ERM	48

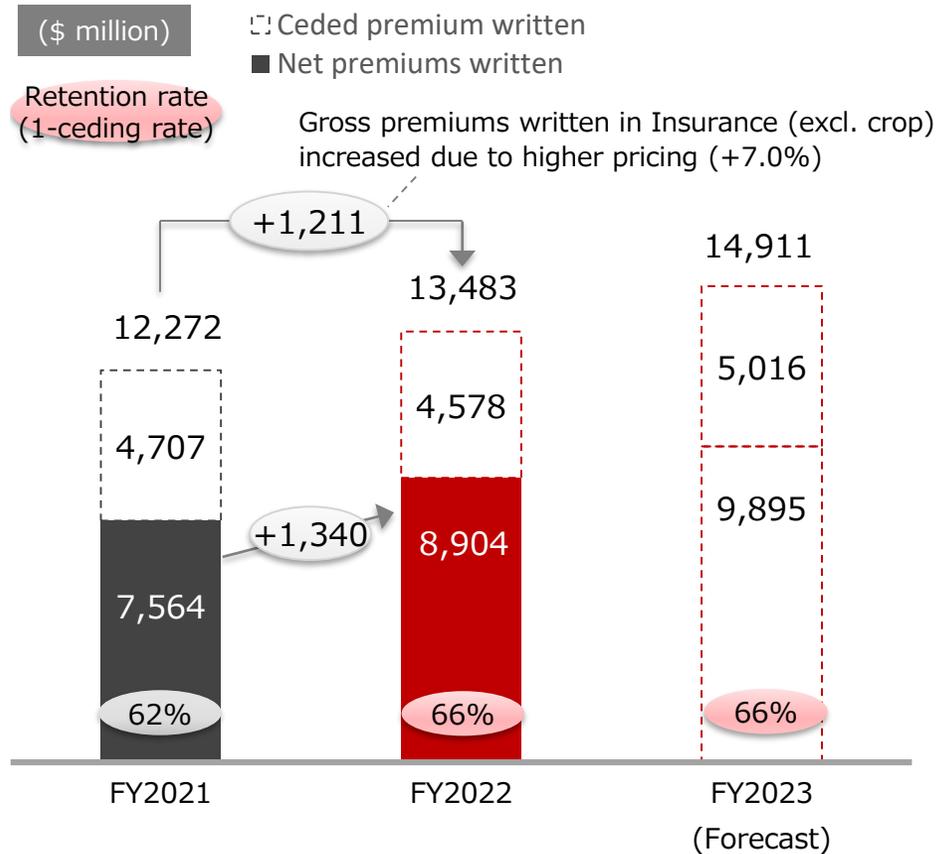




# Top-line (SI Commercial P&C)

- Net premiums written for FY2022 expanded by 18%, to \$8,904 million, led by higher crop price and increased retention
- FY2023 forecast net written premiums are \$9,895 million, supported by rate increase and new initiatives

## Gross premiums written



## (Reference) Top-line by segment

	FY2021	FY2022	Variance	FY2023 Forecast
<b>Gross premiums written</b>				
Insurance (excl. crop)	5,748	5,991	+242 (+4.2%)	-
AgriSompo	2,696	3,371	+675 (+25.1%)	-
Reinsurance	3,827	4,119	+292 (+7.6%)	-
<b>Total</b>	<b>12,272</b>	<b>13,483</b>	<b>+1,211 (+9.9%)</b>	<b>14,911</b>
<b>Net premiums written</b>				
Insurance (excl. crop)	3,221	3,419	+198 (+6.2%)	-
AgriSompo	952	1,742	+789 (+83.0%)	-
Reinsurance	3,418	3,715	+296 (+8.7%)	-
<b>Total</b>	<b>7,564</b>	<b>8,904</b>	<b>+1,340 (+17.7%)</b>	<b>9,895</b>
<b>Net premiums earned</b>				
Insurance (excl. crop)	2,710	3,269	+558 (+20.6%)	-
AgriSompo	962	1,641	+679 (+70.5%)	-
Reinsurance	3,231	3,517	+286 (+8.9%)	-
<b>Total</b>	<b>6,889</b>	<b>8,444</b>	<b>+1,554 (+22.6%)</b>	<b>9,285</b>
<b>Retention rate</b>				
Insurance (excl. crop)	56%	57%	+1pt	-
AgriSompo	35%	52%	+16pt	-
Reinsurance	89%	90%	+1pt	-
<b>Total</b>	<b>62%</b>	<b>66%</b>	<b>+4pt</b>	<b>66%</b>

(Main drivers of year to date variance for FY2022)

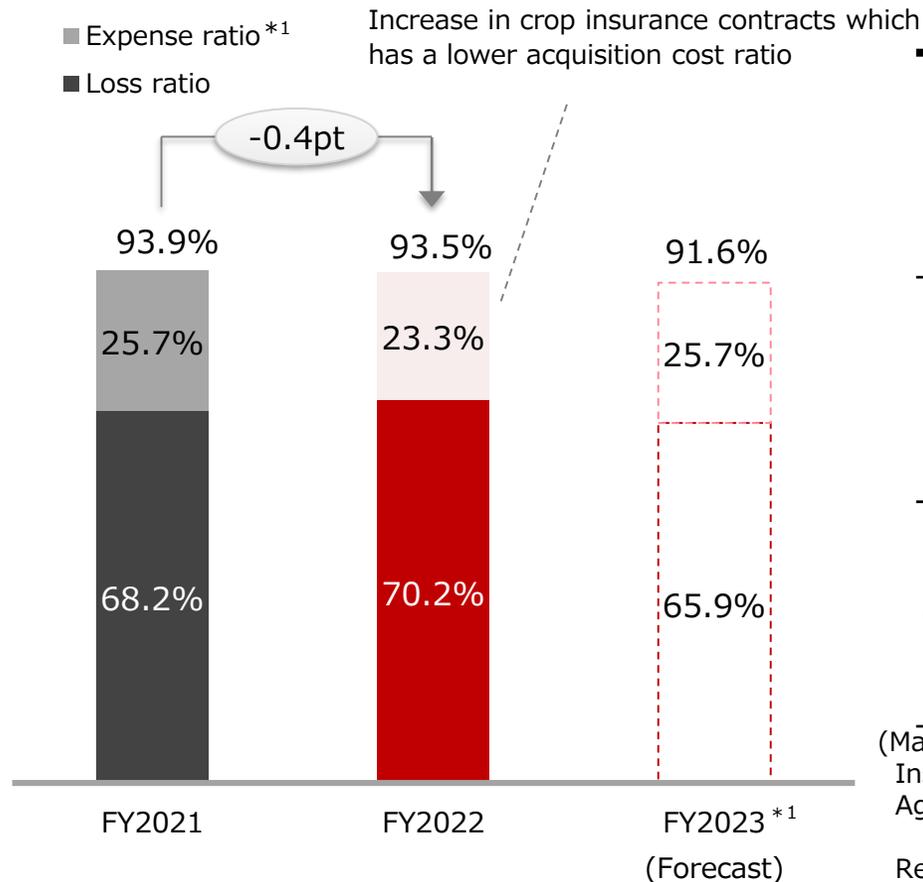
- Insurance (excl. crop) : Continued rate increases in property and casualty lines
- AgriSompo : Impact of higher commodity price and increased in retention related to Diversified's policies
- Reinsurance : Largely driven by growth in casualty line (Corporate Liability, etc.)

\* Net premiums written of subsidiaries and affiliates reflect holding shares of each company.  
 For FY2023 Forecast, the commercial business within Sompo Sigorta, Sompo Seguros and Asia are included within SI Commercial P&C

# Combined Ratio (SI Commercial P&C)

- Combined ratio for FY2022 improved by 0.4pt YoY to 93.5%, due to expense ratio improvement driven by lower acquisition costs
- Combined ratio for FY2023 is expected to improve to 91.6% due to improvement in crop insurance loss ratio and controlled catastrophe risk-taking

## Combined Ratio



### (Reference) Combined ratio by segment

	FY2021	FY2022	Variance	FY2023 Forecast*1	
Loss ratio	Insurance (excl. crop)	68.2%	69.6%	+1.4pt	-
	AgriSompo	84.8%	93.3%	+8.5pt	-
	Reinsurance	63.2%	60.0%	-3.2pt	-
	Total	68.2%	70.2%	+2.0pt	65.9%
Expense ratio*2	Insurance (excl. crop)	23.5%	22.2%	-1.3pt	-
	AgriSompo	11.0%	5.9%	-5.0pt	-
	Reinsurance	29.5%	30.1%	+0.6pt	-
	Total	25.7%	23.3%	-2.4pt	25.7%
Combined ratio*2	Insurance (excl. crop)	91.6%	91.7%	+0.1pt	-
	AgriSompo	95.7%	99.2%	+3.5pt	-
	Reinsurance	92.7%	90.1%	-2.6pt	-
	Total	93.9%	93.5%	-0.4pt	91.6%

(Main drivers of year to date variance for FY2022)

Insurance (excl. crop) : Largely due to higher natural disasters such as Hurricane Ian

AgriSompo : Increase in losses due to severe drought, partially offset by decrease in expenses from the acquisition of Diversified

Reinsurance : Top-line growth effect from improved pricing

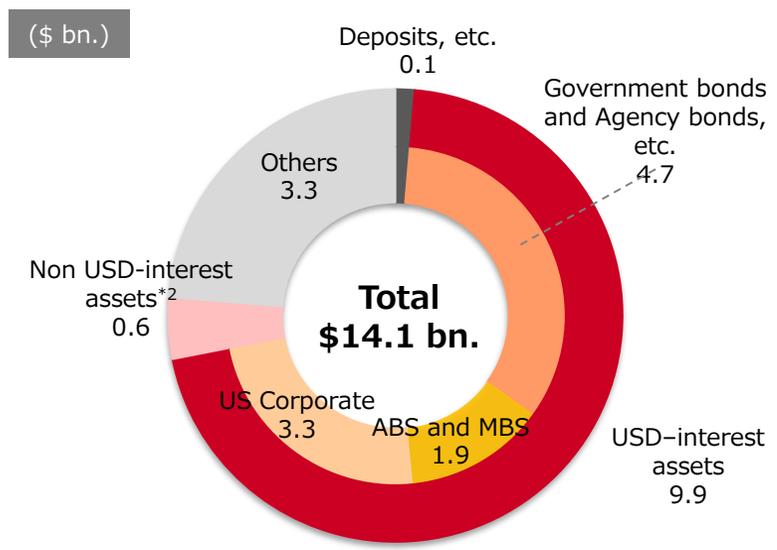
\*1 For FY2023 Forecast, the commercial business within Sompo Sigorta, Sompo Seguros and Asia are included within SI Commercial P&C

\*2 Corporate expense impacts are included for FY2021, FY2022(1.1%, 1.1% respectively). Corporate expenses are excluded from the FY2023 forecast. (FY2022 expense ratio is 22.3% and combined ratio is 92.4% on the same basis)

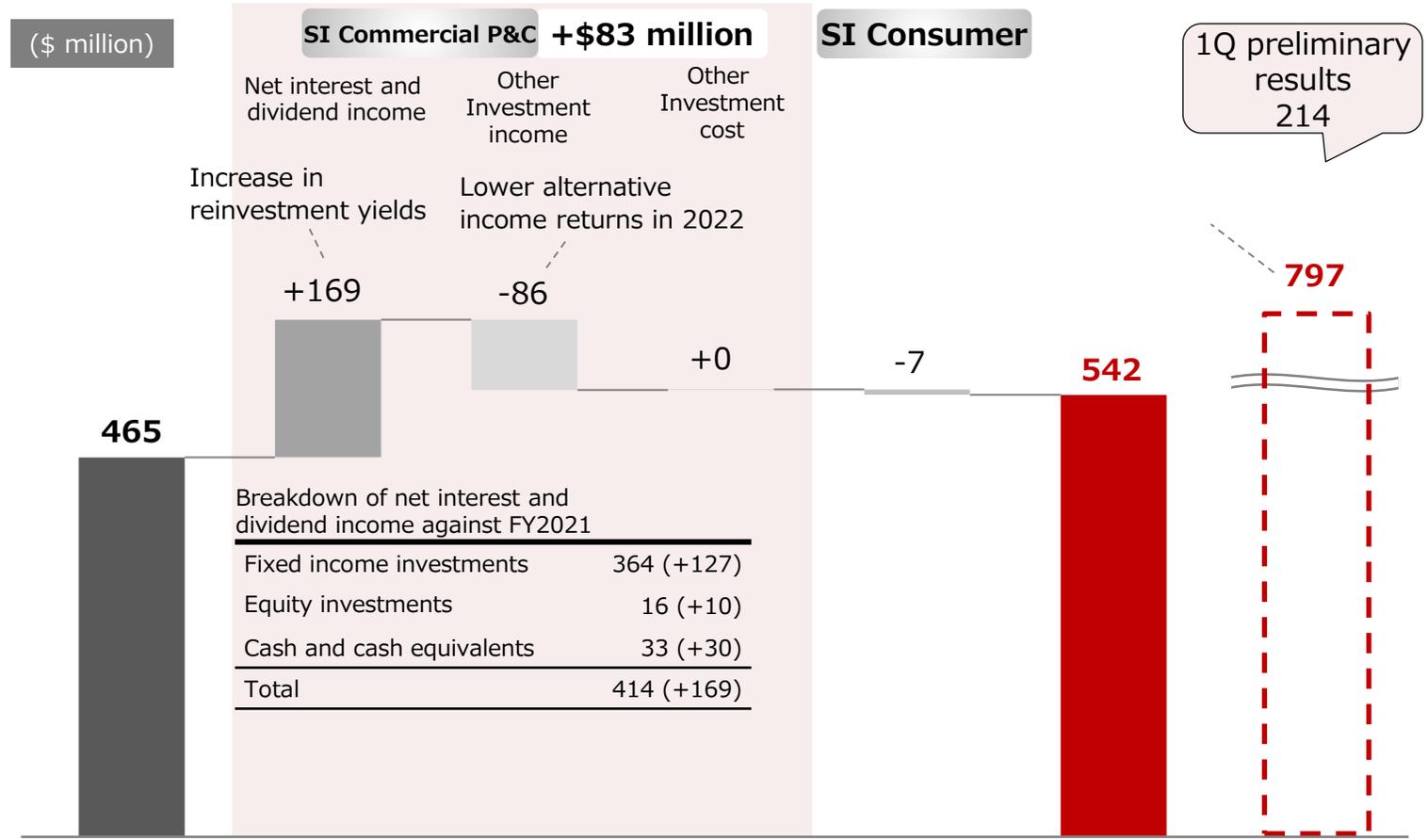
# Investment Income/Asset Portfolio

- Investment income for FY2022 increased 17% YoY to \$542 million due to increased net interest and dividend income on a larger investment base and higher reinvestment yields
- In addition to the higher reinvestment yield, conglomerate premium initiative impact will contribute to FY2023 Forecast investment income of \$797 million

## Asset portfolio\*1 (SI Commercial P&C, as of the end of Dec. 2022)



## Breakdown of Overseas\*3 investment income



Breakdown of net interest and dividend income against FY2021

Fixed income investments	364 (+127)
Equity investments	16 (+10)
Cash and cash equivalents	33 (+30)
<b>Total</b>	<b>414 (+169)</b>

\*1 Composition of rating (Total of bond assets) :  
13% of the total is BB-rated or lower  
\*2 Incl. cash

\*3 Excludes Non-SIH entities

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

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

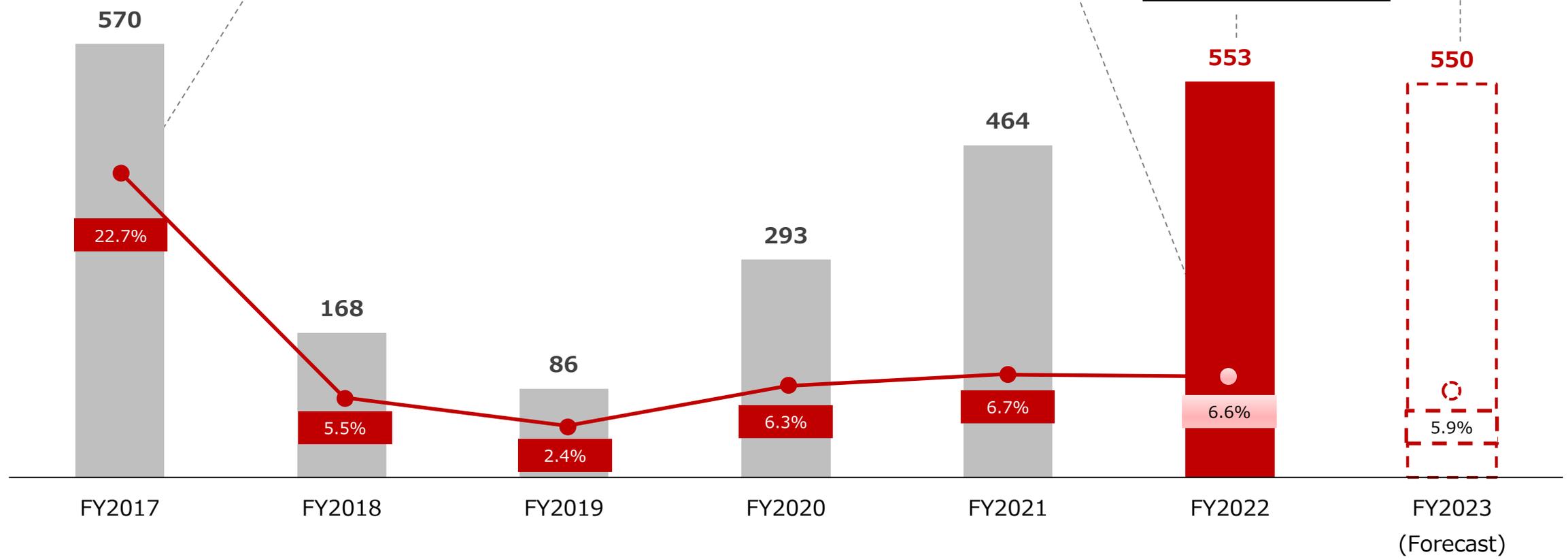
(\$ million)

Though the size of the overall loss by natural disasters is roughly equivalent, the loss ratio impact is less than one-third, due to managing catastrophe exposures

Loss ratio impact (vs Net premiums earned)

Hurricane Ian	362
Australian Flood	54
French hailstorm	44
Winter storm Elliott	21
Other	71

Cat weights managed conservatively



\* Losses related to natural disasters includes reinstatement premiums

# (Reference) Financials

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



		(\$ million)		FY2021		FY2022		FY2023*4	
		Actual	Actual	Variance		Forecast	Variance		
SI Commercial P&C	Gross premiums written	12,272	13,483	+1,211	(+9.9%)	14,911	+1,428	(+10.6%)	
	Net premiums written	7,564	8,904	+1,340	(+17.7%)	9,895	+990	(+11.1%)	
	Net premiums earned	6,889	8,444	+1,554	(+22.6%)	9,285	+840	(+10.0%)	
	Net losses and loss expenses	4,697	5,925	+1,227	(+26.1%)	6,121	+195	(+3.3%)	
	Expense	1,769	1,969	+199	(+11.3%)	2,386	+416	(+21.2%)	
	Underwriting income*2	426	532	+105	(+24.8%)	789	+257	(+48.3%)	
	Loss ratio	68.2%	70.2%	+2.0pt	-	65.9%	-4.2pt	-	
	Expense ratio*2	25.7%	23.3%	-2.4pt	-	25.7%	+2.4pt	-	
	Combined ratio*2	93.9%	93.5%	-0.4pt	-	91.6%	-1.9pt	-	
Overseas*1	Net investment income	465	542	+83	(+16.5%)	797	+255	(+47.2%)	
	Net income	323	-427	-815	-	1,126	+1,554	-	
	Net foreign exchange gains	-74	-11	+63	-	-26	-15	-	
	Net realized and unrealized gains, net impairment losses, etc.*3	282	1,347	+1,065	-	-32	-1,379	-	
	Tax (loss) benefit	-15	-217	-195	-	+33	+250	-	
	Total overseas adjusted profit	538	703	+165	(+30.8%)	1,107	+403	(+57.3%)	
	Total overseas adjusted profit (¥ bn.)	61.8	93.3	+31.5	(+50.9%)	150.0	+54.4	(+60.6%)	

1Q preliminary results  
¥35.5 bn.

\*1 Excludes Non-SIH entities

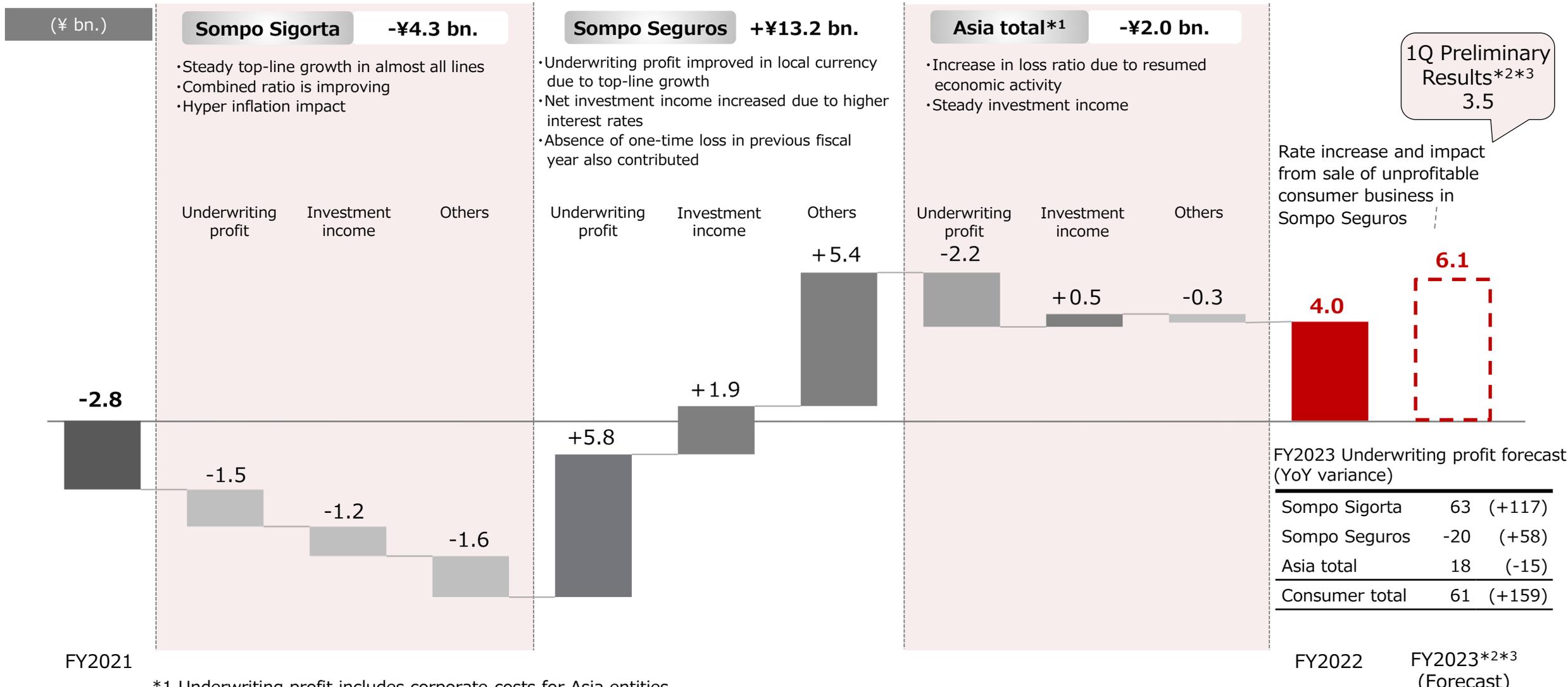
\*2 Corporate expense impacts are included for FY2021, FY2022 (-\$76 million, -\$89 million respectively). 1Q preliminary results and FY2023 forecast do not include corporate expenses.

\*3 Incl. unrealized gains and losses of securities on local IFRS standard

\*4 For FY2023 Forecast, the commercial business within Sompo Sigorta, Sompo Seguros and Asia are included within SI Commercial P&C

# (Reference) Performance Overview (SI Consumer)

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



\*1 Underwriting profit includes corporate costs for Asia entities  
 \*2 For FY2023, the commercial business within Sompo Sigorta, Sompo Seguros and Asia are excluded from SI Consumer  
 \*3 Underwriting profits are shown for FY2023 forecast and 1Q preliminary results

# (Reference) Business Results by Region

## Business results by region

		Net premiums written				Adjusted profit		
		FY2021 Actual	FY2022 Actual	Variance	FY2023 Forecast*1*2	FY2021 Actual	FY2022 Actual	Variance
SI Commercial P&C		870.0	1,181.6	+311.5	1,321.3	64.6	91.6	+27.0
SI Consumer	Sompo Sigorta (Middle East, Turkey)	24.7	50.5	+25.8	-	4.1	-0.1	-4.3
	Sompo Seguros (Latin America, Brazil)	60.7	90.1	+29.3	-	-15.8	-2.6	+13.2
	Asia Total	51.5	67.0	+15.5	-	8.8	6.8	-2.0
	Consumer Total	137.0	207.7	+70.6	124.8	-2.8	40	+6.8
Other(corporate cost, etc.)		-	-	-	-	-	-2.3	-2.3
Total		1,007.1	1,390.0	+382.9	1,446.1	61.8	93.3	+31.5

(Reference) Exchange rate	Dec. 2022	YoY Variance
JPY/USD	132.70	+15.4%
JPY/TRY	7.10	-21.6%
JPY/BRL	25.14	+24.5%

\*1 Exchange rate for FY2023 Forecast is based at the end of March 2023 (JPY/USD 133.53)

\*2 For FY2023 Forecast, the commercial business within Sompo Sigorta, Sompo Seguros and Asia are included within SI Commercial P&C

# Results by business

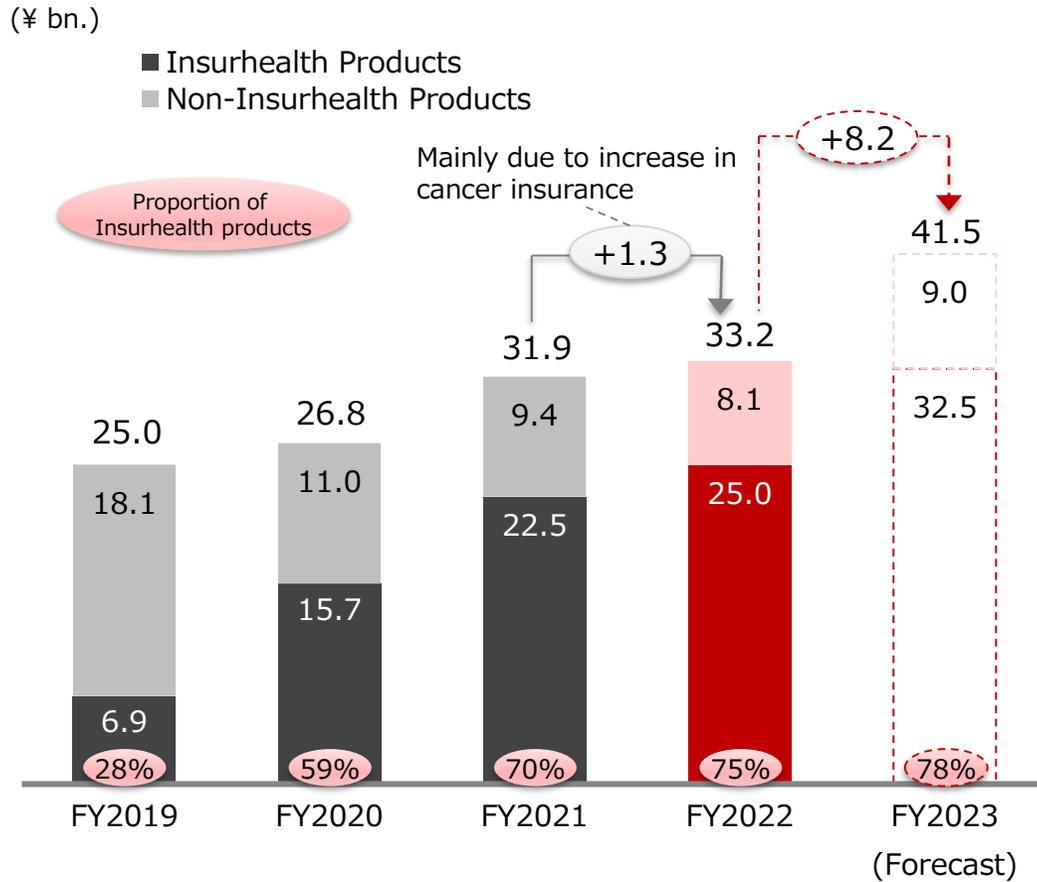
Title	Page
Domestic P&C Business (Sompo Japan)	15
Overseas Insurance/Reinsurance Business	29
<b>Domestic Life Insurance Business</b>	<b>38</b>
Nursing Care & Seniors Business	45
ERM	48



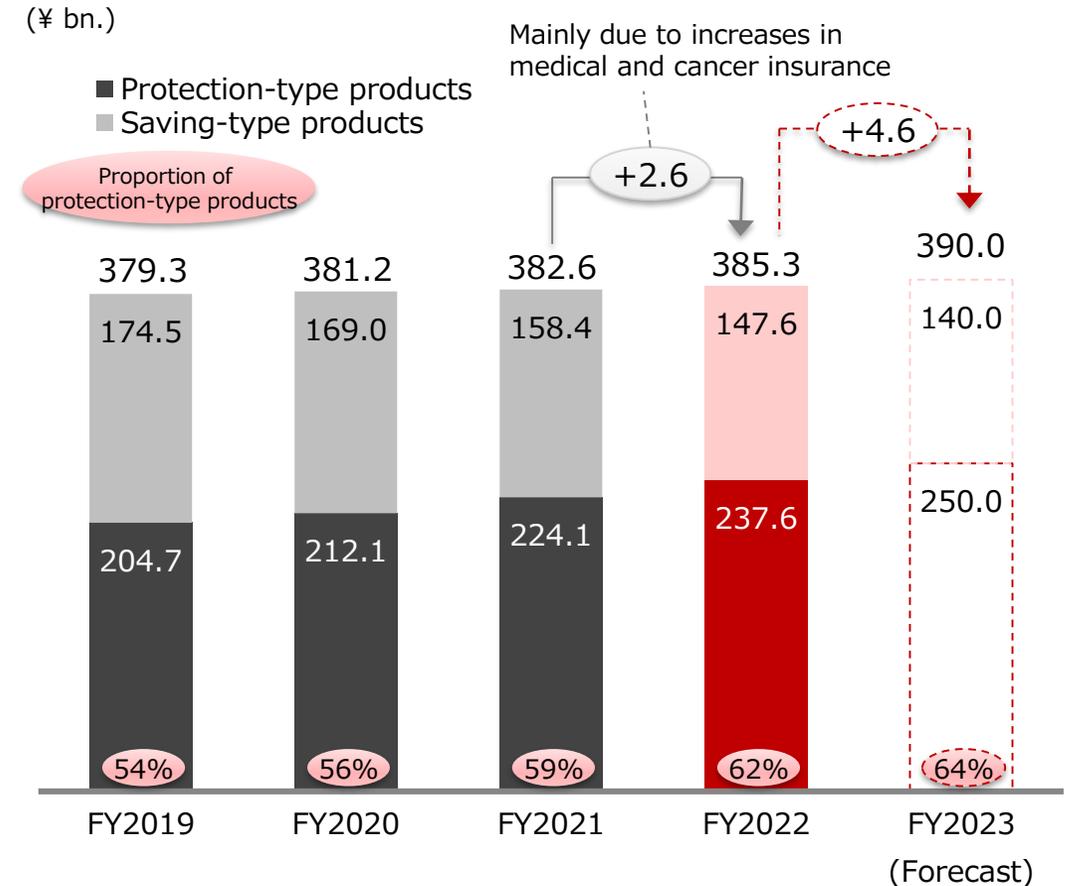
# Annualized New Premium and Annualized Premium in Force

- Annualized new premiums in FY2022 steadily increased due to strong product sales of Insurhealth®\*
- FY2023 annualized new premium expected to increase by +¥8.2 bn. owing to the launch of Insurhealth variable life insurance

## 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

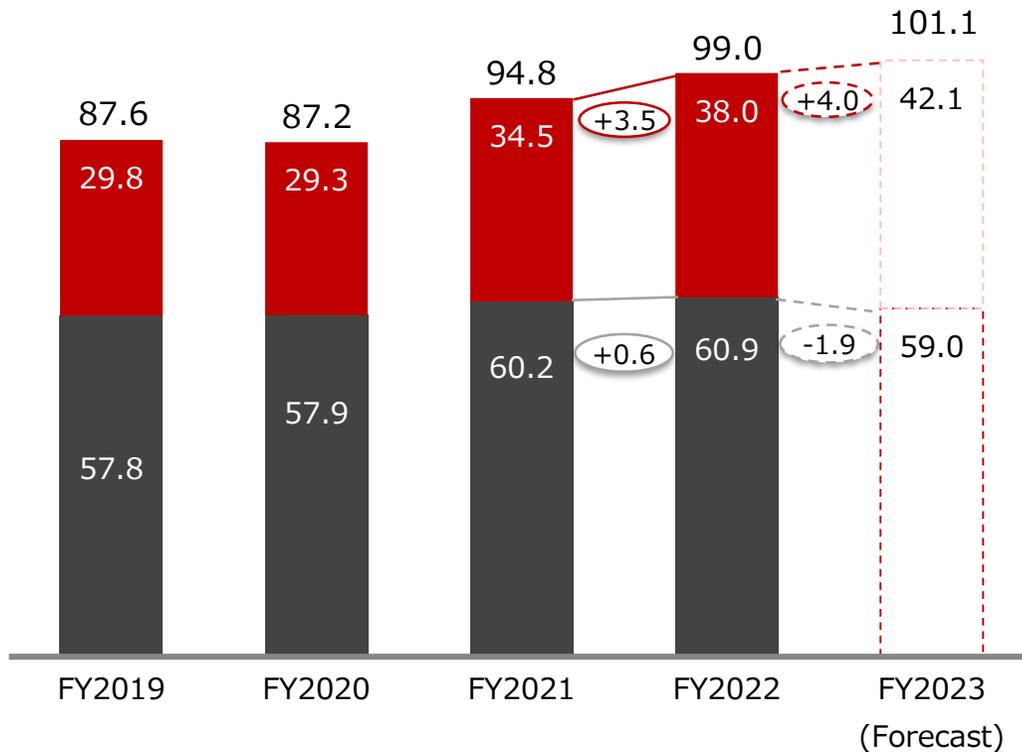
# Expense

- Acquisition costs for FY2022 increased due to an increase in new policies, nevertheless recurring expenses were appropriately controlled
- As in the past, FY2023 general expense will be properly controlled by reducing operating expenses, etc.

## Expense

(¥ bn.)

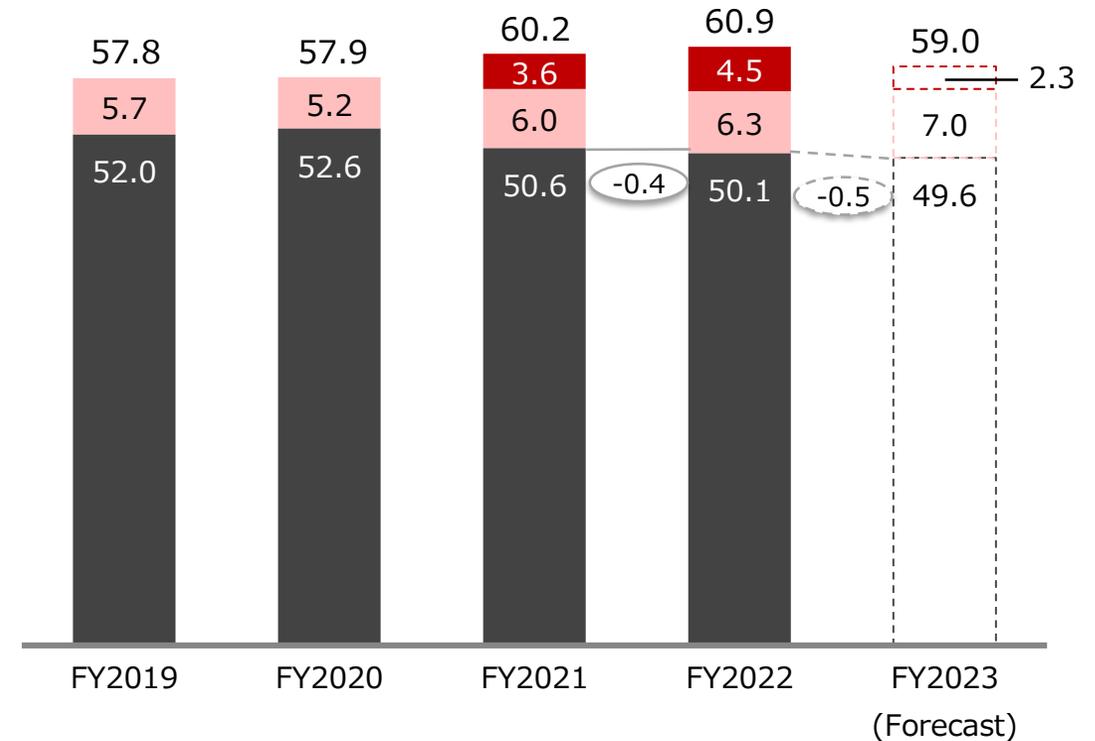
■ General expense ■ Acquisition cost



## General expense

(¥ bn.)

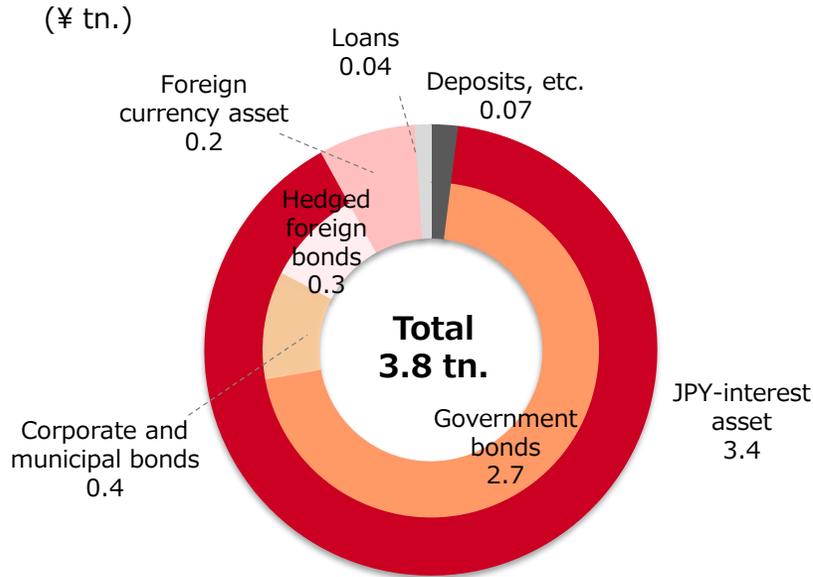
■ Operating expense ■ Policy related expense  
■ Growth investment



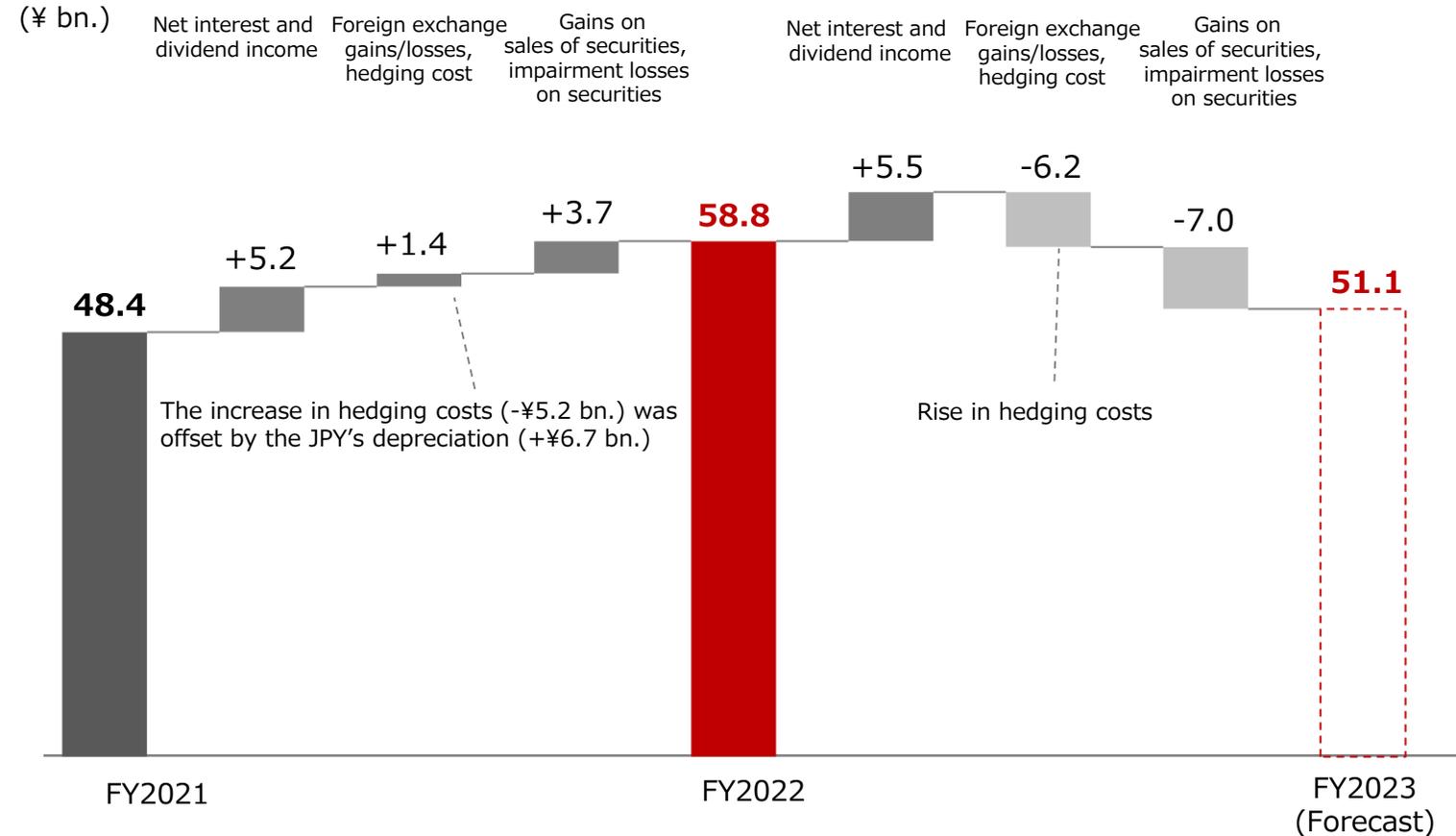
# Investment Profit/Asset Portfolio

- The duration gap narrowed down due to increased purchases of super long-term bonds
- In FY2023, strong interest and dividend income expected to partially offset soaring FX hedging costs

## Asset portfolio (as of the end of Mar. 2023, General account)



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



(Reference) Composition of rating (Total of JPY-interest assets and foreign currency bonds) : Securities rated below or equal to BB are not held.

# (Reference) Financials

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



(¥ bn.)	FY2021	FY2022	Variance		FY2023 (Forecast)
Annualized new premium	31.9	33.2	+1.3	(+4.1%)	41.5
Premium and other income*1	436.8	434.4	-2.4	(-0.6%)	439.8
Provision for policy reserve, etc.*2	278.6	270.1	-8.5	(-3.1%)	267.0
Paid claims, etc.	80.3	113.4	+33.0	(+41.1%)	89.0
Expense	94.8	99.0	+4.2	(+4.4%)	101.1
Investment profit	50.2	60.3	+10.0	(+20.0%)	52.5
of which, general account	48.4	58.8	+10.4	(+21.5%)	51.1
Basic profit*3	28.0	-1.8	-29.8	(-106.5%)	32.3
Ordinary profit*1	26.4	6.3	-20.1	(-76.1%)	26.3
Net income	15.9	0.9	-14.9	(-94.1%)	15.3
(Reference)					
Adjusted profit					
Provision of capital reserve	+0.7	+1.3	+0.5	(+68.2%)	+1.4
Adjustment of Underwriting reserve	+14.7	+13.8	-0.9	(-6.2%)	+14.7
Deferral of acquisition cost	+24.3	+26.7	+2.4	(+10.1%)	+29.8
Depreciation of acquisition cost	-23.3	-23.5	-0.1	(-0.8%)	-24.9
Gains/losses on sales of securities and impairment losses in securities	+1.1	-1.5	-2.6	(-230.3%)	+3.6
Adjusted profit	33.6	17.8	-15.7	(-46.9%)	40.0

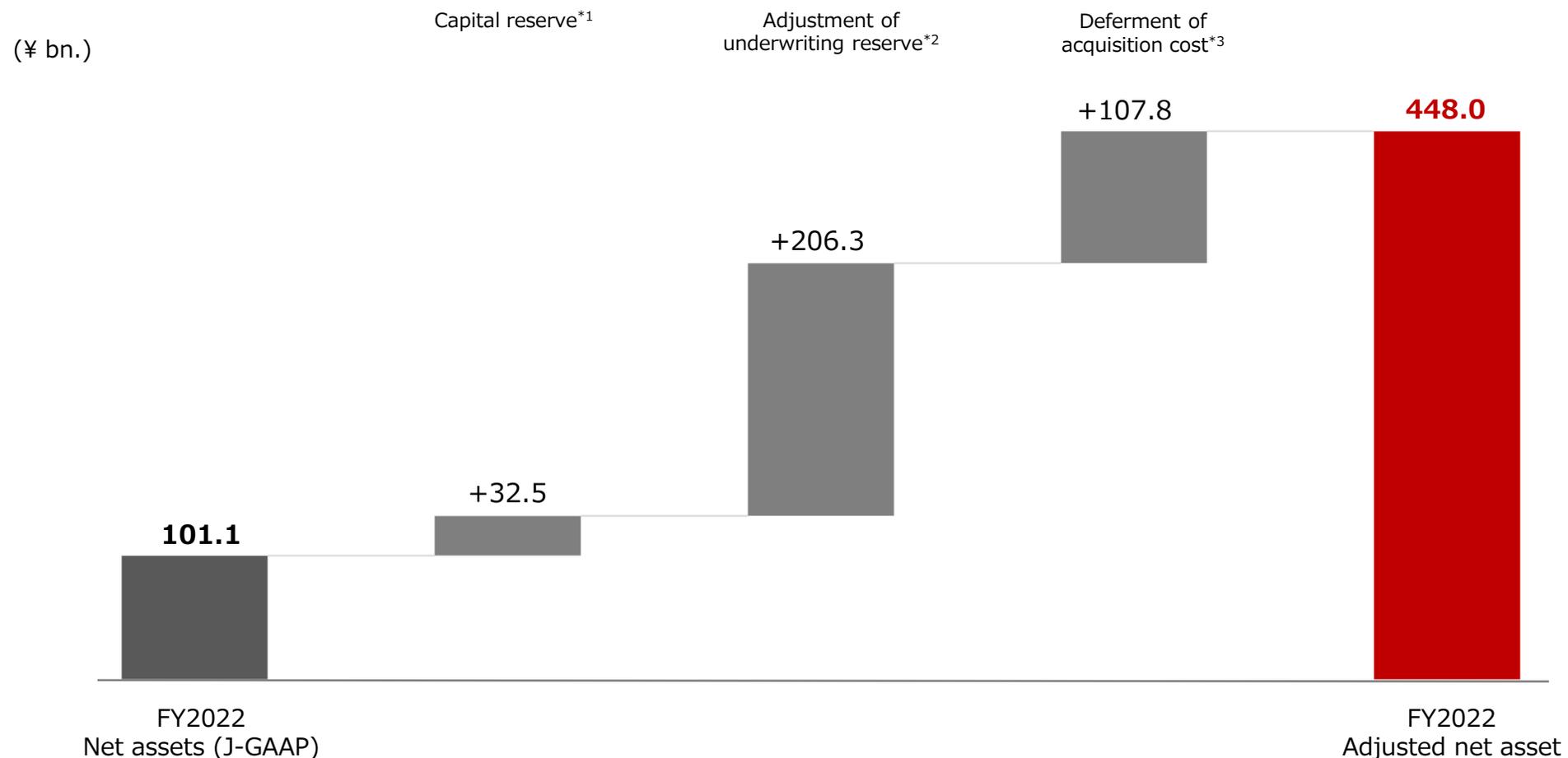
\*1 Figures based on legally required format for life insurance companies (which differ from the consolidated statement format)

\*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. FX 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)

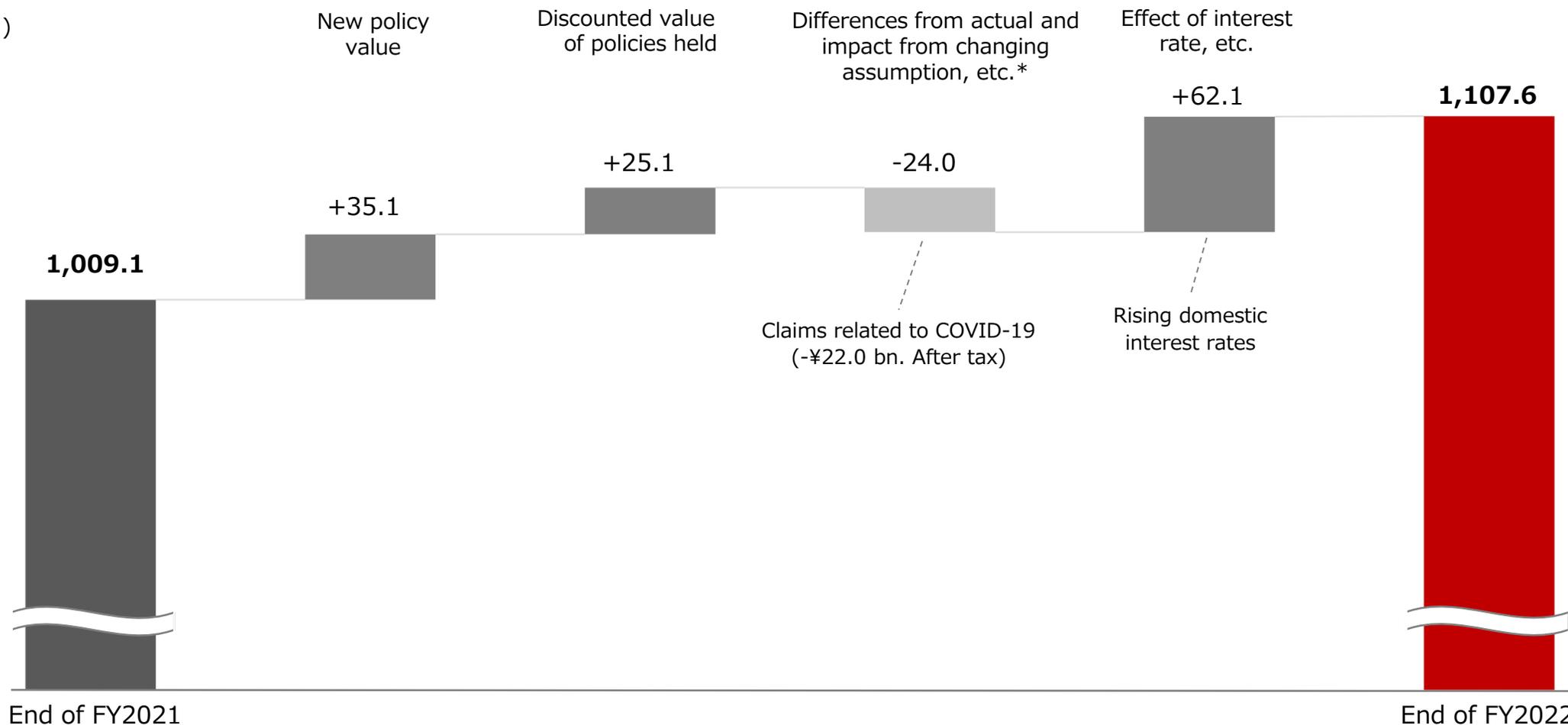
\*2 Re-calculation of underwriting reserve, which was calculated conservatively, with factors used for calculation of premiums (after tax)

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

# (Reference)MCEV

## Increase/decrease factors of MCEV

(¥ bn.)



\*Impact from changing assumption of cancellation ratio, etc.

# Results by business

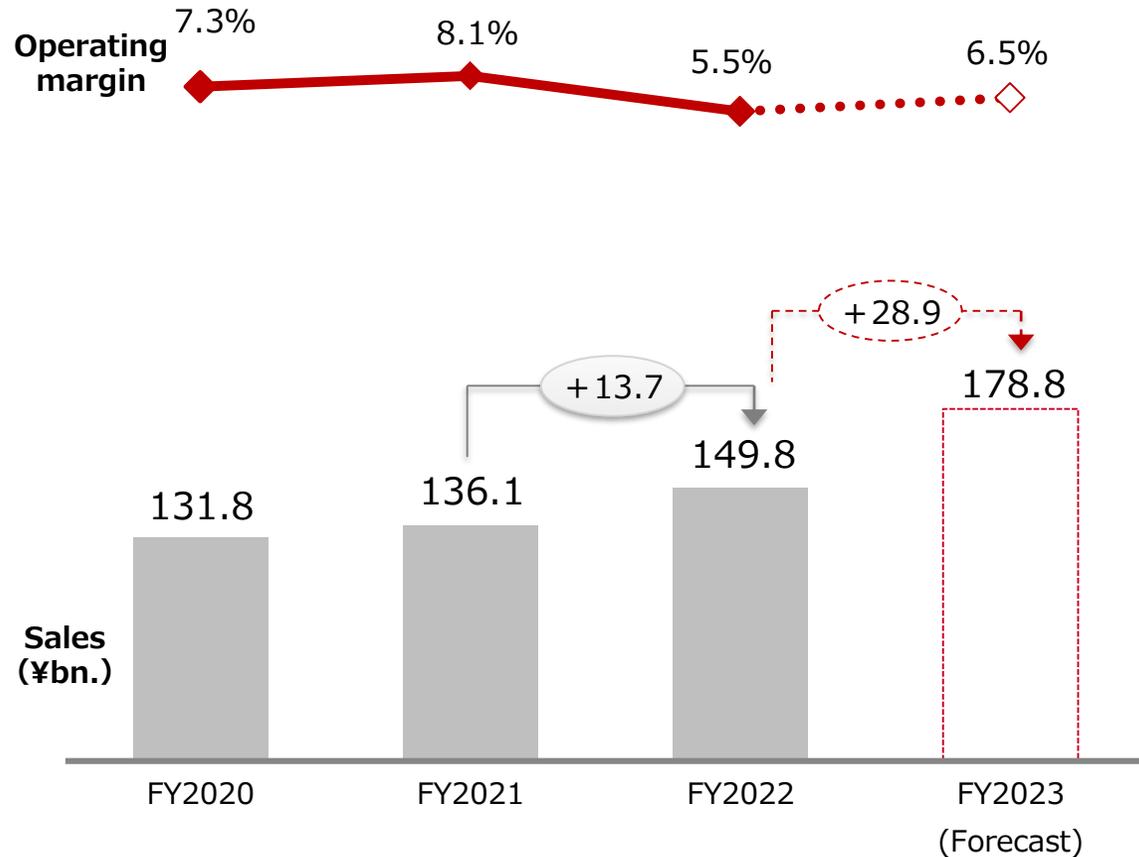
Title	Page
Domestic P&C Business (Sompo Japan)	15
Overseas Insurance/Reinsurance Business	29
Domestic Life Insurance Business	38
<b>Nursing Care &amp; Seniors Business</b>	<b>45</b>
ERM	48



# Sales/Operating Margin/Adjusted Profit

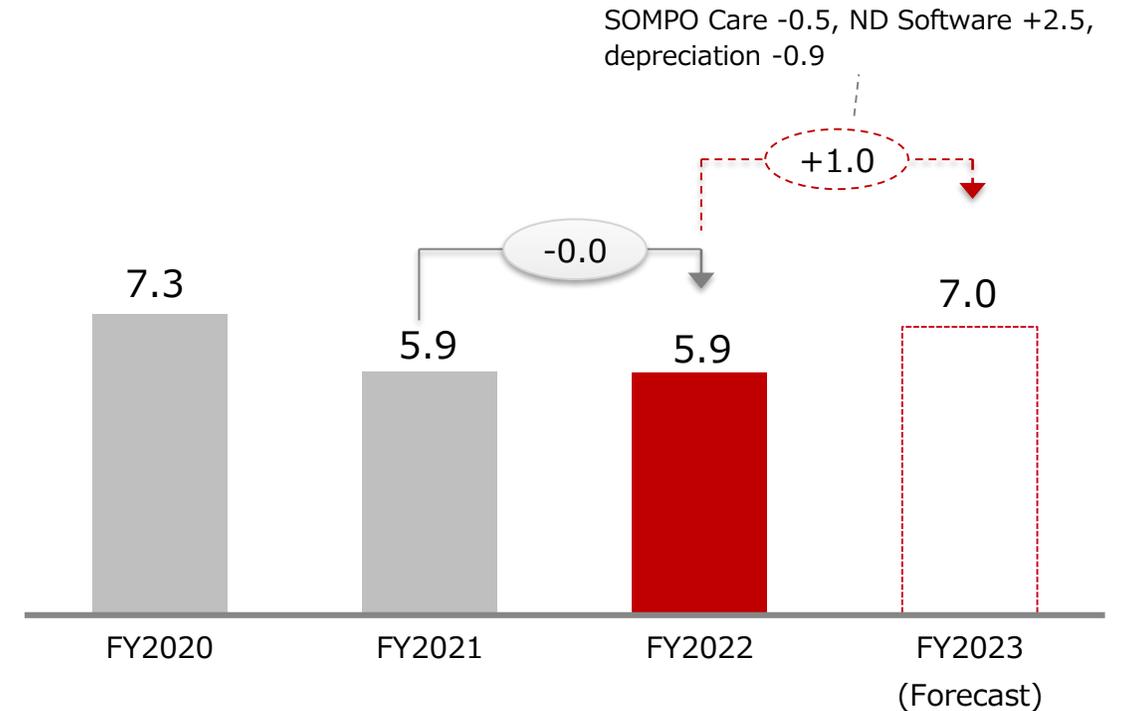
- FY2022 sales increased by ¥13.7 bn. YoY primarily due to improved occupancy rate
- Led by the acquisition of ND Software Co.,Ltd. and further improvement in the occupancy rate, FY2023 sales and adjusted profit are expected to grow by ¥28.9 bn. and ¥1.0 bn. YoY respectively

## Sales and operating margin of the Nursing care & seniors business



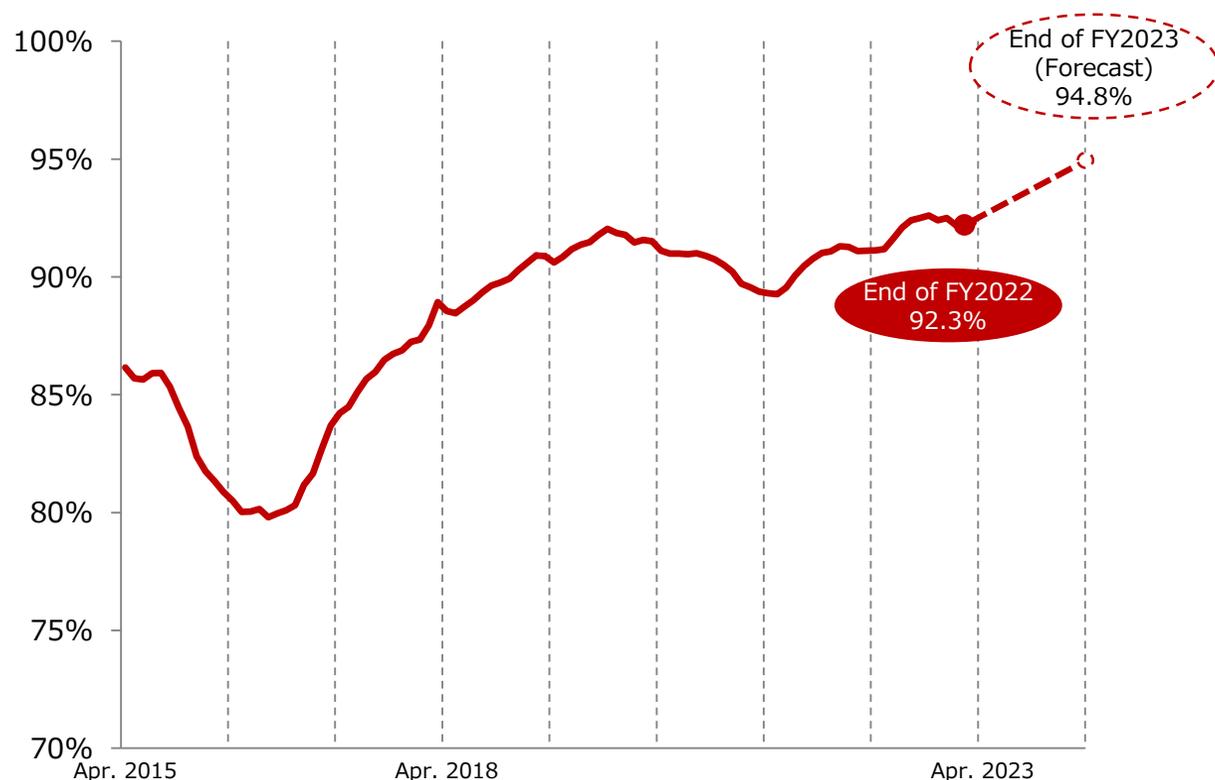
## Adjusted profit of the Nursing care & seniors business

(¥ bn.)



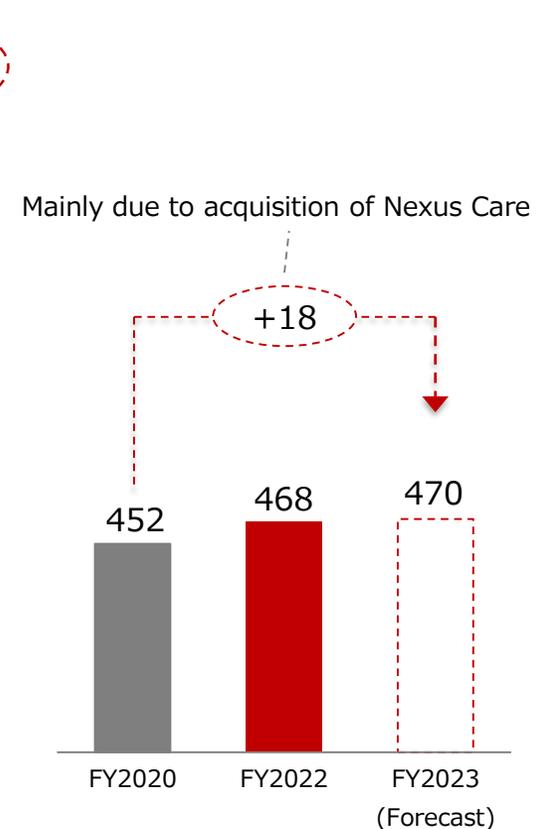
# (Reference) Occupancy Rate/Number of Facilities

## Occupancy rate\*1\*2 (SOMPO Care)

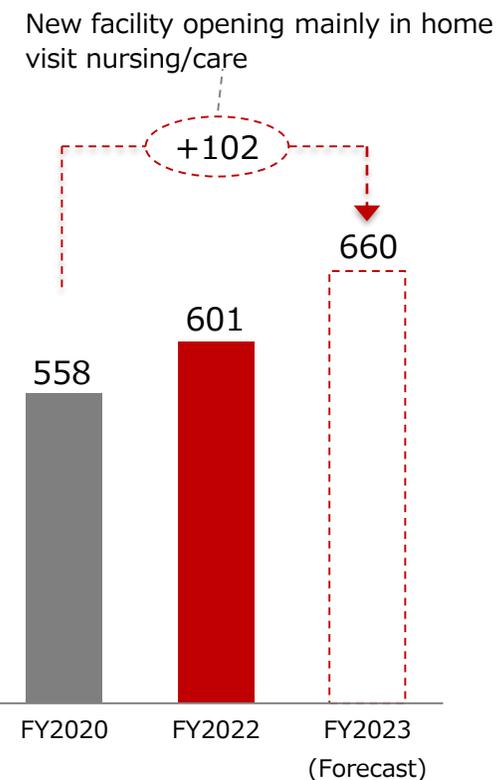


## Number of facilities\*3 (SOMPO Care)

### Number of residential facilities



### Number of facilities of home care service



\*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

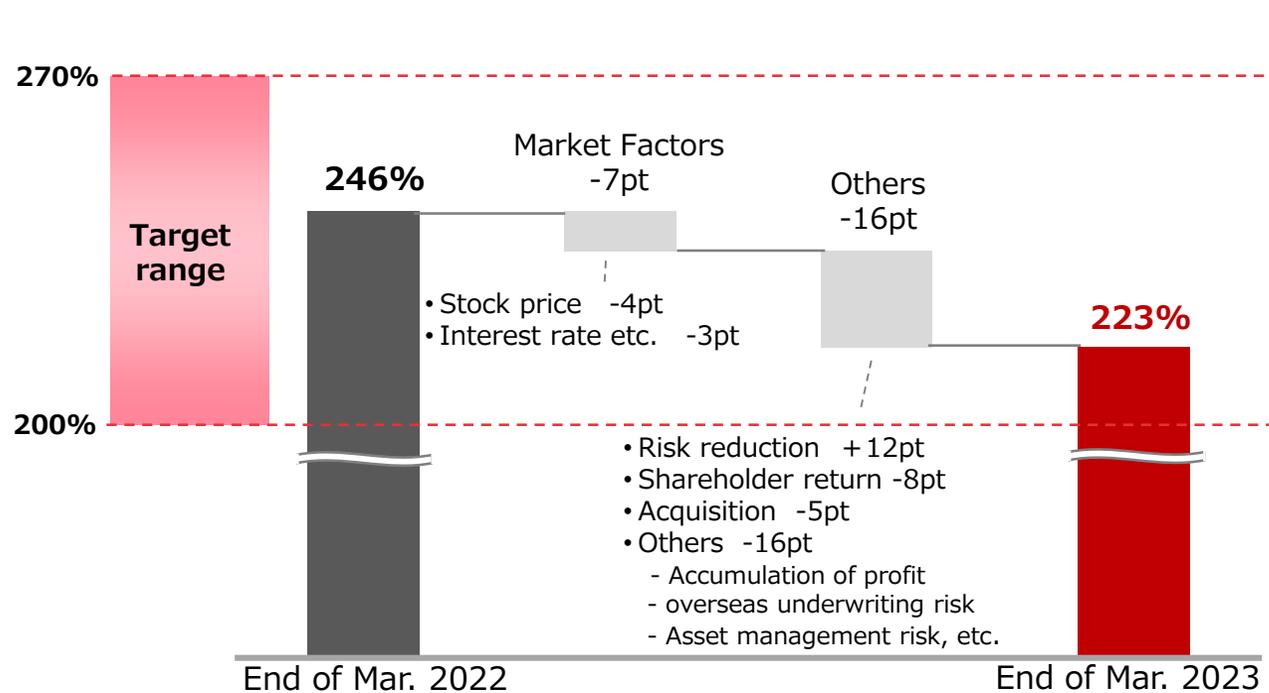
Title	Page
Domestic P&C Business (Sompo Japan)	15
Overseas Insurance/Reinsurance Business	29
Domestic Life Insurance Business	38
Nursing Care & Seniors Business	45
<b>ERM</b>	<b>48</b>



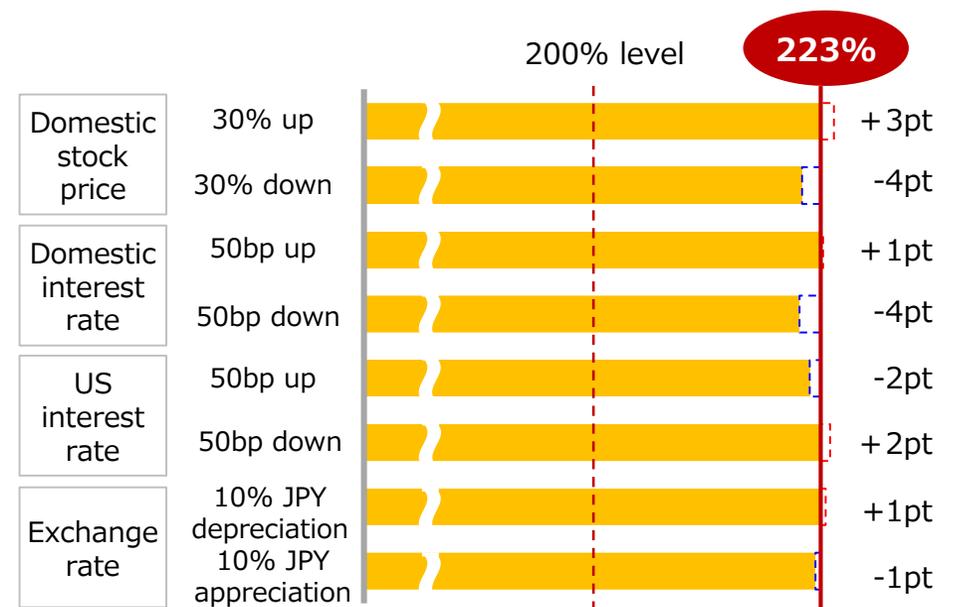
# Financial Soundness – ESR (99.5% VaR)

- Despite financial market volatility and expansion in the Overseas business, ESR at the end of March 2023 was 223%, within the target range
- As a result of accelerating purchase of ultra long bonds, sensitivity to a 50bp up and fall in domestic interest rates has gone down by 9pt since the end of March 2022

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



## Sensitivity analysis of ESR (99.5%VaR) (as of the end of Mar. 2023)



(Reference) Market indicators	End of Mar. 2023	(Variance*2)
Domestic stock price (TOPIX)	2,003.50	(+2.9%)
Domestic interest rate (30y JGB)	1.30%	(+39bp)
US interest rate (10y Treasury)	3.47%	(+113bp)
Exchange rate (JPY/USD)	¥133.53	(+9.1%)

\*2 Against end of Mar. 2022

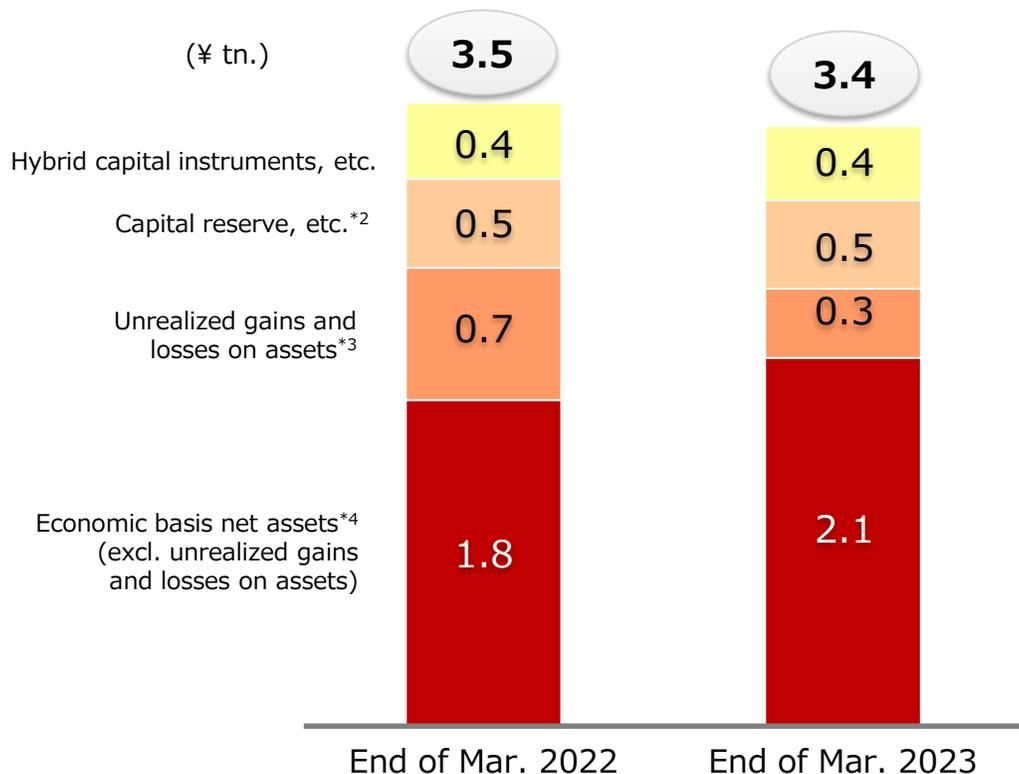
Risk reduction initiative  
(progress against the FY2022 target)

<b>Stock price risk</b>	Reduction of strategic-holding stocks	¥70.3bn./¥70.0bn.
<b>Interest rate risk</b>	Investment in super long-term bonds	¥489.3bn./¥500.0bn.

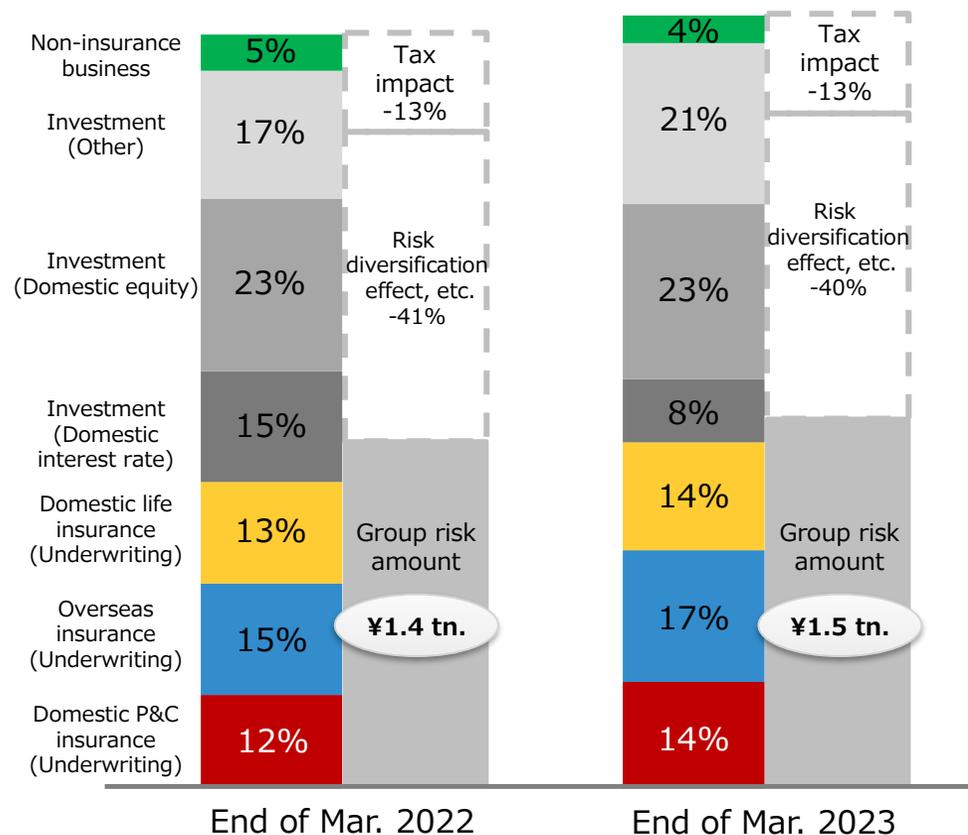
\*1 In accordance with Solvency II

# (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

# (Reference) Management Indicators, etc.

## Management indicators

(¥bn.)	FY2021		FY2022		FY2023	
	Actual	Segment ROE*4	Actual	Segment ROE*4	Forecast	Segment ROE*4
Domestic P&C insurance	157.4	11.7%	32.0	2.2%	80.0	5.4%
Overseas insurance	61.8	7.1%	93.3	9.5%	150.0	12.3%
Domestic life insurance	33.6	4.5%	17.8	2.6%	40.0	6.2%
Nursing care & seniors	5.9	10.7%	5.9	10.2%	7.0	5.3%
Digital, etc.	2.4	-	3.0	-	2.0	-
<b>Total (Adjusted consolidated profit)</b>	<b>261.3</b>	<b>-</b>	<b>152.2</b>	<b>-</b>	<b>280.0</b>	<b>-</b>
<b>Adjusted consolidated ROE*3</b>	<b>9.4%</b>	<b>-</b>	<b>5.5%</b>	<b>-</b>	<b>10%+</b>	<b>-</b>
ROE (J-GAAP)	11.1%	-	4.7%	-	12.1%	-

## 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
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 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.

### Contacts



**Sompo Holdings, Inc.**

#### **Investor Relations Department**

Telephone : +81-3-3349-3913

E-Mail : [ir@sompo-hd.com](mailto:ir@sompo-hd.com)

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