

# Highlights of 1Q FY2023 Results

August 9, 2023

Sompo Holdings, Inc.

# Regarding Japanese Media Coverage on Sompo Japan

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**Sompo Japan, one of a range of businesses operated by Sompo Holdings and which offers property and casualty insurance services in the Japanese market, has been mentioned in media reports relating to issues with fraudulent insurance claims at BIGMOTOR Co., Ltd. and potential collusion on pricing among Japanese non-life insurers.**

**Investigation committees consisting of third party attorneys and others have been established on each of these issues to verify Sompo Japan's involvement in the two separate matters and to clarify the company's response.**

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### Exchange Rate (JPY/USD)

1Q FY2023 Actual	144.99 (YoY : +8.4%)	End of Jun. 2023
	-Overseas* 133.53 (YoY : +9.1%)	End of Mar. 2023
FY2023 Forecast	133.53	End of Mar. 2023

\* Overseas Insurance/Reinsurance Business

# Highlights of 1Q FY2023 Results

## Group Results

- **Net premiums written was up ¥84.3 bn. (+8.0%) YoY to ¥1,136.4 bn.**
  - Top-line growth at SI Commercial P&C (+¥70.1 bn.) led the increase
  - Sompo Japan grew mainly in casualty and other lines of business
- **Consolidated net income was ¥100.0 bn., highest ever for the first quarter and adjusted consolidated profit was ¥81.8 bn. (29% progress against plan)**
  - Increased profit in the Overseas business due to strong investment income and in Himawari life driven by absence of COVID-19 impact
  - Both net income and adjusted profit are favorably on track on a Group basis

## Highlights of Business

**Sompo Japan** Adjusted profit was ¥35.6bn., in line with the full-year forecast of ¥79.5 bn. and sales of strategic holdings stocks progressed well

**Overseas** Both underwriting profit and investment profit were above plan and adjusted profit was ¥34.7bn., +¥14.6 bn. YoY

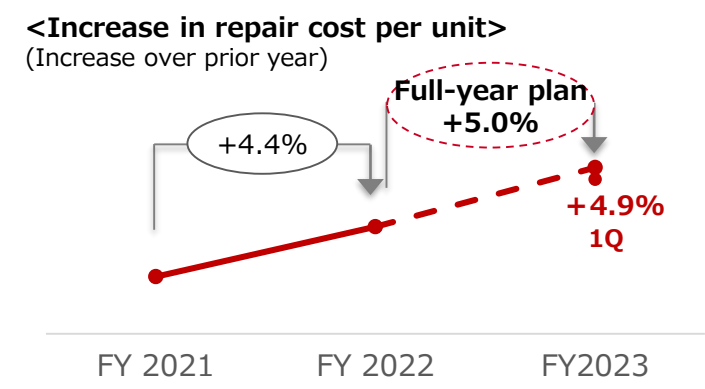
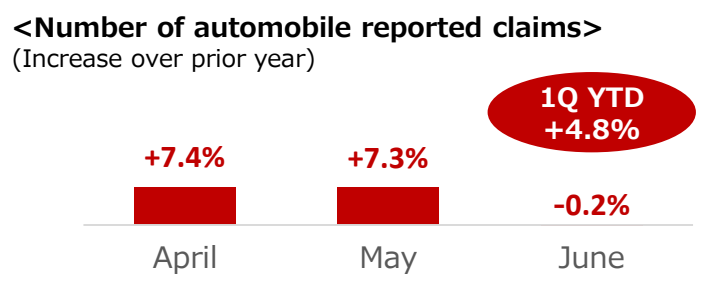
**Himawari Life** Adjusted profit was ¥9.9bn., in line with the full-year forecast of ¥40.0 bn., mainly due to the absence of COVID-19 impact (+¥4.1 bn.)

**Nursing Care & Seniors** Progress of adjusted profit was in line with plan due to improvement in occupancy rate and ND Software integration impacts

# Topics

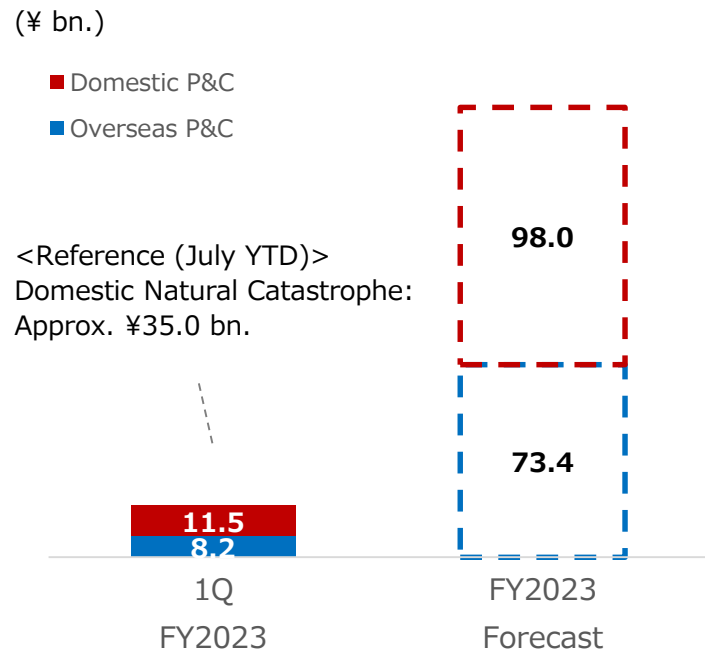
## Automobile Insurance

Number of reported claims slightly higher as of 1Q, increase in repair cost per unit better than forecast



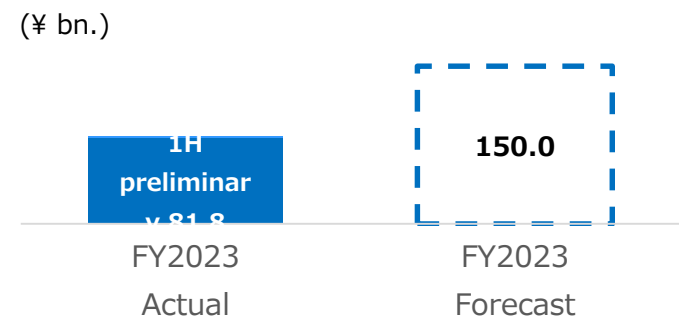
## Natural Disasters

Natural catastrophe impact 1Q was limited both domestic and overseas

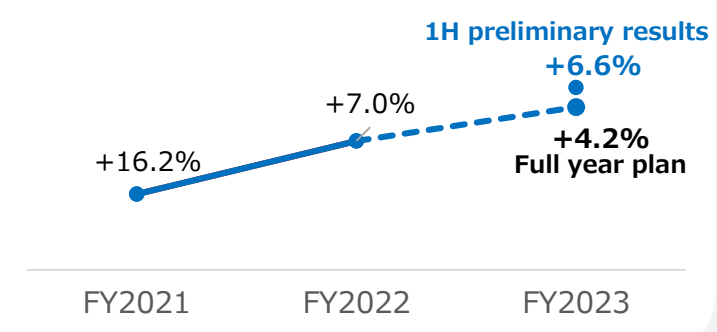


## Overseas business 1H preliminary results

Adjusted profit exceeding plan



Insurance rate increase above plan



- \* Excl. claims caused by natural disasters the total loss from which exceeds certain guideline amount.
- \* Since outstanding loss reserves for 1Q results are calculated by a compendium method, incurred losses related to natural disasters are not aggregated except for typhoon No.2 (¥11.4 bn.).
- \* Following exchange rates were used for FX conversion; FY 2023 Forecast: ¥133.53/US\$, 1H preliminary results: ¥144.99/US\$
- \* 1H preliminary results for the overseas business are unaudited and subject to change. Final figures will be announced together with the half-year results of Sompo Holdings in November.
- \* Insurance rates for the overseas business includes SI Commercial's North America business and Global Markets business.

# Performance Overview

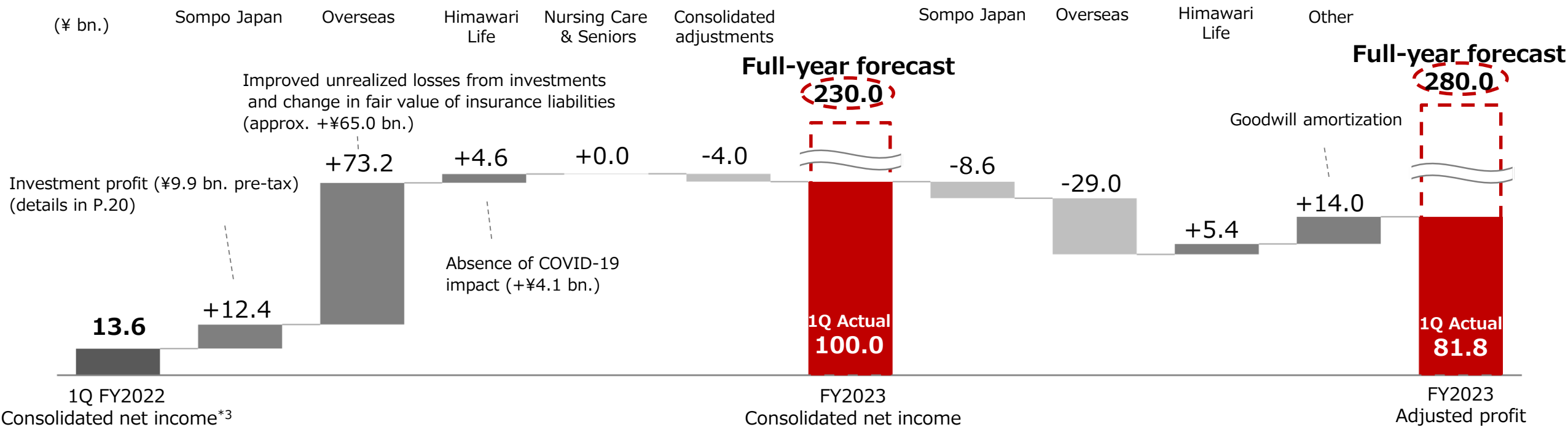


# Breakdown of Consolidated Net Income / Adjusted Profit

- Adjusted consolidated profit for the first quarter of FY2023 is 81.8 billion yen (+27.9% YoY) due to increased interest and dividend income in the overseas business and the absence of COVID-19 impact
- Consolidated net income increased 86.3 billion yen YoY to 100.0 billion yen, mainly due to the impact of the change in accounting standards

## Increase/decrease factors of consolidated net income(after tax)<sup>\*1\*2</sup>

## Conversion to adjusted consolidated profit



	Sompo Japan	Overseas	Himawari Life	Nursing Care & Seniors	Consolidated adjustment/Others	Consolidated net income	Adjusted profit
1Q FY2022	¥31.8 bn.	-¥9.5 bn.	-¥0.1 bn.	¥1.3 bn.	-¥9.8 bn.	¥13.6 bn.	¥63.9 bn.
<b>1Q FY2023</b>	<b>¥44.2 bn.</b>	<b>¥63.7 bn.</b>	<b>¥4.4 bn.</b>	<b>¥1.3 bn.</b>	<b>-¥13.8 bn.</b>	<b>¥100.0 bn.</b>	<b>¥81.8 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>	<b>¥280.0 bn.</b>

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

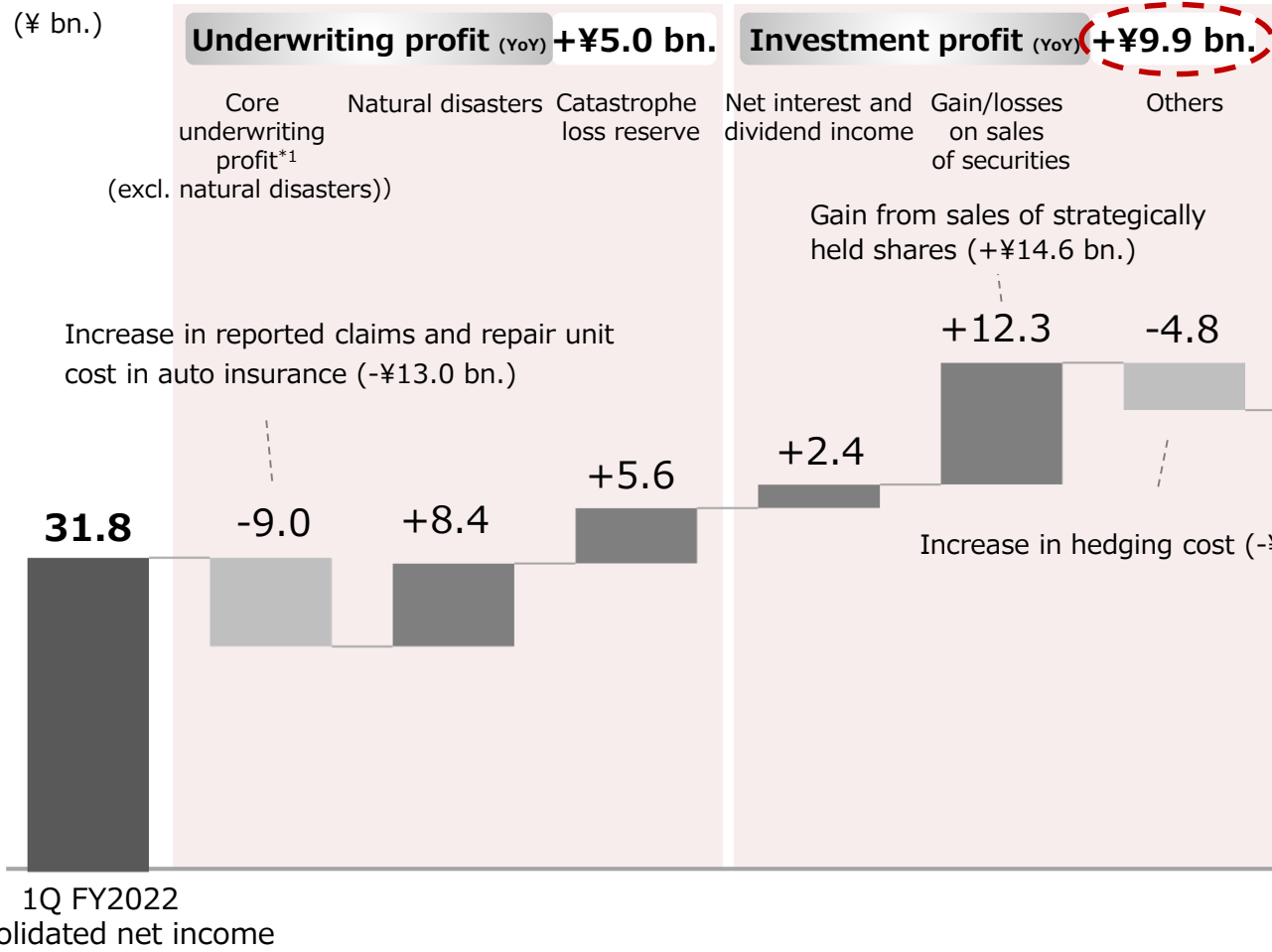
\*2 Due to the application of IFRS9 and IFRS17 in SI local accounting, unrealized losses on securities and changes in fair value of insurance liabilities are recognized in consolidated net income. Adjusted profit remains unchanged.

\*3 Financial impact from the accounting change above in the amount of -¥28.1 bn. are included.

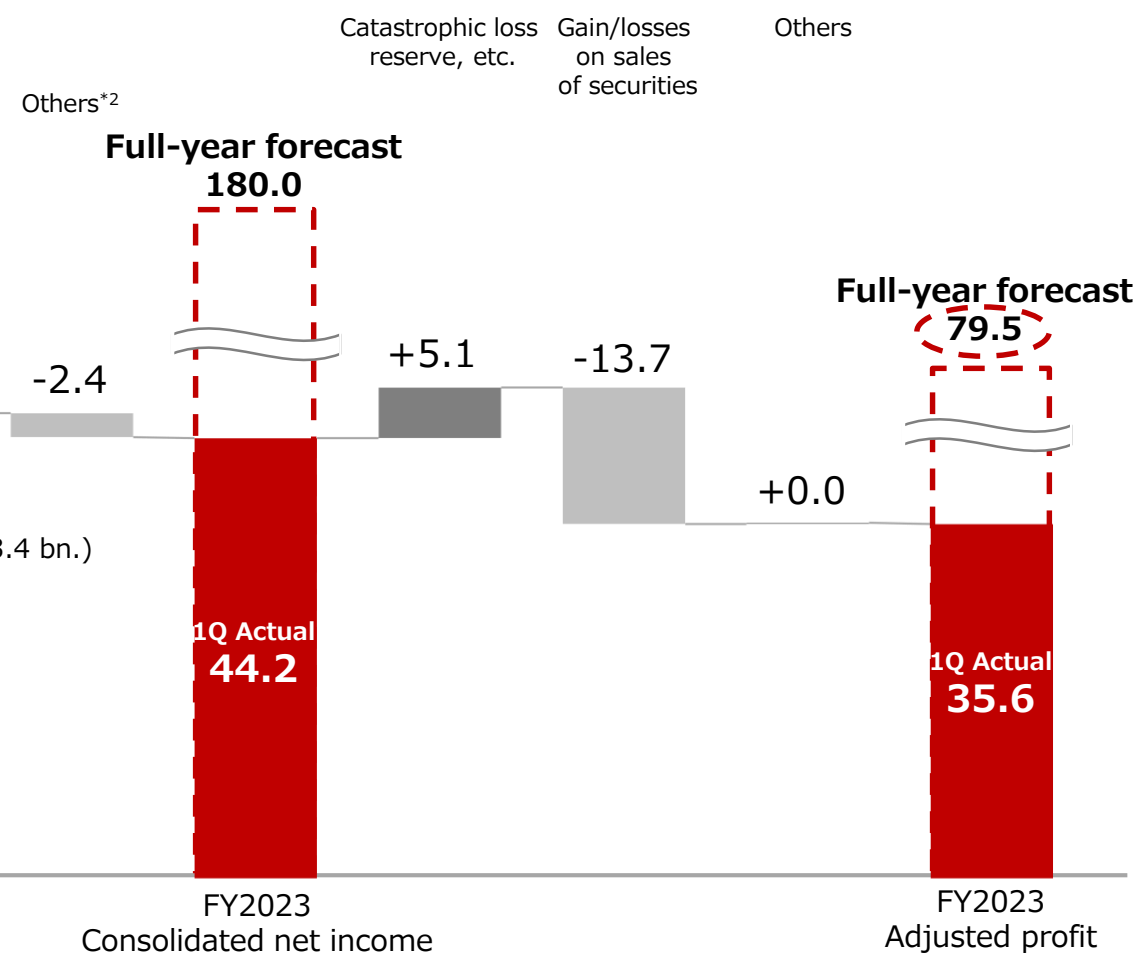
# Breakdown of Net Income / Adjusted Profit – Sompo Japan

- Steady progress in adjusted profit of ¥35.6 bn., with a decrease in the impact of natural disasters offsetting the increase in incurred claims in automobile insurance
- Net income increased by +¥12.4 bn. to ¥44.2 bn., with favorable progress in the sale of strategically held shares

## Increase/decrease factors of net income



## Conversion to adjusted profit



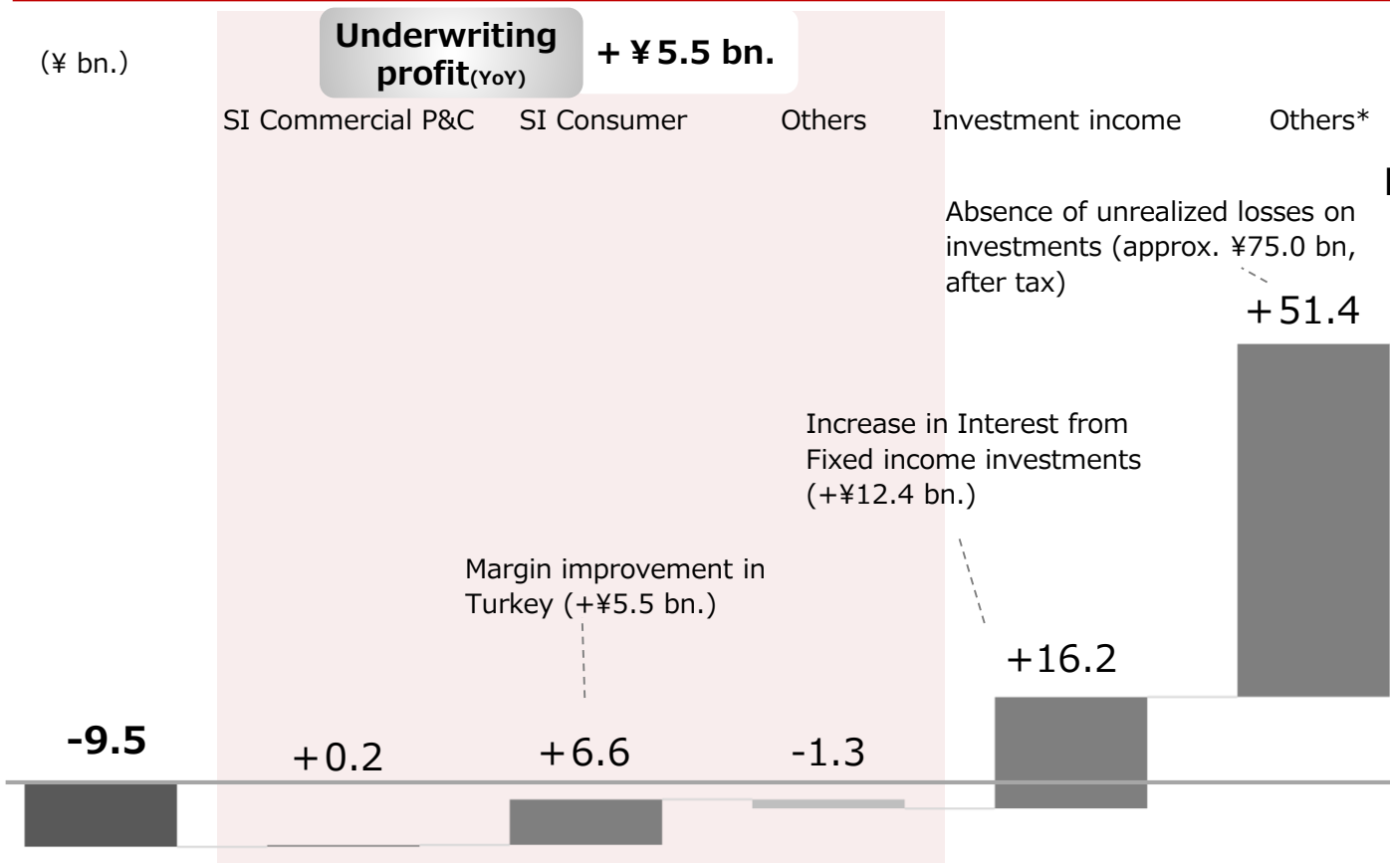
\*1 Core underwriting profit is underwriting profit less the impact related to catastrophic loss reserve.  
 \*2 Extraordinary gains/losses, corporate taxes, etc.



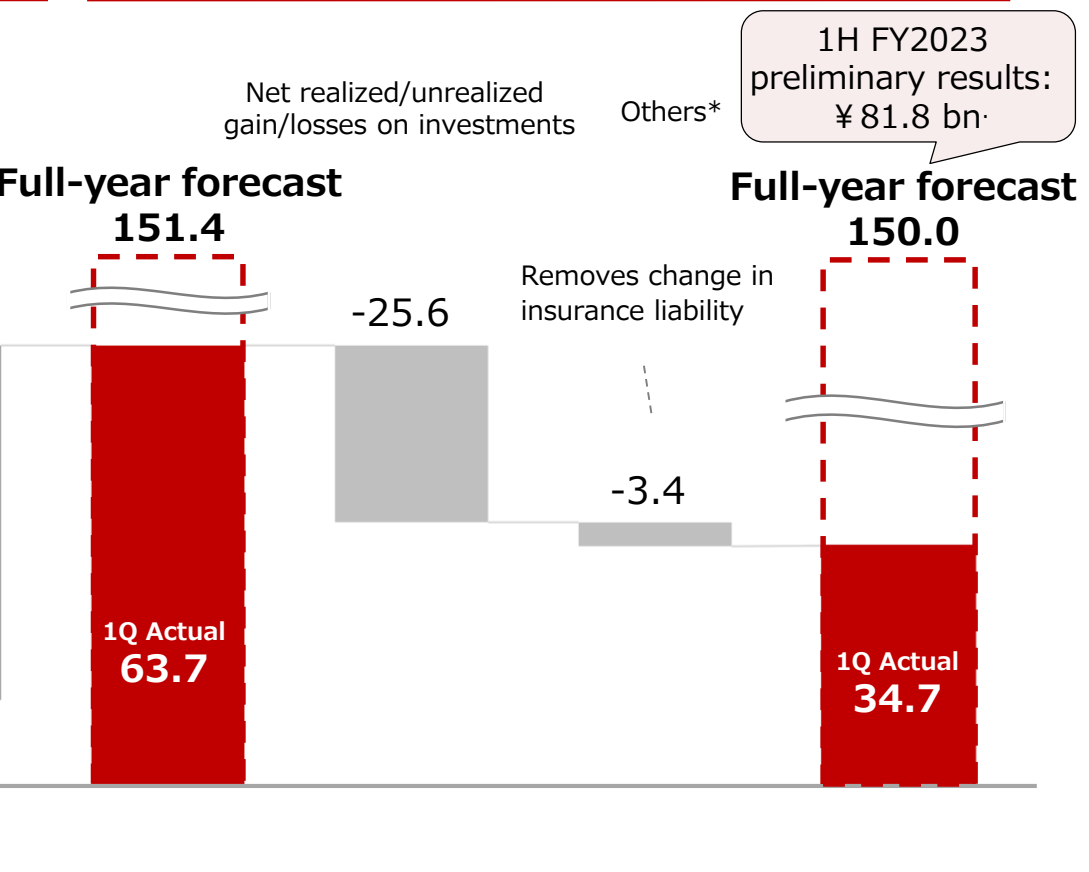
# Breakdown of Net Income / Adjusted Profit – Overseas Insurance / Reinsurance Business

- Both underwriting income and investment income exceeded the plan, leading to adjusted profit of ¥ 34.7 bn. with ¥ 14.6 bn. increase YoY (Preliminary result of adjusted profit is for 1H FY2023 ¥ 81.8 bn.)
- Net income increased by ¥ 73.2 bn. to ¥ 63.7 bn. mainly due to absence of unrealized losses on securities following the increase in interest rates

## Increase / decrease factors of net income



## Conversion to adjusted profit



1Q FY2022  
Net income

1Q FY2023  
Net income

FY2023  
Adjusted profit

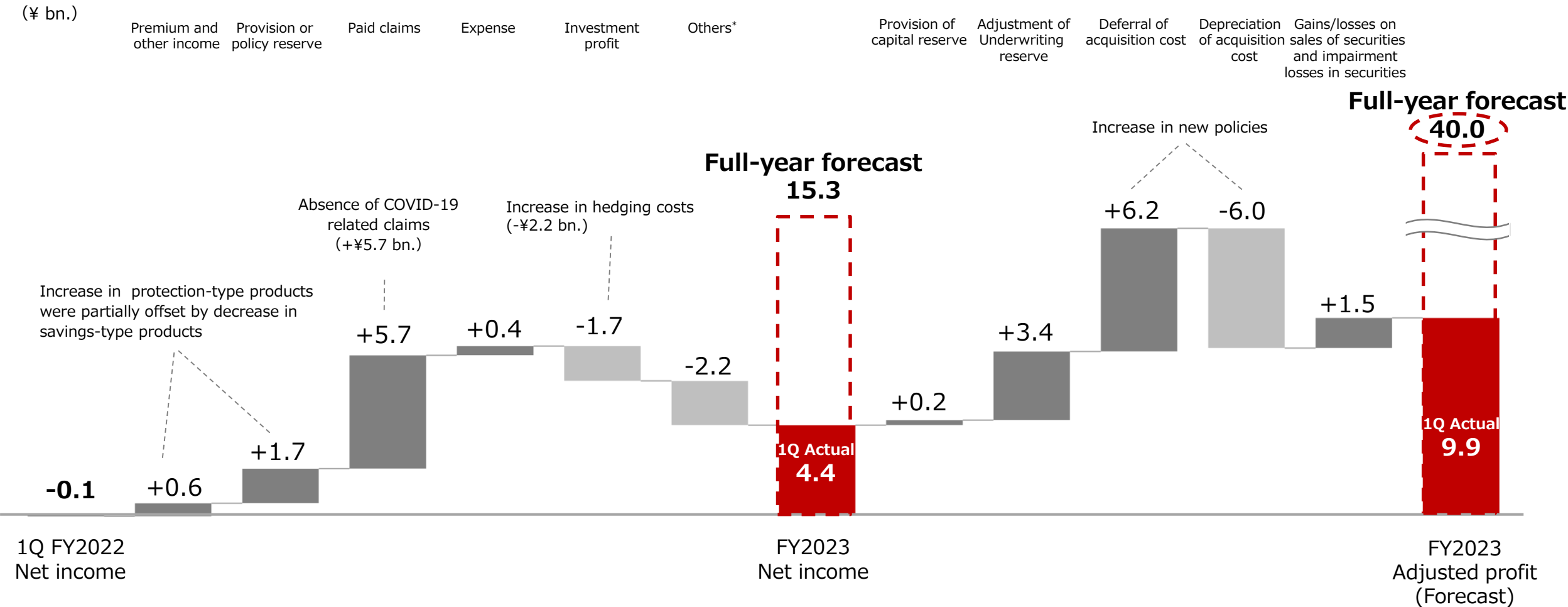
\*Includes effect of IFRS17 adoption

# Breakdown of Net Income / Adjusted Profit – Himawari Life

- Adjusted profit for the first quarter of FY2023 was ¥9.9 bn., steady progress toward achieving the full-year forecast
- Net income was 4.4 billion yen, an increase due to the absence of COVID-19 impact and an increase in holdings of protection-type products

## Increase/decrease factors of net income

## Conversion to adjusted profit



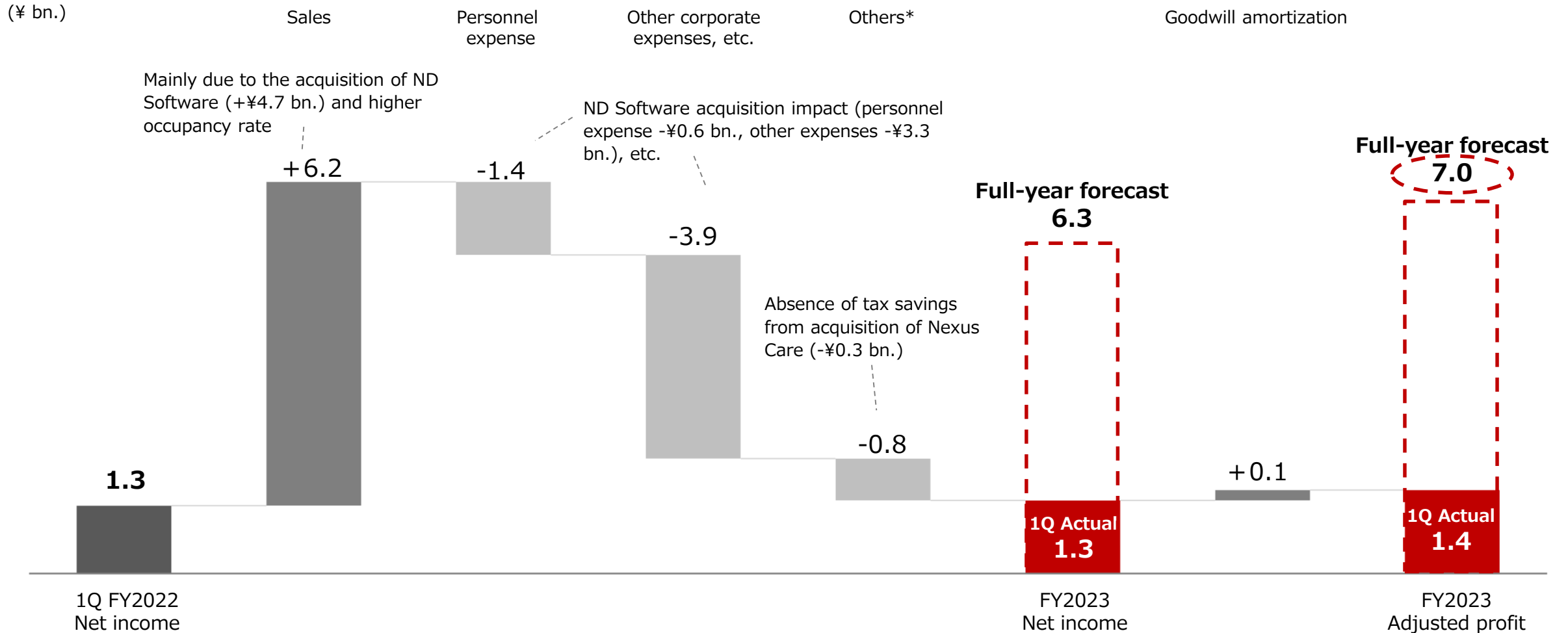
\* Corporate income tax, etc.

# Breakdown of Net Income / Adjusted Profit – Nursing Care & Seniors

- Net income and adjusted profit for 1Q FY2023 is on track and in line with the full-year forecast

## Increase/decrease factors of net income

## Conversion to adjusted profit



\* Includes tax impact, etc.

## (Reference) Breakdown of Adjusted Consolidated Profit

### Increase/decrease factors of consolidated net income(after tax)\*1\*2

(¥ bn.)      Sompo Japan      Overseas      Himawari Life      Nursing Care & Seniors      Consolidated adjustments

Reduction in unrealized losses from investments and change in fair value of insurance liabilities (approx. +¥65.0 bn.), increase in SI investment income and improvement in combined ratio

Mainly due to the absence of one-time factors (+¥47.0 bn.)

Mainly due to the absence of one-time factors caused by COVID-19 (+¥22.0 bn.)

**26.4**  
FY2022  
Adjusted net income\*

+71.9

+142.3

+14.3

+0.8

-25.9

**230.0**  
FY2023  
Adjusted net income

### Conversion to adjusted consolidated profit

Sompo Japan      Overseas      Himawari Life      Others

Adjusted for catastrophic loss reserve and gain on sales of securities

Adjustment of goodwill amortization and dividends from overseas subsidiary

Adjustment in underwriting reserve

-1.4

+24.7

+127.2

**280.0**  
FY2023  
Adjusted consolidated profit

\* Financial impact from the application of IFRS9 and IFRS17 in SI local accounting, in the amount of -¥64.7 bn. is included

# (Reference) Consolidated Financials

(\$ bn.)	1Q results			Full-year results		
	1Q FY2022 Actual*1	1Q FY2023 Actual	Variance	FY2022 Actual*1	FY2023 Forecast	Variance
Consolidated ordinary income	1,266.5	1,449.4	+182.9	4,525.8	-	-
Net premiums written (P&C)	1,052.1	1,136.4	+84.3	3,670.7	3,731.0	+60.2
Life insurance premiums	74.4	75.4	+1.0	316.7	334.0	+17.2
Consolidated ordinary profit	23.5	128.7	+105.1	49.5	322.0	+272.4
Sompo Japan	41.2	55.5	+14.2	124.9	225.0	+100.0
Overseas insurance subsidiaries*1	-8.4	79.4	+87.8	153	191.5	+176.2
Himawari Life	0.0	6.6	+6.5	2.9	22.9	+19.9
SOMPO Care	1.6	2.2	+0.6	7.9	9.9	+2.0
Consolidate adjustment*1*2/Others	-10.9	-15.1	-4.1	-101.6	-127.4	-25.7
Consolidated net income	13.6	100.0	+86.3	26.4	230.0	+203.5
Sompo Japan	31.8	44.2	+12.4	108.0	180.0	+71.9
Overseas insurance subsidiaries*1	-9.5	63.7	+73.2	9.0	151.4	+142.3
Himawari Life	-0.1	4.4	+4.6	0.9	15.3	+14.3
SOMPO Care	1.3	1.3	+0.0	5.4	6.3	+0.8
Consolidate adjustment*1*2/Others	-9.8	-13.8	-4.0	-97.0	-123.0	-25.9
(Reference) Adjusted consolidated profit	63.9	81.8	+17.8	152.2	280.0	+127.7
Domestic P&C insurance	36.4	35.1	-1.2	32.0	80.0	+47.9
Overseas insurance	20.0	34.7	+14.6	93.3	150.0	+56.6
Domestic life insurance	5.7	9.9	+4.1	17.8	40.0	+22.1
Nursing care & seniors	1.4	1.4	+0.0	5.9	7.0	+1.0
Digital, etc.	0.3	0.5	+0.2	3.0	2.0	-1.0

\*1 Includes impact of adoption of IFRS9 and IFRS17, adjusted consolidated profit remains unchanged

(\$ bn.)	1Q FY2022	FY2022
Consolidated ordinary profit	-31.7	-73.0
Consolidated net income	-28.1	-64.7

\*2 Includes below

(\$ bn.)	1Q FY2022	1Q FY2023
Amortization of goodwill	6.2	7.5
Consolidation adjustments (pre-tax)	1.5	1.5
Consolidation adjustments (after-tax)	1.1	1.1

# Results by business

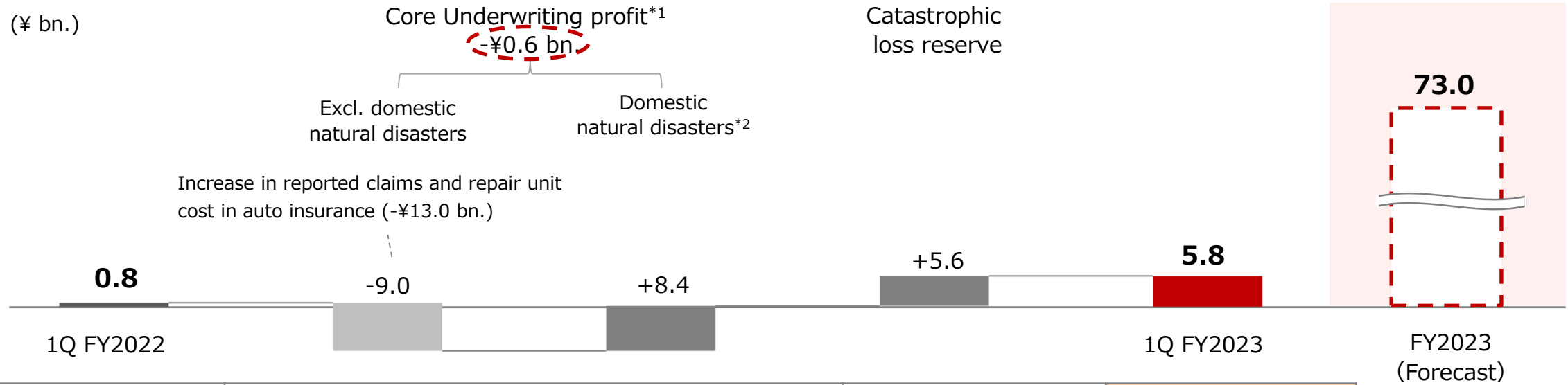
Title	Page
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# Underwriting Profit (Sompo Japan)

- Underwriting profit for the first quarter of FY2023 increased by ¥5.0 bn. to ¥5.8 bn., mainly due to a decrease in the impact of domestic natural disasters
- Core underwriting income was ¥12.6 bn., largely in line with the full year forecast of ¥55.4 bn.

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



	Core Underwriting profit			Catastrophic loss reserve	Underwriting profit
	(Excl. domestic natural disasters)	(Domestic natural disasters)			
1Q FY2022	¥13.3 bn.	¥33.2 bn.	-¥19.9 bn.	-¥12.4 bn.	¥0.8 bn.
1Q FY2023	¥12.6 bn.	¥24.2 bn.	-¥11.5 bn.	-¥6.8 bn.	¥5.8 bn.
FY2023(Forecast)	¥55.4 bn.	¥153.4 bn.	-¥98.0 bn.	¥17.5 bn.	¥73.0 bn.

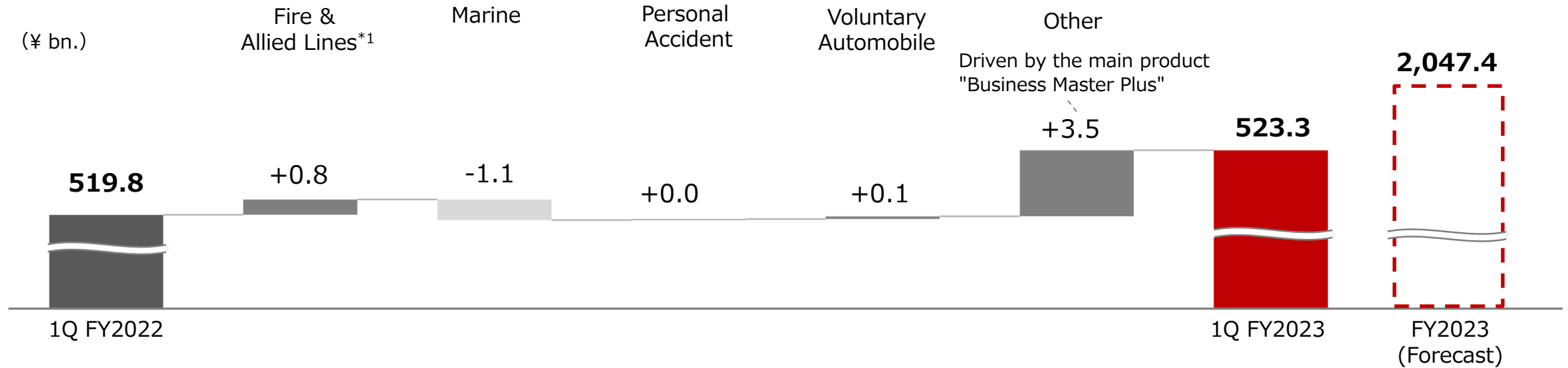
\*1 Core underwriting profit is underwriting profit less the impact related to catastrophic loss reserve.

\*2 Domestic natural disasters is the sum of net claims paid for events occurred in the current fiscal year. Net incurred losses for typhoon No.2 (occurred in Jun. 2023) is included in the amount. Details are included in P.23.

# Net Premiums Written (Sompo Japan)

- Net premiums written increased by ¥5.5 bn., driven by growth in Casualty (Other) lines of businesses

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



	Fire & Allied Lines*1	Marine	Personal Accident	Voluntary Automobile	Other		Total (excl. CALI, household earthquake)	Total
						of which Liability		
1Q FY2022	¥79.0 bn.	¥14.2 bn.	¥47.7 bn.	¥274.9 bn.	¥103.7 bn.	¥56.9 bn.	¥519.8 bn.	¥568.2 bn.
<b>1Q FY2023</b>	<b>¥79.9 bn.</b>	<b>¥13.1 bn.</b>	<b>¥47.8 bn.</b>	<b>¥275.1 bn.</b>	<b>¥107.3 bn.</b>	<b>¥57.0 bn.</b>	<b>¥523.3 bn.</b>	<b>¥573.8 bn.</b>
<b>FY 2023 Forecast</b>	<b>¥399.1 bn.</b>	<b>¥50.5 bn.</b>	<b>¥158.8 bn.</b>	<b>¥1,083.6 bn.</b>	<b>¥355.2 bn.</b>	<b>¥164.0 bn.</b>	<b>¥2,047.4 bn.</b>	<b>¥2,225.0 bn.</b>

(Reference) YoY comparison of voluntary automobile insurance\*2 (April – June 2023) (Sales Performance basis)

	# of vehicles	Unit Premium	Total Premium
Non-fleet	-0.4%	+0.4%	+0.0%
Fleet	+2.0%	-0.9%	+1.0%
Total	+0.2%	+0.0%	+0.2%

\*1 Excludes household earthquake

\*2 Excl. per hour type automobile insurance

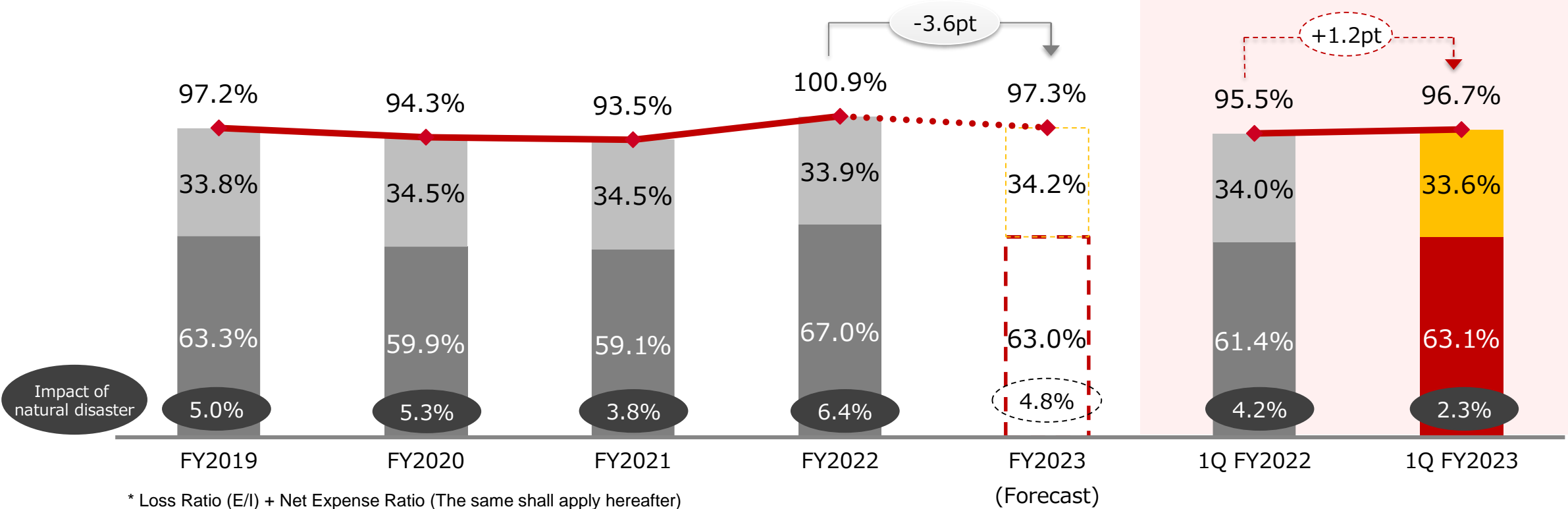


# Combined Ratio (Sompo Japan)

- Combined ratio increased by 1.2pt YoY to 96.7%, due to increase in loss ratio within the Voluntary Automobile lines

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

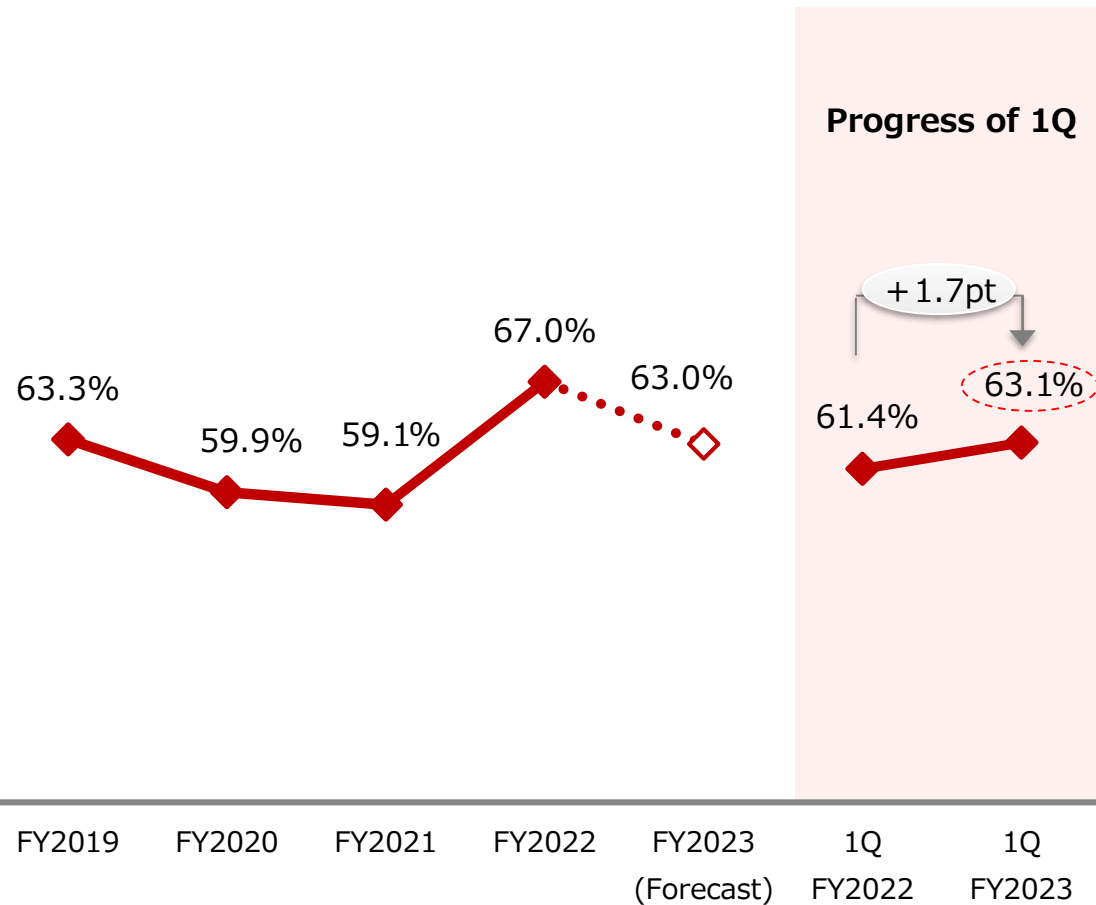
Net expense ratio    Loss ratio(E/I)    Combined ratio (E/I)



# Loss Ratio (Sompo Japan)

- Loss ratio(E/I) increased by 1.7pt YoY to 63.1%, mainly due to increase in number of reported claims and rise in unit repair cost in the Voluntary Automobile lines

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



\* Foreign exchange impact (provision) on foreign currency reserve for outstanding claims in 1Q FY2023: ¥5.5 bn.

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

	1Q FY2023		FY2023
	Actual	Variance	Forecast
Fire & Allied (Excl. CALI, household earthquake)	60.9%	-1.6pt	68.6%
Marine	58.3%	-2.6pt	63.3%
Personal Accident	50.7%	+0.3pt	54.8%
Voluntary Automobile	66.4%	+3.8pt	62.1%
Other	61.0%	-0.3pt	63.0%
<b>Total (Excl. CALI, household earthquake)</b>	<b>63.1%</b>	<b>+1.7pt</b>	<b>63.0%</b>

(Main drivers of variance)

Fire & Allied : Decrease in domestic natural disaster(-2.0pt)

Voluntary Automobile : Decrease in natural disasters (-2.8pt), Impact of major accidents (+1.7pt)  
Increase in number of reported claims / rise in unit repair cost, etc. (+4.8pt)

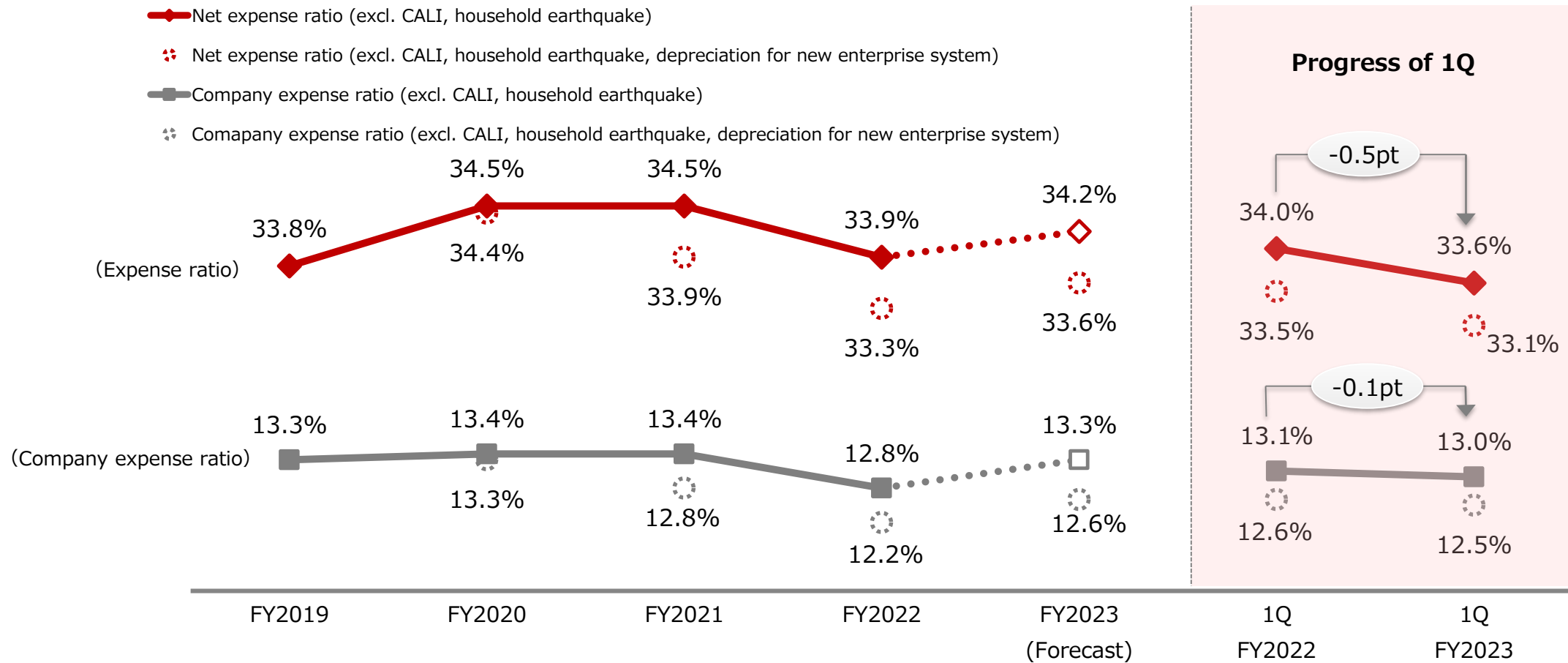
## (Reference) Loss ratio(W/P)

	1Q FY2023		FY2023
	Actual	Variance	Forecast
Fire & Allied (Excl. CALI, household earthquake)	74.6%	-0.6pt	71.6%
Marine	46.1%	+11.5pt	60.2%
Personal Accident	42.4%	-2.3pt	53.2%
Voluntary Automobile	60.6%	+5.6pt	61.1%
Other	42.4%	-2.9pt	60.7%
<b>Total (Excl. CALI, household earthquake)</b>	<b>57.0%</b>	<b>+2.3pt</b>	<b>62.4%</b>

# Expense Ratio (Sompo Japan)

- Net expense ratio improved by 0.5pt YoY, due to a decrease in agency commission fees associated with product line renewals in Fire & Allied lines

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

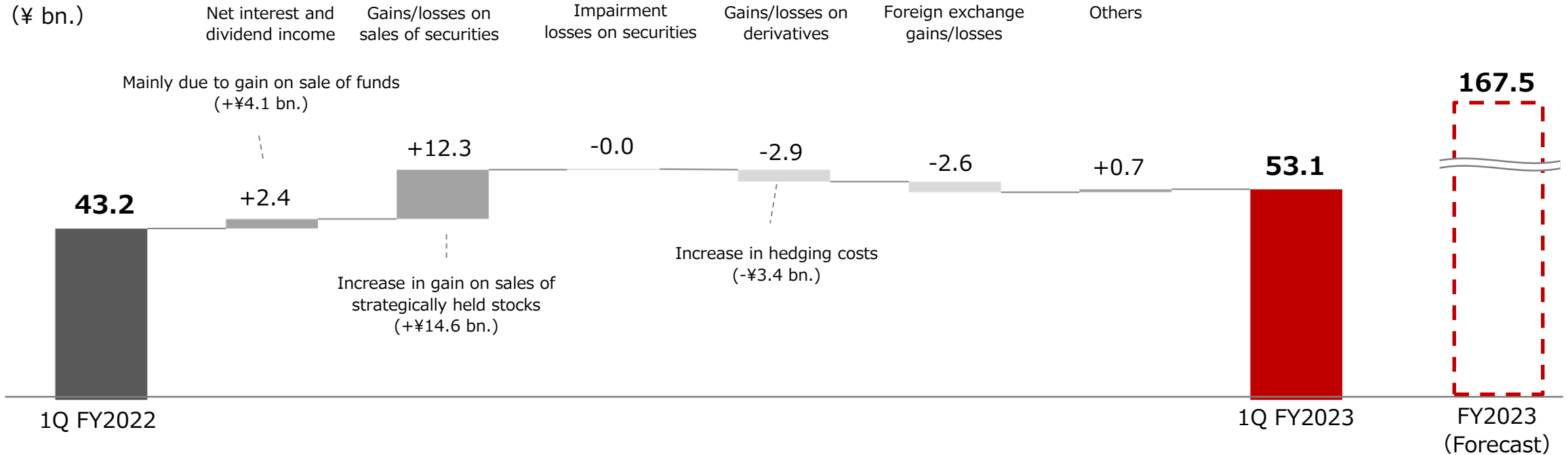


\* Ratio of general administrative and selling expense related with underwriting to net premiums written

# Investment Profit (Sompo Japan)

- Investment profit increased by ¥9.9 bn. YoY to ¥53.1 bn., mainly due to realized gain from sale of securities and fund redemptions

## Increase/decrease factors of investment

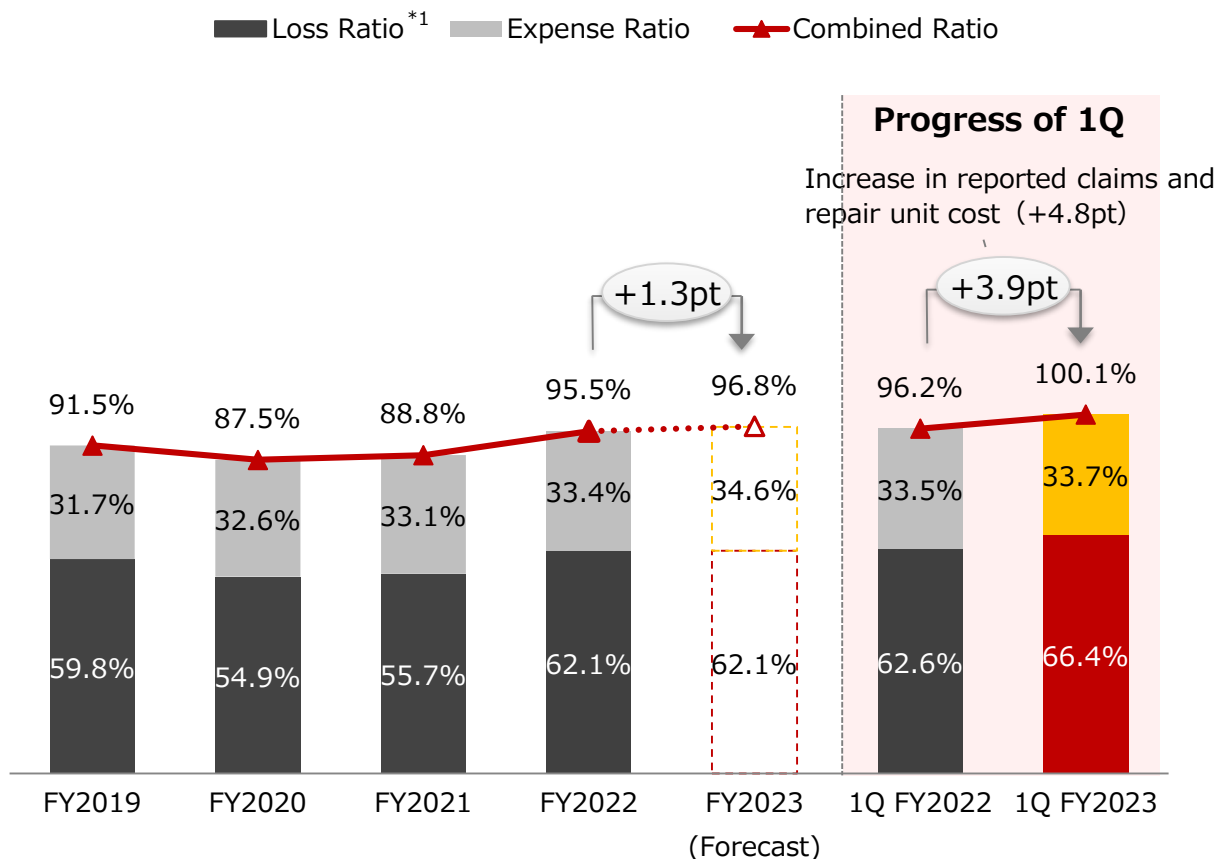


	Net interest and dividend income	Gains/losses on sales of securities	Impairment losses on securities	Gains/losses on derivatives	Foreign exchange gains/losses	Others	Investment profit	Reduction of Strategic-holding stocks
1Q FY2022	¥31.0 bn.	¥7.5 bn.	-¥0.5 bn.	-¥0.9 bn.	¥8.7 bn.	-¥2.5 bn.	¥43.2 bn.	¥12.6 bn.
<b>1Q FY2023</b>	<b>¥33.5 bn.</b>	<b>¥19.9 bn.</b>	<b>-¥0.5 bn.</b>	<b>-¥3.9 bn.</b>	<b>¥6.0 bn.</b>	<b>-¥1.8 bn.</b>	<b>¥53.1 bn.</b>	<b>¥33.3 bn.*</b>
<b>FY2023(Forecast)</b>	<b>¥148.0 bn.</b>	<b>¥38.8 bn.</b>	<b>-¥ 7.0 bn.</b>	<b>-¥15.2 bn.</b>	<b>¥1.0 bn.</b>	<b>¥1.9 bn.</b>	<b>¥167.5 bn.</b>	<b>¥70.0 bn.</b>

\* Includes ¥4.0 bn. sales on Nikkei index futures

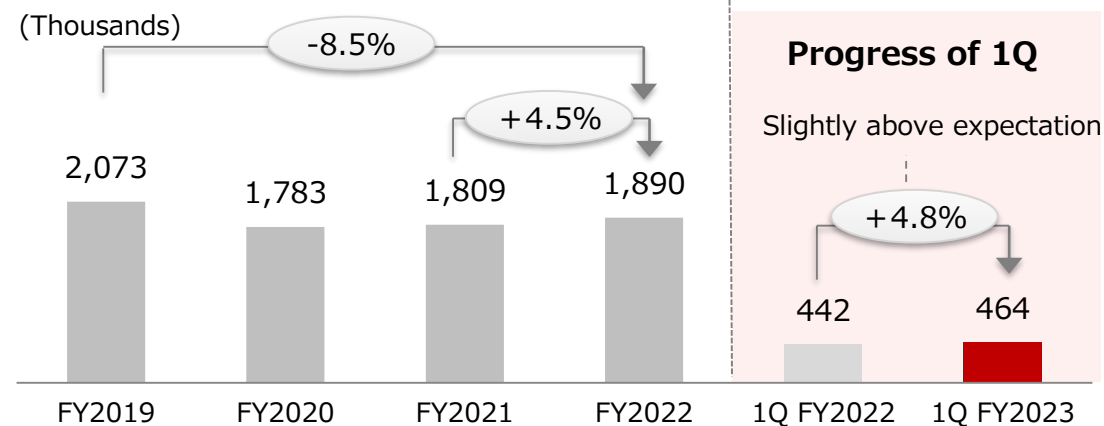
# (Reference) Indicators Related to Automobile Insurance (Sompo Japan)

## Combined ratio(E/I)



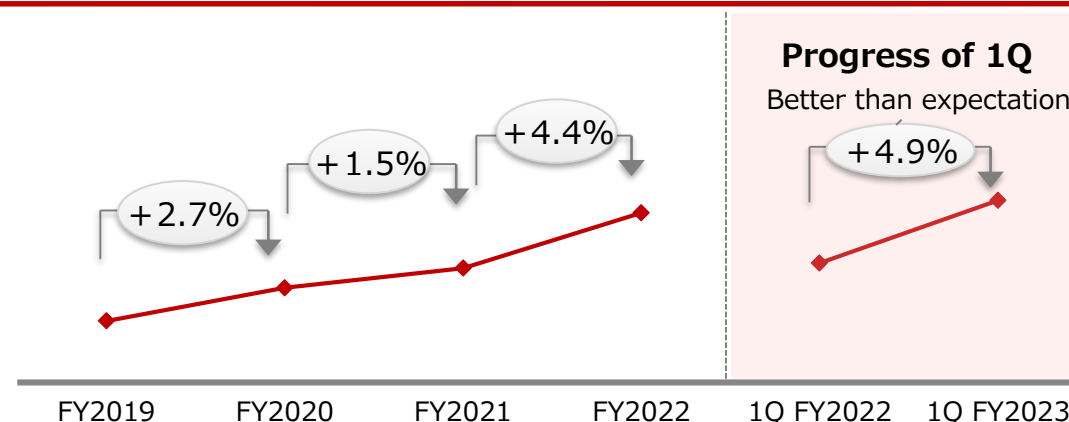
\*1 Loss ratio is on a E/I basis (incl. loss adjustment expense)

## The number of reported claims\*2



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

## Repair cost per unit\*3\*4

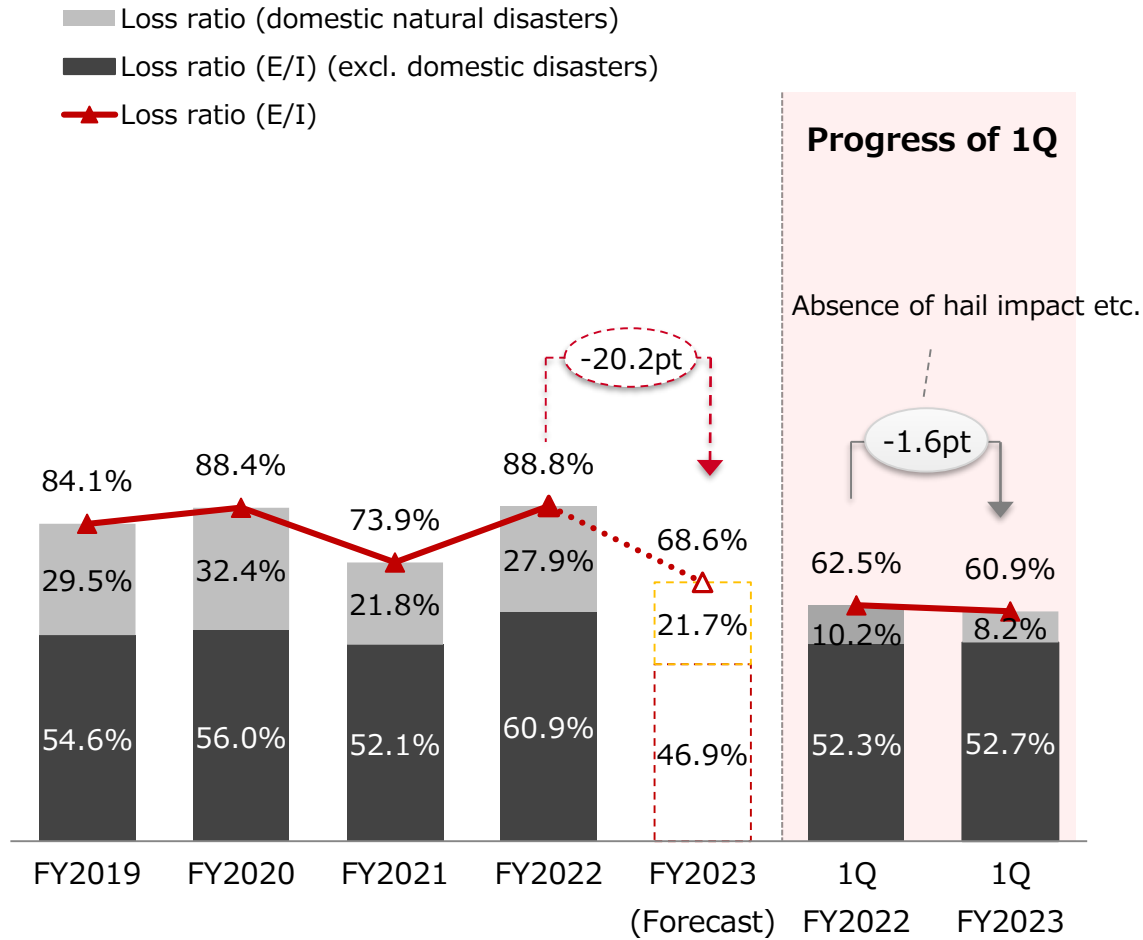


\*3 Combined vehicle insurance (excl. natural disasters) and property damage liability insurance

\*4 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.

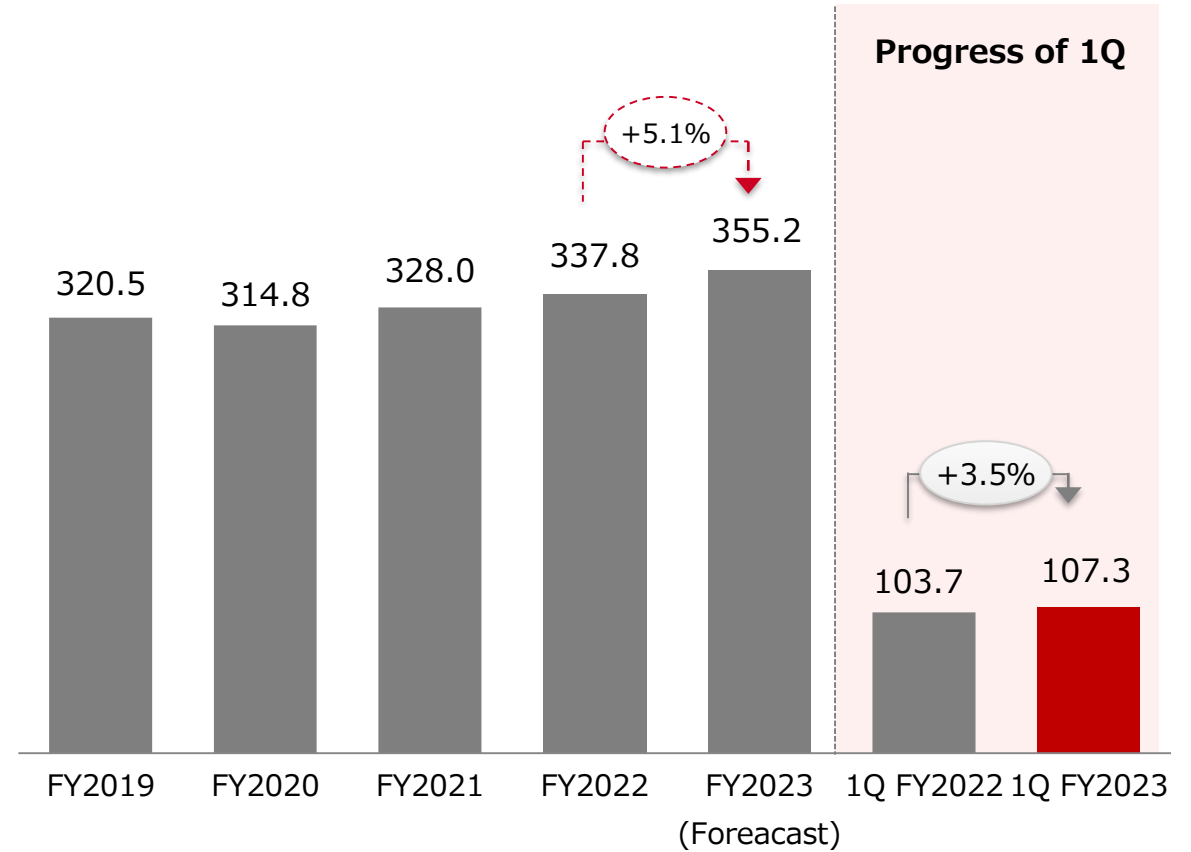
# (Reference) Indicators Related to Fire & Allied, Casualty (Others) (Sompo Japan)

## 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, excl. CALI, household earthquake)\*

(¥ bn.)

(¥ billion)	1Q FY2022	1Q FY2023	Variance
Fire and Allied lines	8.1	7.3	-0.8
Marine	-	-	-
Personal Accident	0.0	0.0	+0.0
Voluntary Automobile	11.6	4.0	-7.5
Other	0.0	0.0	-0.0
<b>Total</b>	<b>19.9</b>	<b>11.5</b>	<b>-8.4</b>

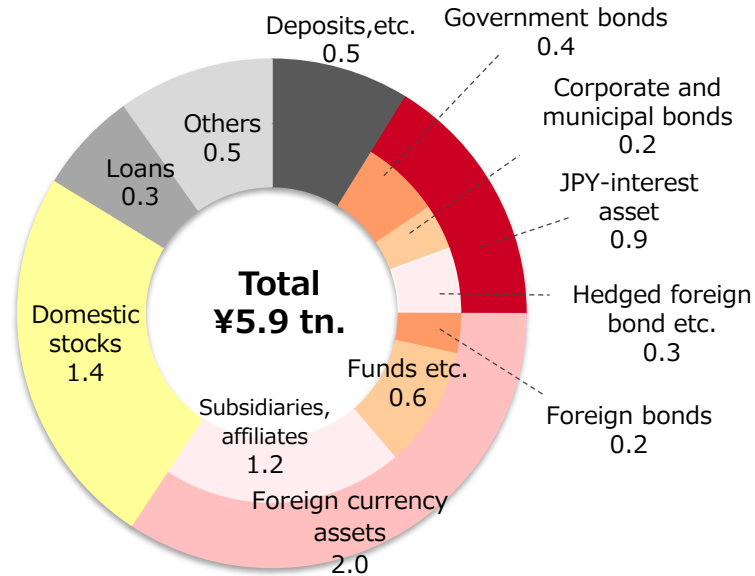
\* Domestic natural disasters is sum of net claims paid that occurred in the current fiscal year.  
The following net incurred losses are included in the amount in the table above.  
1Q FY2022: Hail (¥19.6 bn.) 1Q FY2023: Typhoon No.2 (¥11.4 bn)

\* Since outstanding loss reserve is worked out by a compendium method in 1Q results, incurred losses related to natural disasters are not aggregated.  
Assumption of FY2023 business forecasts for net losses incurred from domestic natural disasters (occurring in the fiscal year) : ¥98.0 billion

# (Reference) Asset Portfolio (Sompo Japan)

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

(¥ tn.)



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

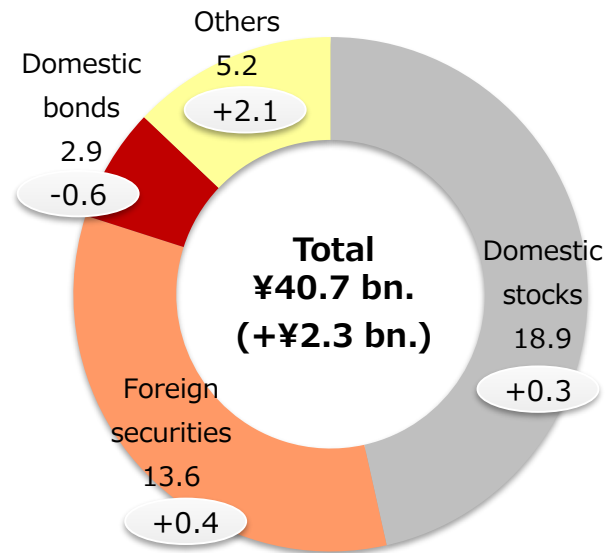
Income yield\*      3.0%      3.0%

Duration      Asset      7.9      7.9  
(years)      Liability      7.6      7.6

\* Excl. overseas subsidiaries' shares, etc.

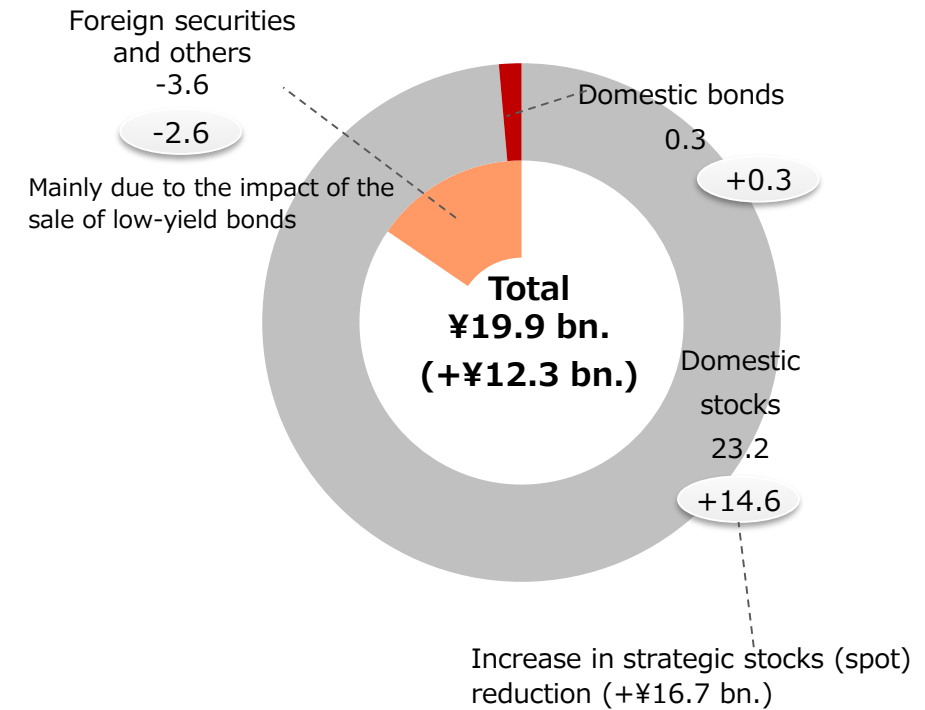
## Breakdown of interest and dividend income

(¥ bn.)



## Breakdown of gains/losses on sales of securities

(¥ bn.)



 : Variance from 1Q FY2022



# (Reference) Sompo Japan Financials

(¥ bn.)	1Q FY2022	1Q FY2023	Variance	FY2023 Forecast
Net premiums written	568.2	573.8	+5.5	2,225.0
(excl. CALI, household earthquake)	519.8	523.3	+3.5	2,047.4
Net premiums earned (excl. CALI, household earthquake)	481.0	495.0	+13.9	2,047.9
E/I loss ratio (excl. CALI, household earthquake)	61.4%	63.1%	+1.7pt	63.0%
Written paid (W/P) loss ratio	57.0%	58.8%	+1.8pt	64.5%
(excl. CALI, household earthquake)	54.7%	57.0%	+2.3pt	62.4%
Expense ratio	33.8%	33.6%	-0.3pt	34.4%
(excl. CALI, household earthquake)	34.0%	33.6%	-0.5pt	34.2%
Combined ratio (E/I) (excl. CALI, household earthquake)	95.5%	96.7%	+1.2pt	97.3%
(Reference) Combined ratio (W/P) (excl. CALI, household earthquake)	88.7%	90.6%	+1.9pt	96.7%
Underwriting profit	0.8	5.8	+5.0	73.0
Investment profit	43.2	53.1	+9.9	167.5
Ordinary profit	41.2	55.5	+14.2	225.0
Net income	31.8	44.2	+12.4	180.0
(Reference)				
Provisions for catastrophic loss reserve (after tax)	+9.1	+5.1	-3.9	-11.7
Provisions for reserve for price fluctuation (after tax)	+0.7	+0.8	+0.0	+3.1
Adjusted profit				
Gains/losses on sales of securities and impairment losses on securities (after tax)	-4.8	-13.7	-8.9	-21.0
Special factors (after tax)*	-0.1	-0.7	-0.5	-70.9
Adjusted profit	36.6	35.6	-0.9	79.5

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

# Results by business

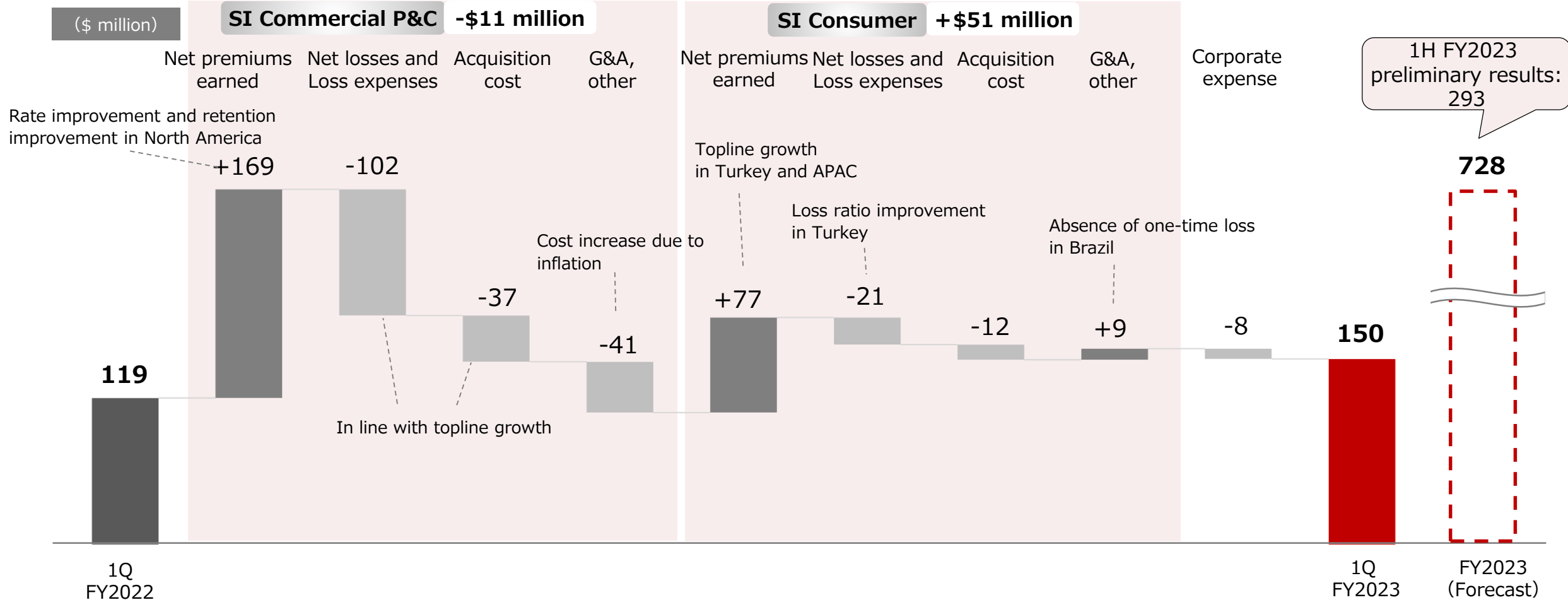
Title	Page
Domestic P&C Business (Sompo Japan)	14
<b>Overseas Insurance/Reinsurance Business</b>	<b>26</b>
Domestic Life Insurance Business	34
Nursing Care & Seniors Business	40
ERM	43



# Underwriting Profit (Overseas Insurance/reinsurance)

- Underwriting income is \$150 million, up 27%, due to overall top-line growth and combined ratio improvement in SI Consumer
- Loss ratio in SI Commercial improved, partially offset by cost increase due to inflation

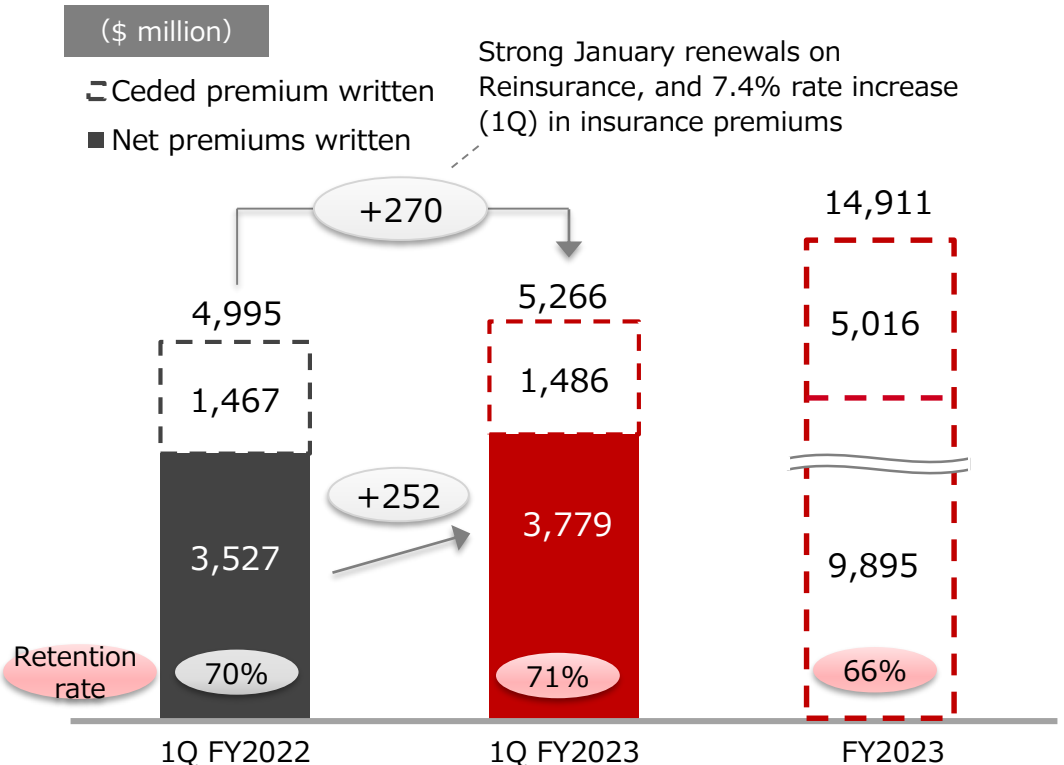
## Increase/decrease factors of underwriting profit



# Top-line (SI Commercial P&C)

- Gross premiums written increased by \$270 million due to strong reinsurance renewals and increased premiums, partially offset by lower crop price
- Net premiums written increased by \$252 million, to \$3,779 million driven by higher retention in North America and growth in Global Markets

## Gross premiums written



(Main drivers of variance for 1Q FY2023)

North America : Retention improvement and continued rate increase mainly in property and casualty lines

Global Markets : Top-line exceeds plan in Brazil, Turkey, and APAC

AgriSompo : Cotton and other commodity price decline and selective underwriting to improve margins

Reinsurance : Increase in renewals in January mainly in casualty lines

## (Reference) Top-line by segment

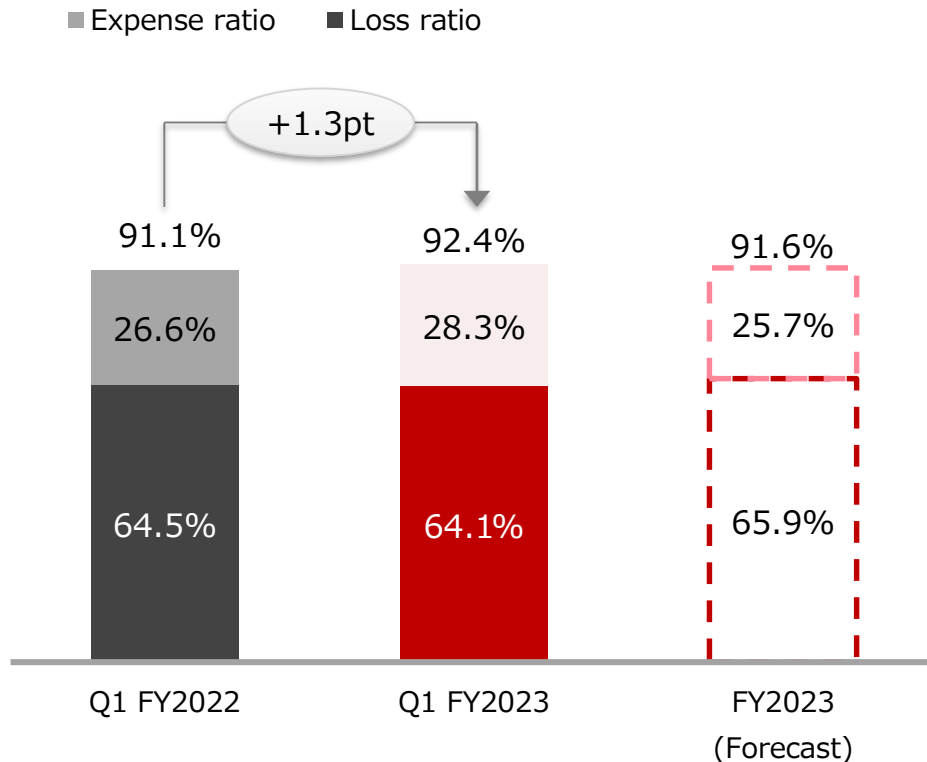
(\$ million)		1Q FY2022	1Q FY2023	Variance
Gross premiums written	North America	992	1,050	+57 (+5.8%)
	Global Markets	482	548	+65 (+13.5%)
	AgriSompo	1,775	1,660	-115 (-6.5%)
	Reinsurance	1,744	2,021	+276 (+15.9%)
Net premiums written	North America	540	740	+199 (+36.9%)
	Global Markets	284	316	+31 (+11.2%)
	AgriSompo	1,101	930	-171 (-15.5%)
	Reinsurance	1,573	1,800	+227 (+14.5%)
Net premiums earned	North America	569	687	+118 (+20.7%)
	Global Markets	277	300	+22 (+8.3%)
	AgriSompo	172	151	-21 (-12.2%)
	Reinsurance	805	869	+63 (+7.9%)
Retention rate	North America	54%	70%	+16pt
	Global Markets	58%	57%	-1pt
	AgriSompo	62%	56%	-6pt
	Reinsurance	90%	89%	-1pt

Impacted by timing of reinsurance purchase (will normalize closer to 55% for the full year)

# Combined Ratio (SI Commercial P&C)

- Combined ratio deteriorated by 1.3pt to 92.4%, mainly due to growth initiatives investments and increase in expense led by inflation on operating costs

## Combined ratio



(Main drivers of variance for 1Q FY2023 Combined ratio)  
 North America : Expansion of top-line and less impact of natural disasters  
 Global Markets : Mostly as planned, partially affected by the impact of Turkey-Syria earthquake (approx. \$4.8 million)  
 AgriSompo : Decrease in Net premiums earned and increase in losses related to the 2022 drought in Texas  
 Reinsurance: Top-line growth by rate increase

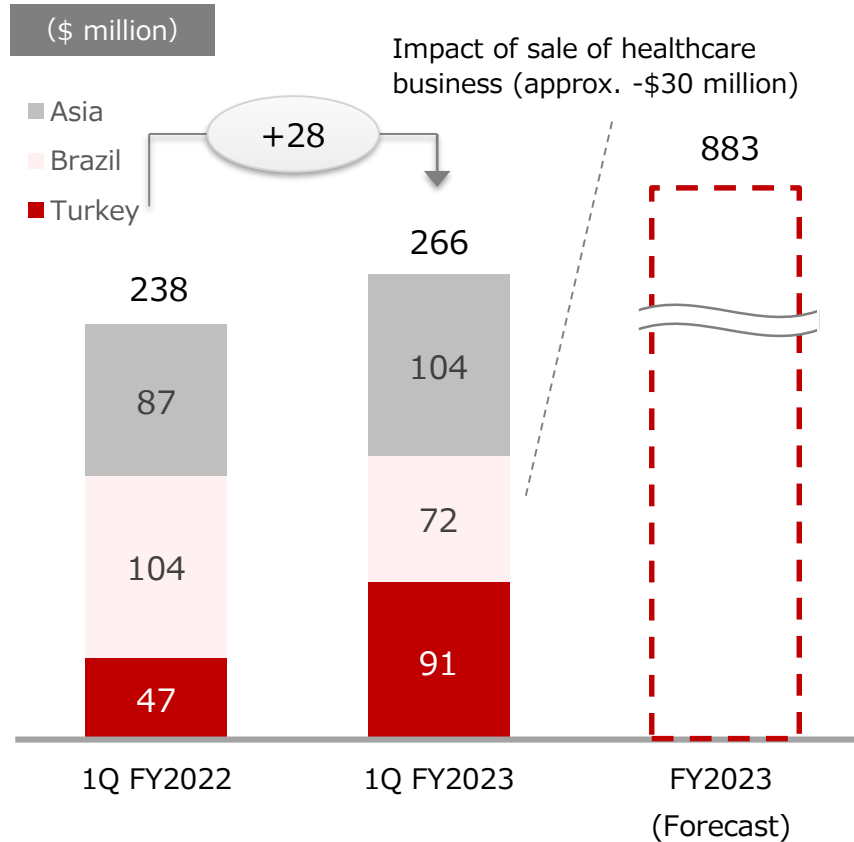
(Reference) Combined ratio by segment		1Q FY2022	1Q FY2023	Variance
Loss ratio	North America	69.4%	65.0%	-4.5pt
	Global Markets	60.9%	61.7%	+0.7pt
	AgriSompo	80.6%	91.9%	+11.3pt
	Reinsurance	58.8%	59.1%	+0.3pt
Expense ratio	North America	20.8%	21.8%	+1.0pt
	Global Markets	33.9%	34.6%	+0.6pt
	AgriSompo	19.8%	26.2%	+6.4pt
	Reinsurance	30.2%	31.5%	+1.3pt
Combined ratio	North America	90.2%	86.8%	-3.4pt
	Global Markets	94.9%	96.3%	+1.4pt
	AgriSompo	100.5%	118.2%	+17.7pt
	Reinsurance	89.0%	90.6%	+1.6pt
Underwriting Income (\$ million)	North America	55.6	91.8	+36.2
	Global Markets	16.2	12.8	-3.3
	AgriSompo	0.6	-27.9	-28.6
	Reinsurance	88.4	82.2	-6.2
Total		167.1	155.3	-11.7

Partially driven by decrease in reinsurance ceding commission, largely within expectation

# SI Consumer Performance Overview

- Net premiums written expanded by increased premiums in Turkey and Asia, offsetting the sale of the healthcare business in Brazil
- Underwriting profit increased by \$51 million to \$26 million, led by margin improvement in Turkey

## Net premiums written



(Main drivers of variance for 1Q FY2023 Combined ratio)  
 Turkey : Margin improvement due to rate increase and a lower inflation impact  
 Brazil : Improvement of Loss ratio due to sale of healthcare business and absence of one-time factor of allowance recorded in 2022  
 Asia : Increase in Loss ratio in Singapore and Malaysia

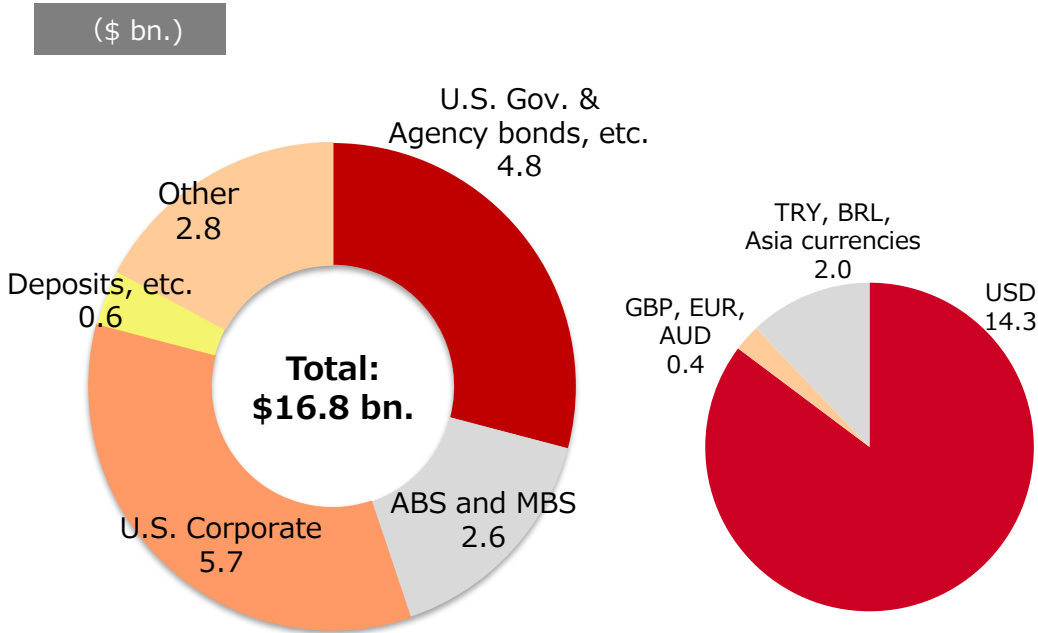
## Combined ratio

	1Q FY2022	1Q FY2023	Variance	
Loss ratio	Turkey	130.2%	56.2%	-74.0pt
	Brazil	72.5%	67.0%	-5.5pt
	Asia	49.1%	56.5%	+7.4pt
	Total	70.9%	59.1%	-11.8pt
Expense ratio	Turkey	42.1%	23.7%	-18.5pt
	Brazil	45.9%	36.4%	-9.5pt
	Asia	37.8%	38.2%	+0.4pt
	Total	41.8%	32.0%	-9.8pt
Combined ratio	Turkey	172.3%	79.9%	-92.5pt
	Brazil	118.4%	103.4%	-15.0pt
	Asia	86.9%	94.8%	+7.9pt
	Total	112.8%	91.2%	-21.6pt
Underwriting Income (\$ million)	Turkey	-21.3	21.9	+43.3
	Brazil	-15.6	-2.4	+13.1
	Asia	11.5	6.8	-4.6
	Total	-25.4	26.3	+51.8

# Investment Income/Asset Portfolio

- Investment income increased by \$113 million to \$216 million due to growth in invested assets and higher reinvestment yields

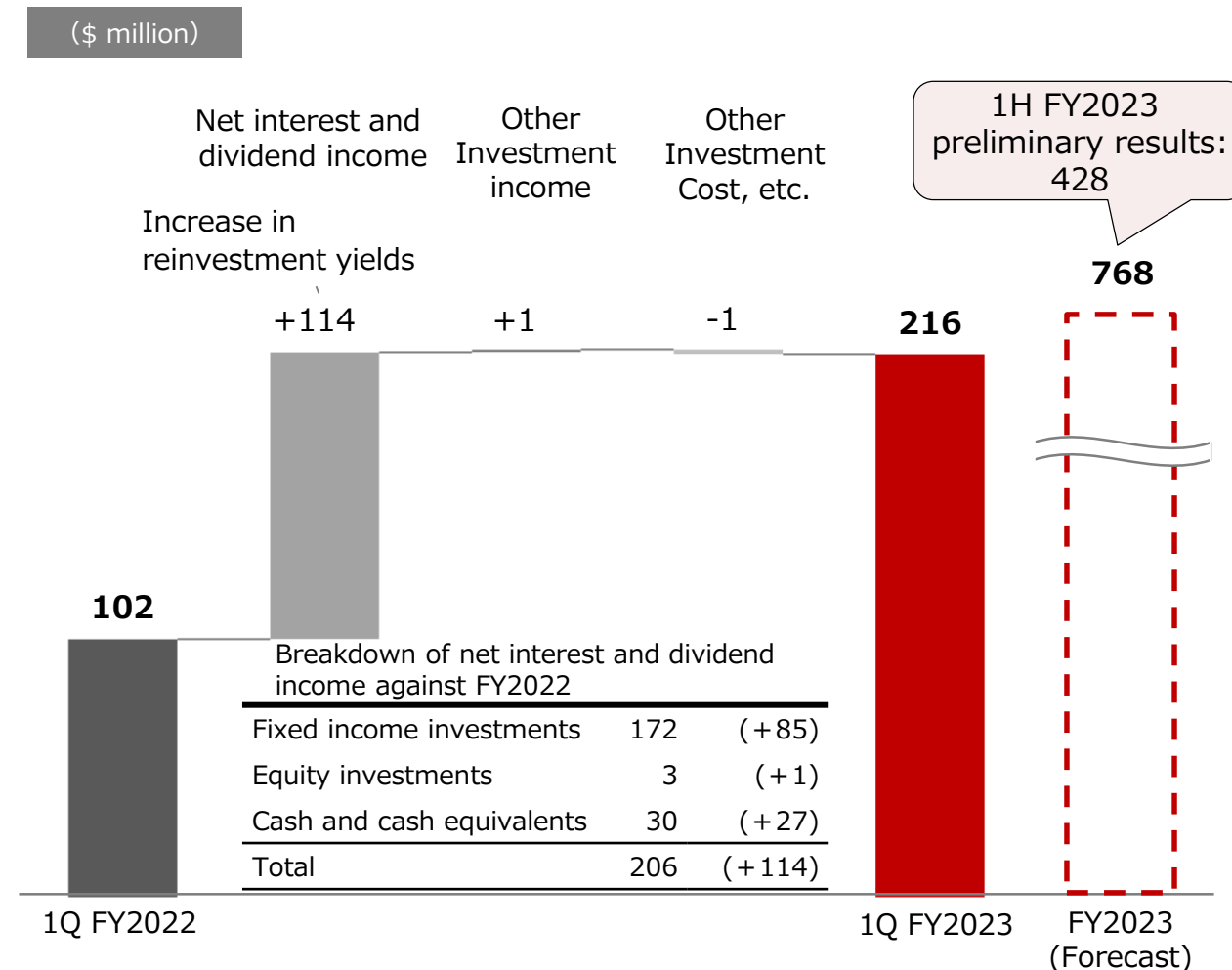
## Asset Portfolio (Overseas\*, as of the end of March 2023)



(End of Mar. 2023)	Bond		Duration (years)	
	Market yield	Book yield	Asset	Liability
U.S. and Europe	5.8%	4.2%	3.4	2.8
Turkey, Brazil and APAC	8.6%	8.1%	2.2	1.5
<b>Total</b>	<b>6.2%</b>	<b>4.7%</b>	<b>3.2</b>	<b>2.6</b>

\*Excludes Non-consolidated Sampo International Holdings entities

## Breakdown of Overseas investment income

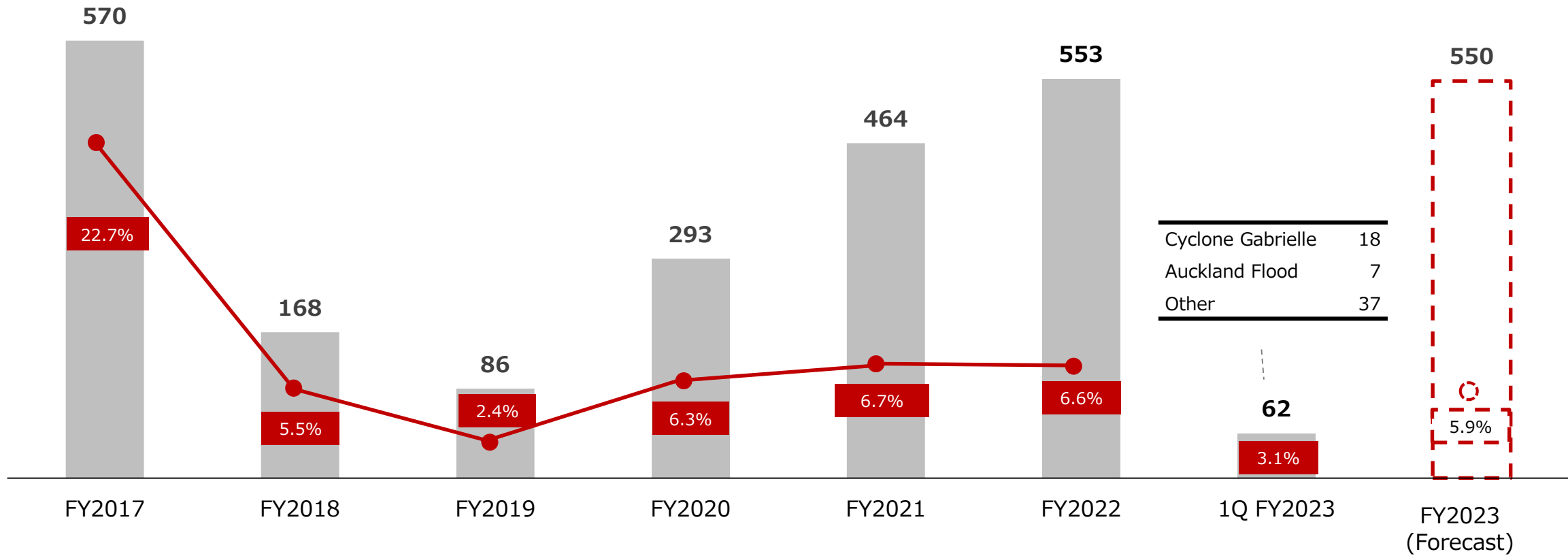


(Reference) Overseas Natural Disasters (SI Commercial)

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

(\$ million)

Loss ratio impact  
(vs. Net premiums earned)



\*Losses related to natural disasters includes reinstatement premiums



# (Reference) Financials

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



(¥ bn.)

	1Q FY2022	1Q FY2023				Variance		FY2023 Forecast
	Overseas	SI Commercial	SI Consumer	Corporate	Overseas			Overseas
Gross premiums written	646.3	703.2	41.1	—	744.4	+98.0	(+15.1%)	2,140.0
Net premiums written	461.0	504.7	35.6	—	540.3	+79.2	(+17.2%)	1,439.2
Net premiums earned	250.0	268.5	37.1	—	305.6	+55.5	(+22.2%)	1,359.5
Net losses and loss expenses	163.3	172.1	21.9	—	194.1	+30.7	(+18.8%)	888.1
Expense	70.3	75.9	11.8	4.1	91.9	+20.1	(+28.0%)	376.0
Underwriting Income	14.5	20.7	3.5	-4.1	20.1	+5.5	(+38.2%)	97.2
Loss ratio	65.3%	64.1%	59.1%	—	63.5%	-1.8pt	—	65.3%
Expense ratio	28.9%	28.2%	32.0%	—	30.0%	+1.1pt	—	27.6%
Combined ratio	94.3%	92.3%	91.2%	—	93.6%	-0.7pt	—	92.9%
Net investment income	12.5	—	—	—	28.8	+16.2	(+129.4%)	102.6
Net income*1	-9.5	—	—	—	63.7	+73.2	—	151.4
Net foreign exchange gains	2.3	—	—	—	0.0	-2.2	—	3.5
Net realized and unrealized gains, net impairment losses, etc.*2	-63.0	—	—	—	25.6	+88.6	—	14.0
Total Overseas adjusted profit	20.0	—	—	—	34.7	+14.7	(+73.4%)	150.0

\*1 Includes effect of the adoption of IFRS9 and IFRS17 from FY2023. No change in the definition of adjusted profit

\*2 Includes unrealized gains and losses of securities

# Results by business

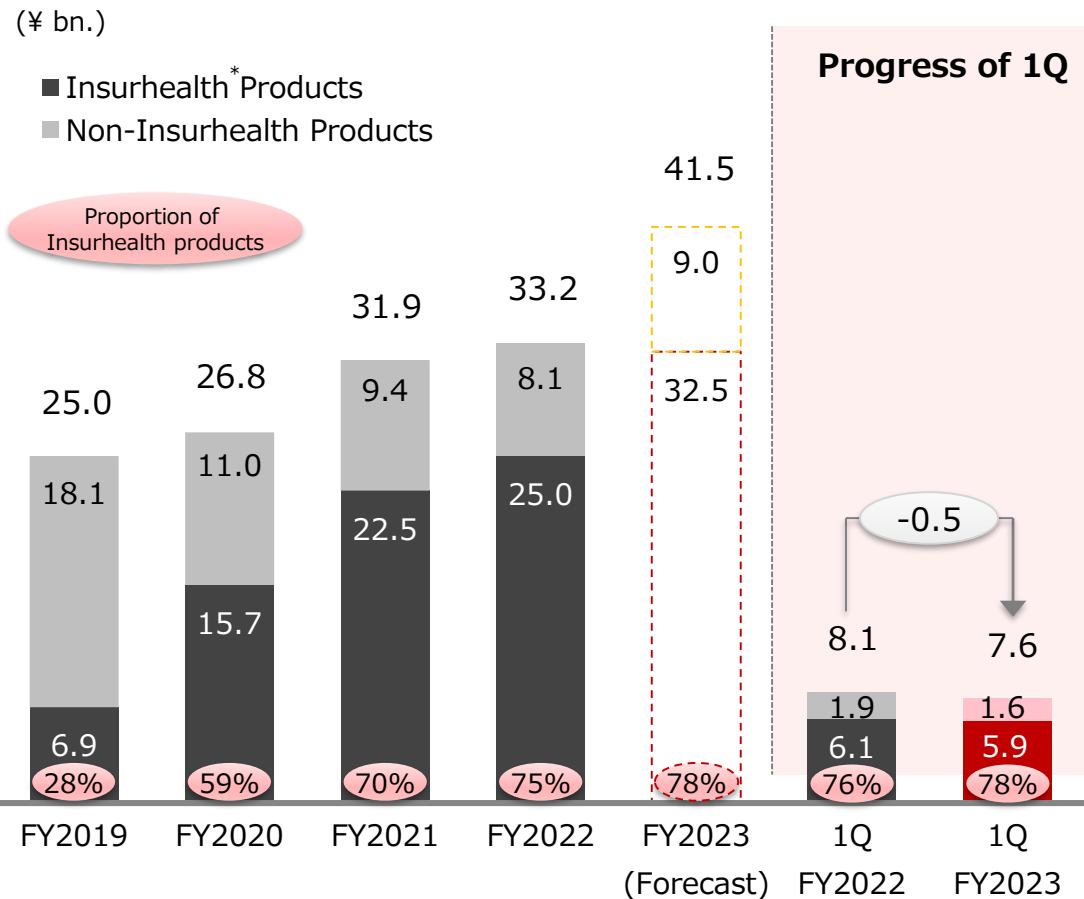
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ERM	43



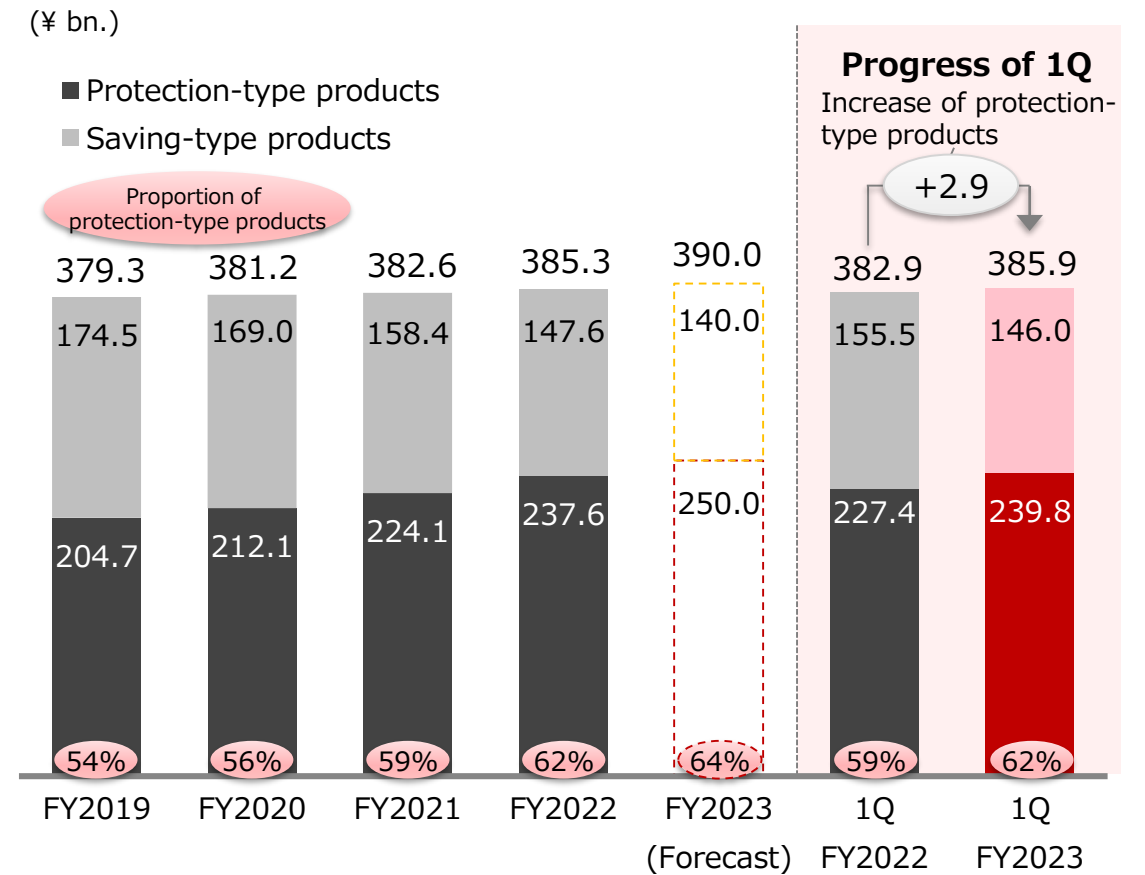
# Annualized New Premium and Annualized Premium in Force

- Annualized premiums in force continued to increase due to accumulation of new premiums mainly from protection-type products

## Annualized new premium



## Annualized premium in force



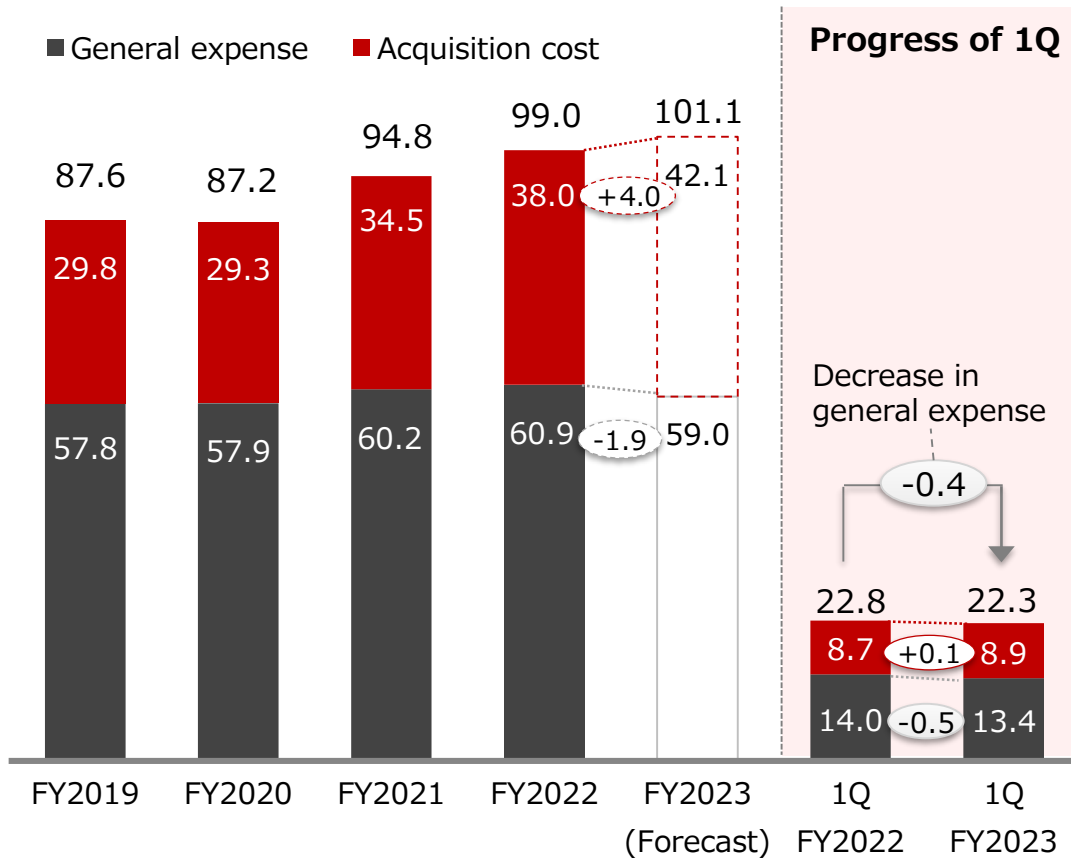
\* Insurhealth is a new type of product that is aimed to provide both traditional insurance and healthcare support

# Expense

- General expense for 1Q 2023 decreased YoY due to appropriately controlled operating expense despite higher acquisition cost in line with increase in new premiums

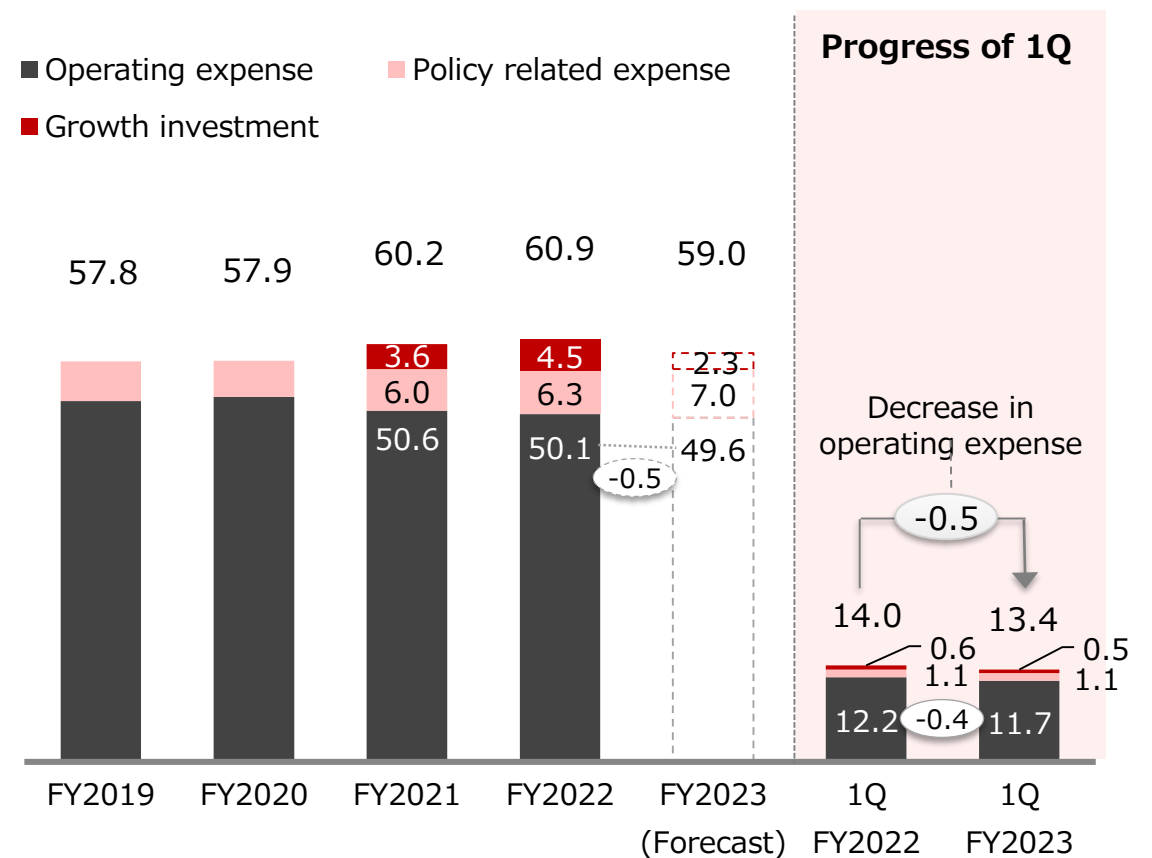
## Expense

(¥ bn.)



## General expense

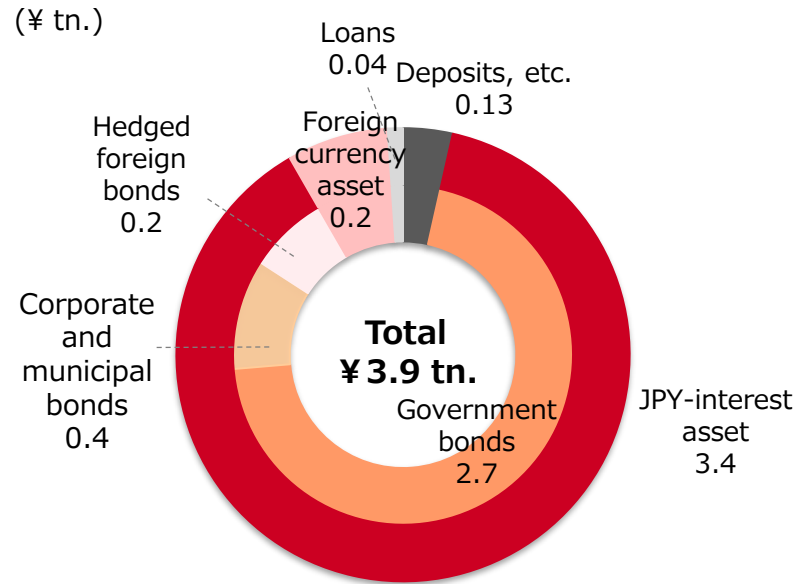
(¥ bn.)



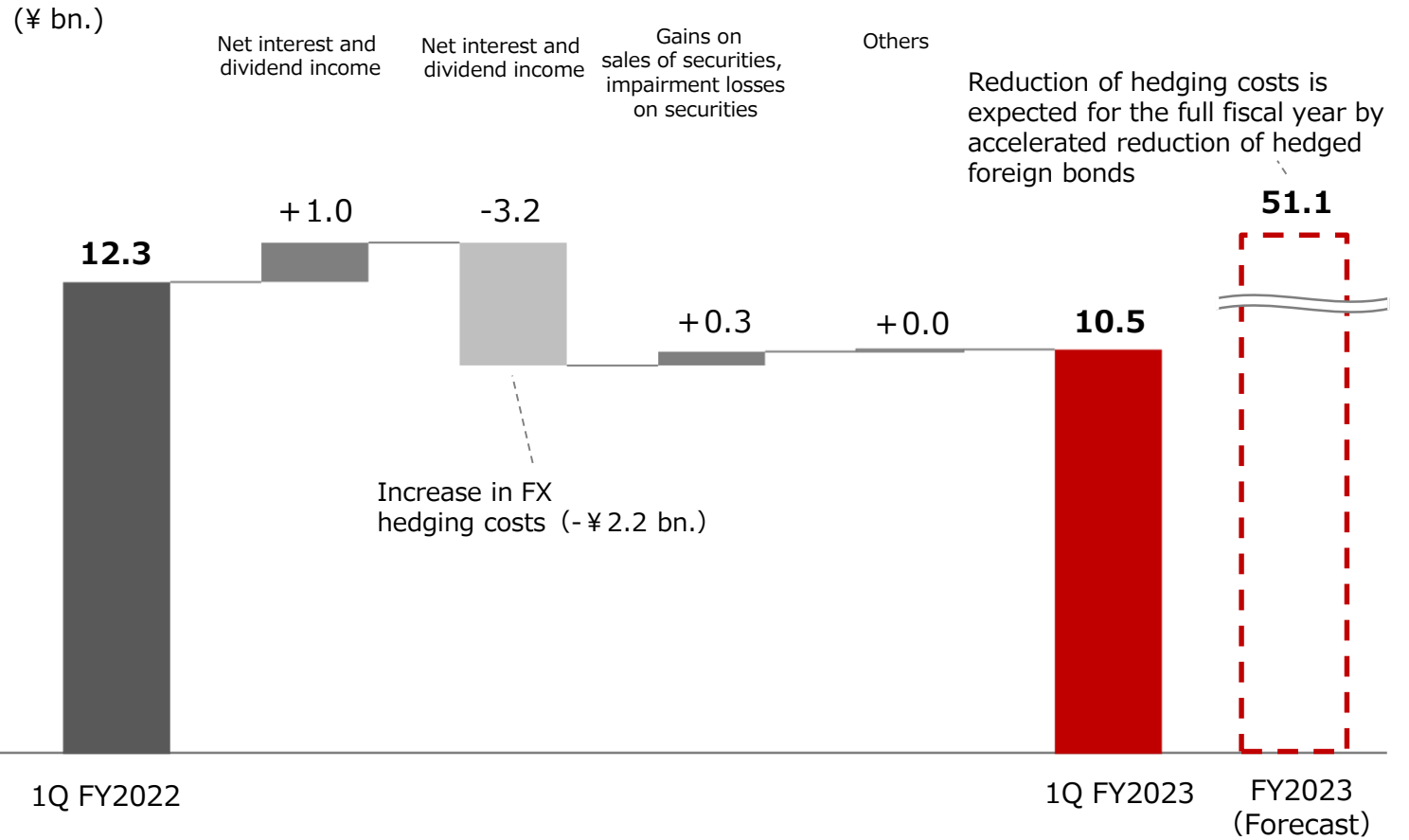
# Investment Profit/Asset Portfolio

- The duration gap narrowed down due to increased purchases of super long-term bonds and rise in domestic interest rates
- Interest and dividend income increased due to expanded investment in super long-term bonds, while FX hedging costs increased

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



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



	End of Mar. 2021	End of Mar. 2022	End of Mar. 2023	End of Jun. 2023
Income yield	1.5%	1.5%	1.5%	1.5%
Duration (years)				
Asset	15	16	17	17
Liability	26	24	20	21
Gap	10	8	3	3

(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



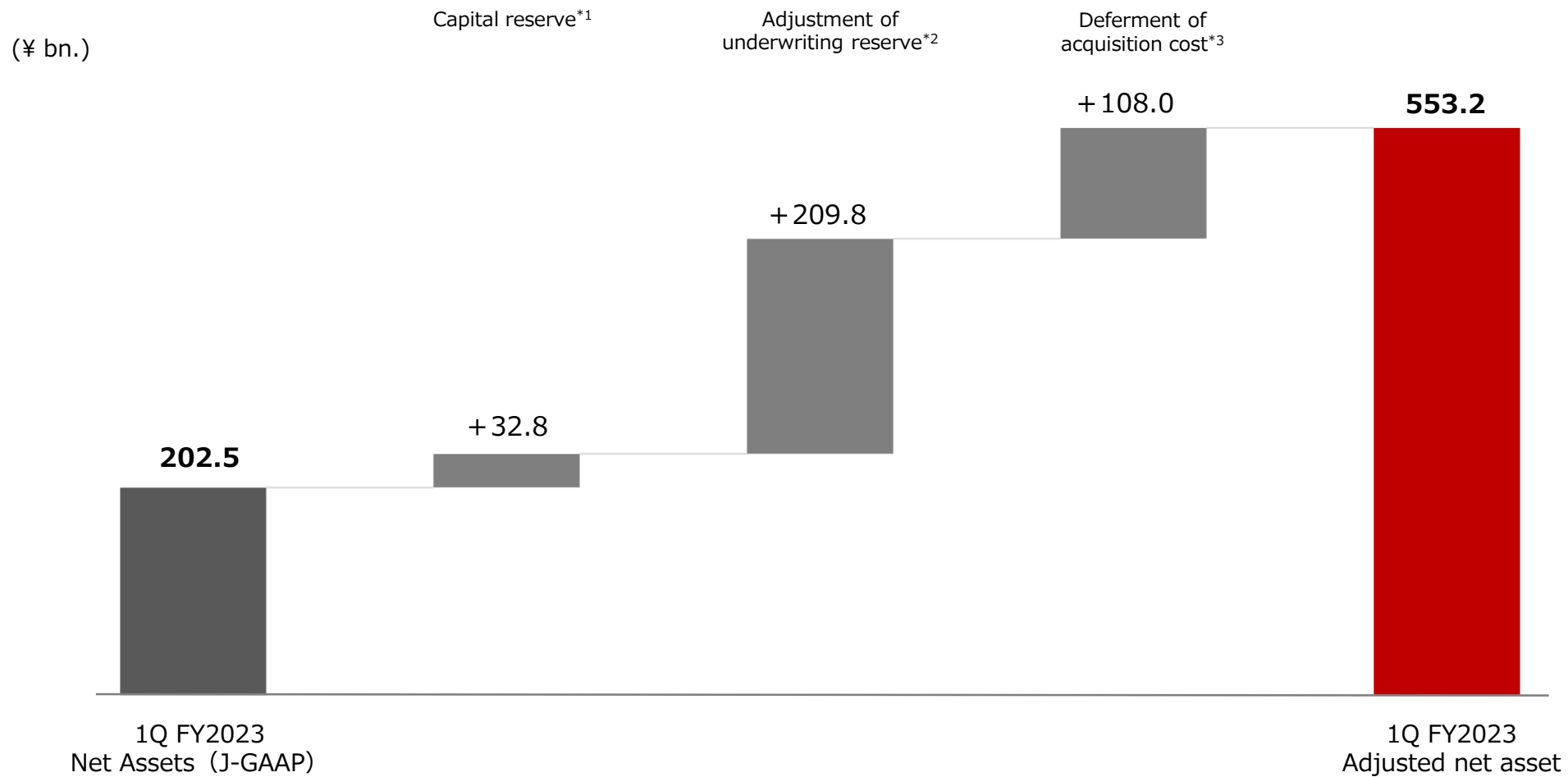
(¥ bn.)	1Q FY2022	1Q FY2023	Variance		FY2022 Actual	FY2023 Forecast	Variance
Annualized new premium	8.1	7.6	-0.5	(-6.3%)	33.2	41.5	+8.2
Premium and other income*1	103.7	104.4	+0.6	(+0.6%)	434.4	439.8	+5.3
Provision for policy reserve, etc.*2	64.5	62.7	-1.7	(-2.7%)	270.1	267.0	-3.0
Paid claims, etc.	26.6	20.9	-5.7	(-21.5%)	113.4	89.0	-24.4
Expense	22.8	22.3	-0.4	(-2.0%)	99.0	101.1	+2.1
Investment profit	12.4	13.0	+0.5	(+4.7%)	60.3	52.5	-7.7
of which, general account	12.3	10.5	-1.7	(-14.3%)	58.8	51.1	-7.7
Basic profit	2.0	9.1	+7.0	(+338.1%)	-1.8	32.3	+34.1
Ordinary profit*1	1.0	7.6	+6.5	(+622.4%)	6.3	26.3	+20.0
Net income	-0.1	4.4	+4.6	-	0.9	15.3	+14.4
(Reference)							
Adjusted profit							
Provision of capital reserve	+0.2	+0.2	-0.0	(-11.0%)	+1.3	+1.4	+0.0
Adjustment of Underwriting reserve	+3.5	+3.4	-0.0	(-1.4%)	+13.8	+14.7	+0.8
Deferral of acquisition cost	+6.1	+6.2	+0.0	(+1.3%)	+26.7	+29.8	+3.0
Depreciation of acquisition cost	-5.9	-6.0	-0.1	-	-23.5	-24.9	-1.4
Gains/losses on sales of securities and impairment losses in securities	+1.7	+1.5	-0.2	(-14.9%)	-1.5	+3.6	+5.1
Adjusted profit	5.7	9.9	+4.1	(+72.9%)	17.8	40.0	+22.1

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

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

# (Reference) 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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<b>Nursing Care &amp; Seniors Business</b>	<b>40</b>
ERM	43

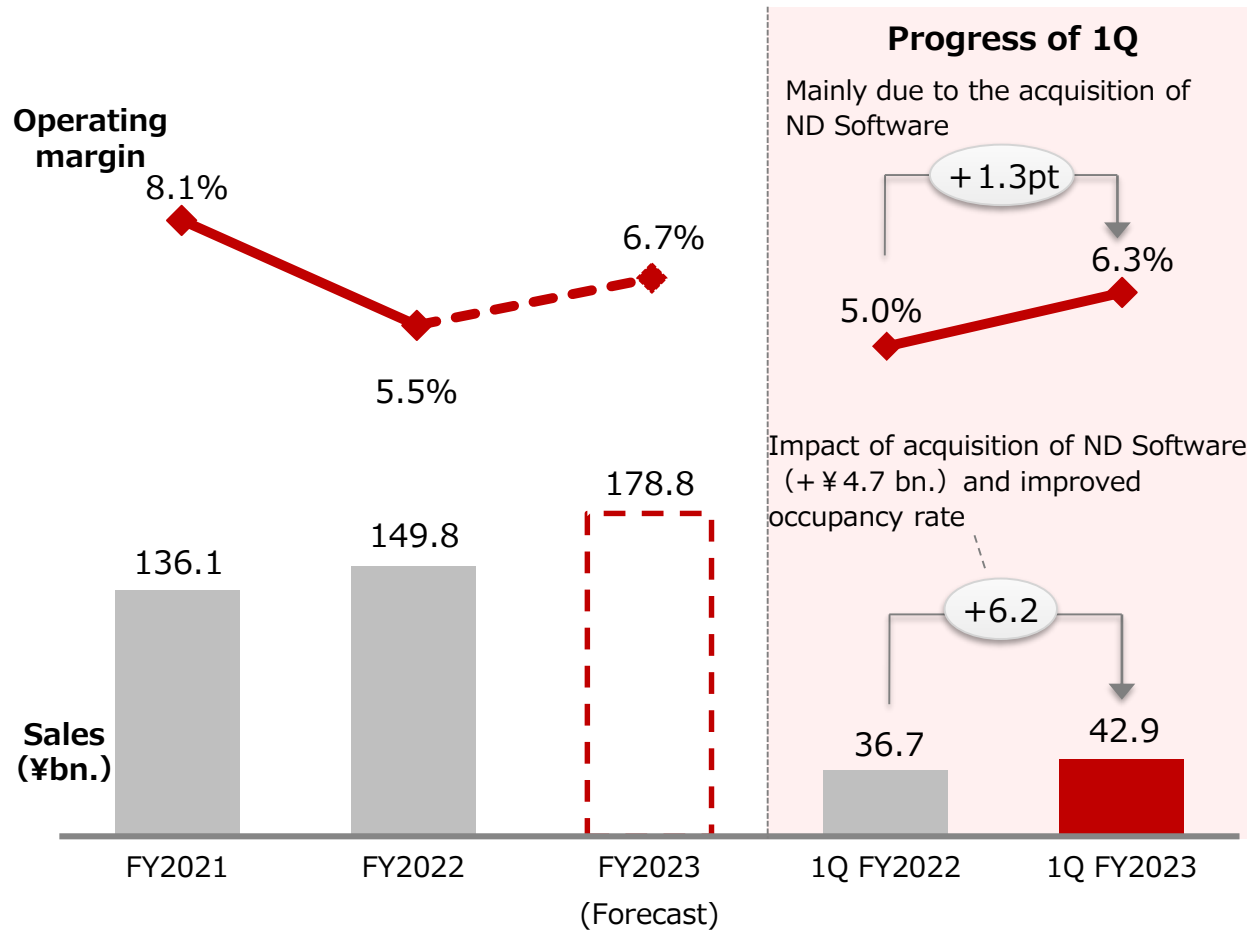




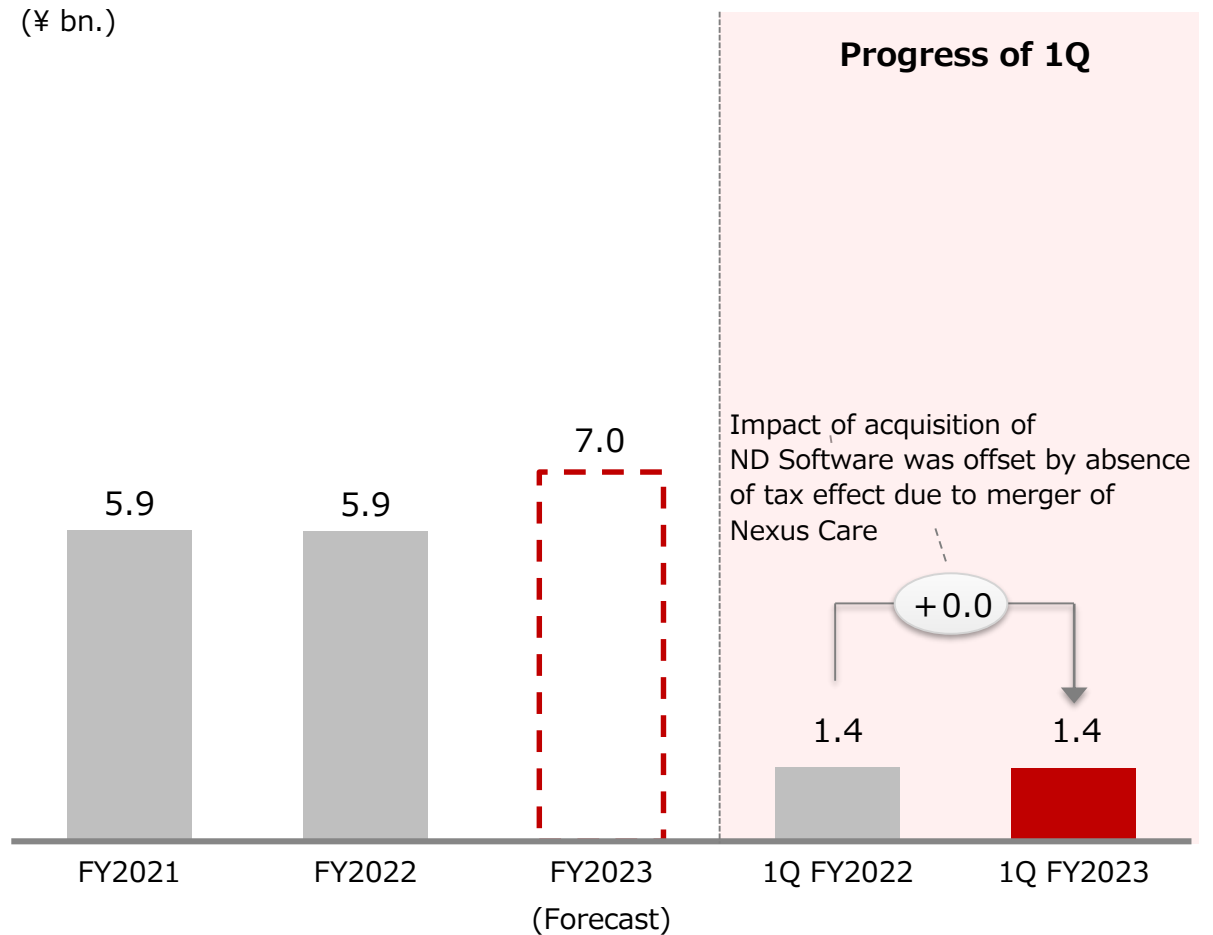
# Sales/Operating Margin/Adjusted Profit

- 1Q FY2023 sales increased by ¥6.2 bn. due to acquisition of ND Software Co., Ltd. and improved occupancy rate

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

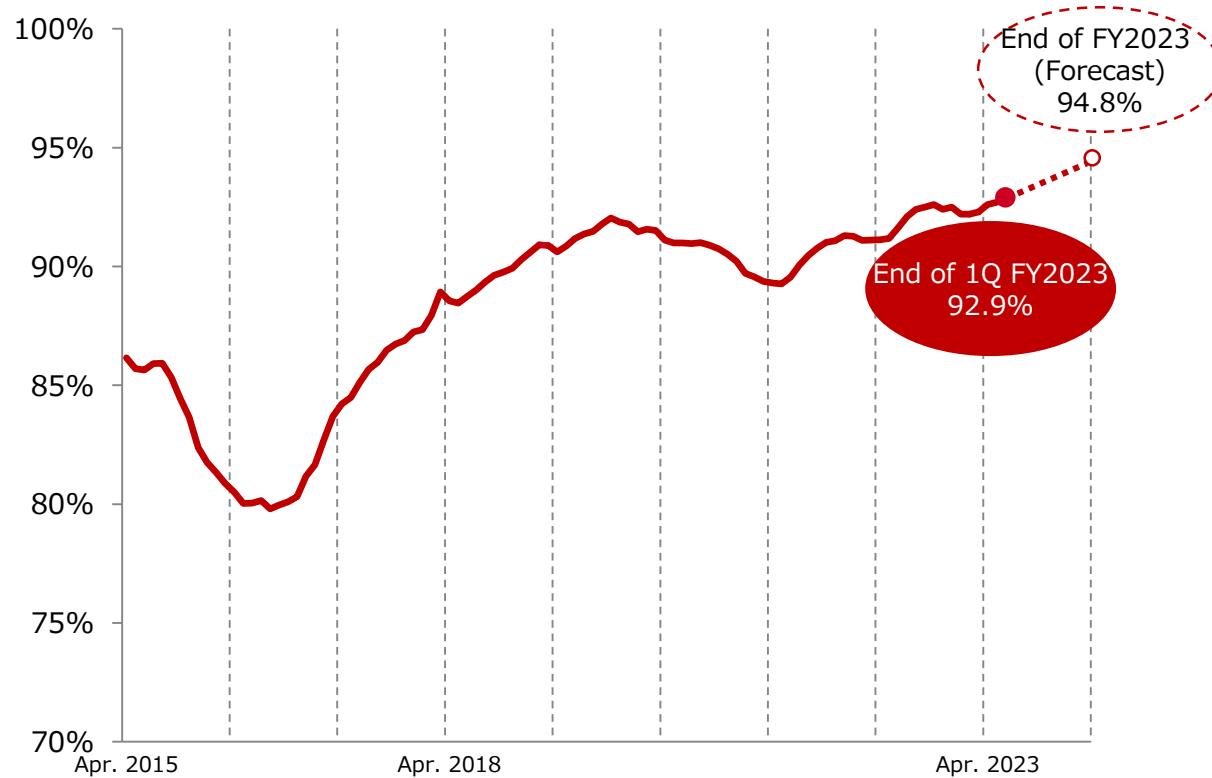


## Adjusted profit of the Nursing care & seniors business



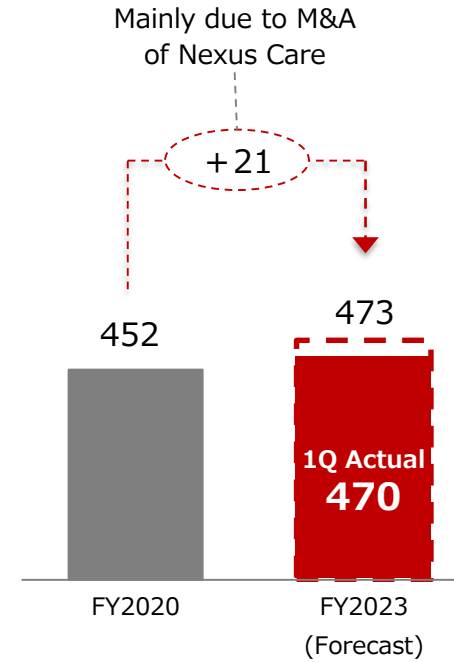
# (Reference) Occupancy Rate/Number of Facilities

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



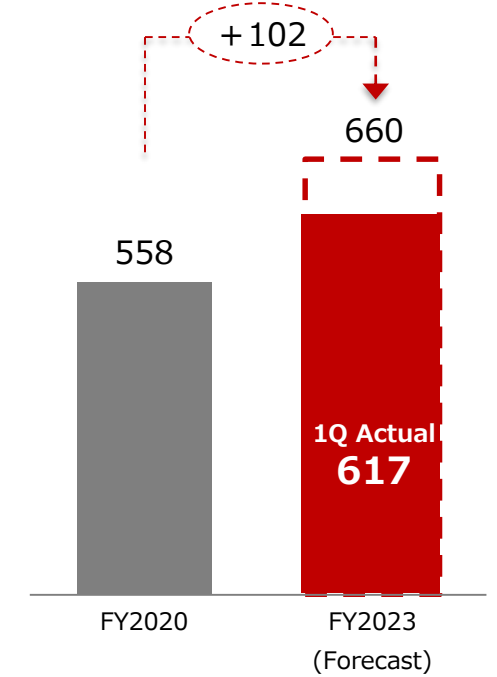
## Number of facilities\*3 (SOMPO Care)

### Number of residential facilities



### Number of facilities of home care service

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

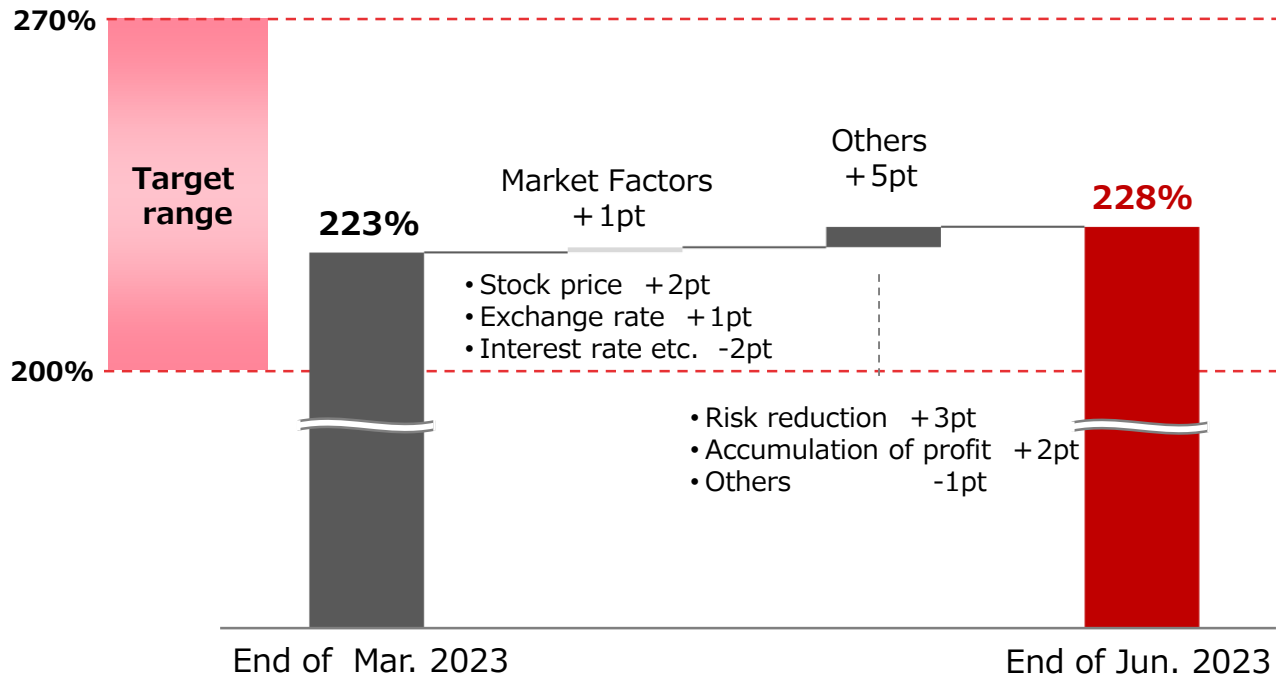
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<b>ERM</b>	<b>43</b>



# Financial Soundness – ESR (99.5% VaR)

- As a result of reduction of stock price risk and interest rate risk, etc., ESR has gone up by 5pt to 228% against the end of Mar. 2023

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

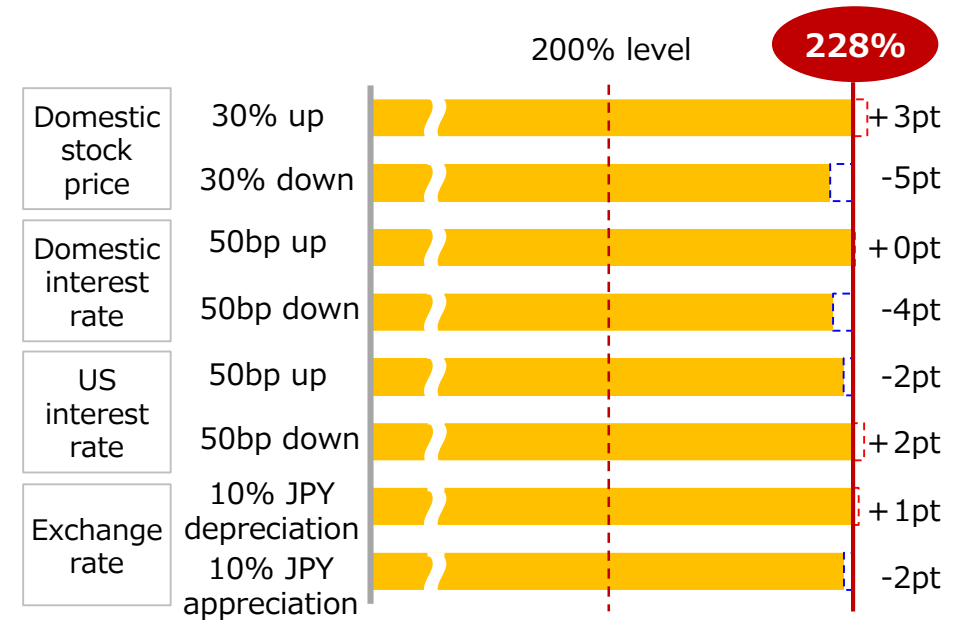


Risk reduction initiative (progress against the FY2023 target)

<b>Stock price risk</b>	Reduction of strategic-holding stocks	¥ 33.3bn./ ¥ 70.0bn
<b>Interest rate risk</b>	Investment in super long-term bonds	¥ 74.9bn./ ¥ 300.0bn.

\*1 In accordance with Solvency II

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

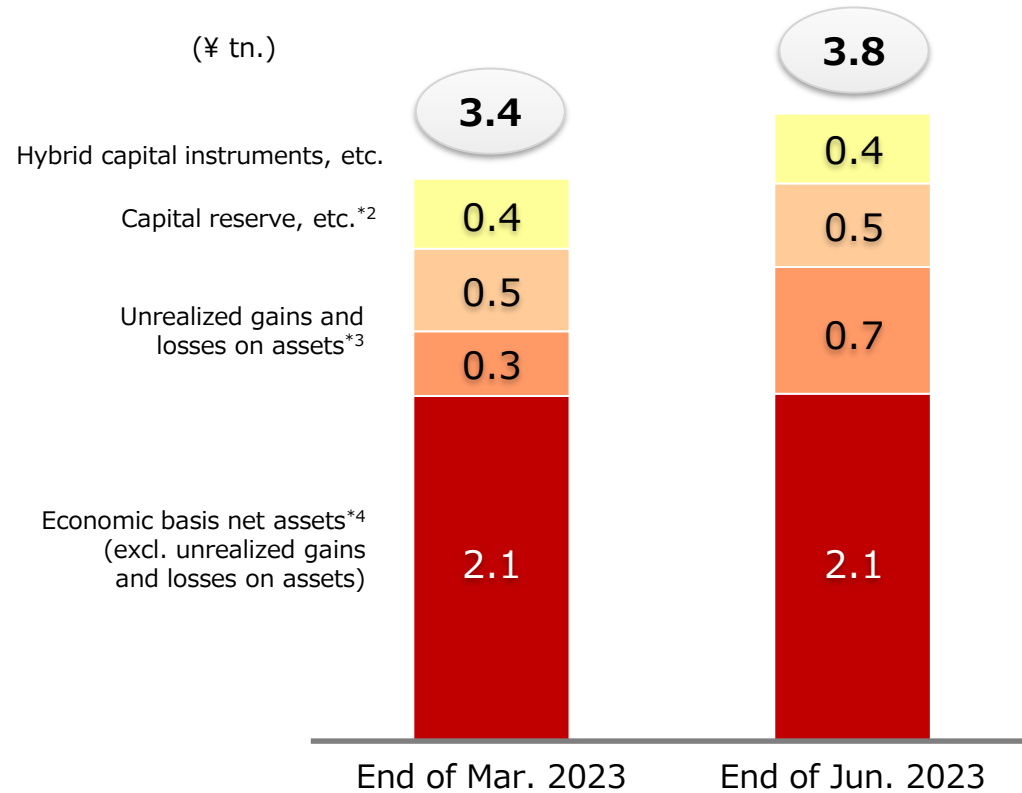


(Reference) Market indicators	End of Jun. 2023	(Variance*2)
Domestic stock price (TOPIX)	2,288.60	(+ 14.2%)
Domestic interest rate (30y JGB)	1.26%	(-4bp)
US interest rate (10y Treasury)	3.83%	(+ 37bp)
Exchange rate (JPY/USD)	¥ 144.99	(+ 8.6%)

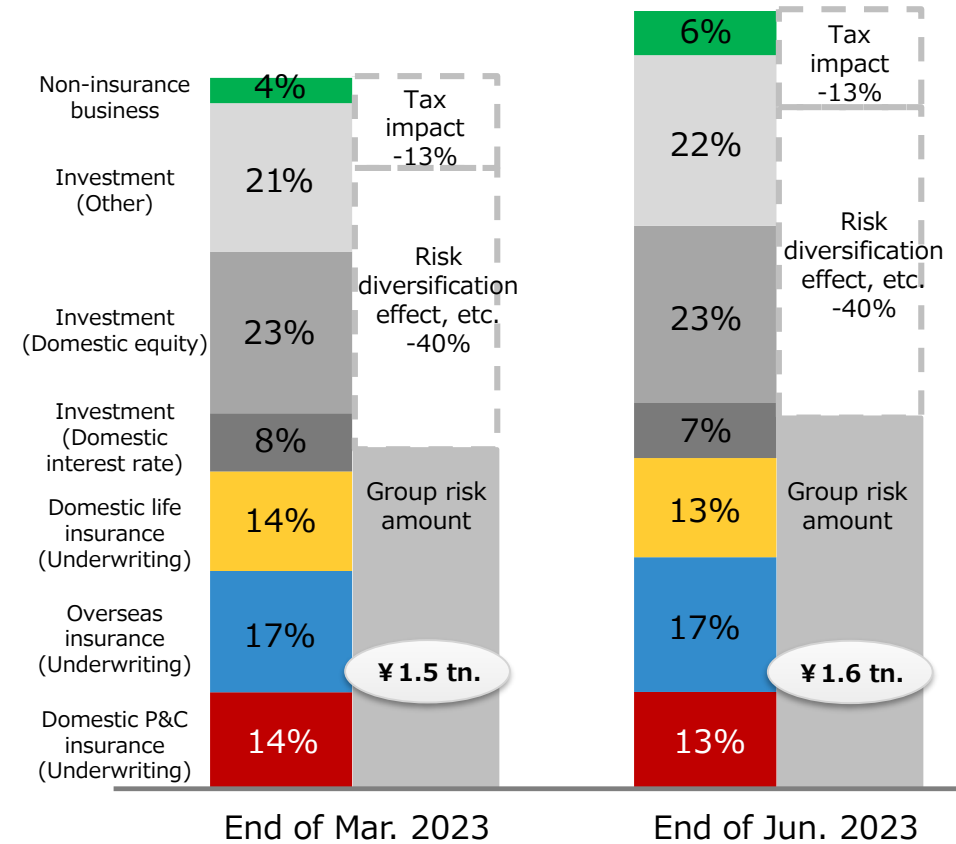
\*2 Against end of Mar. 2023

# (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

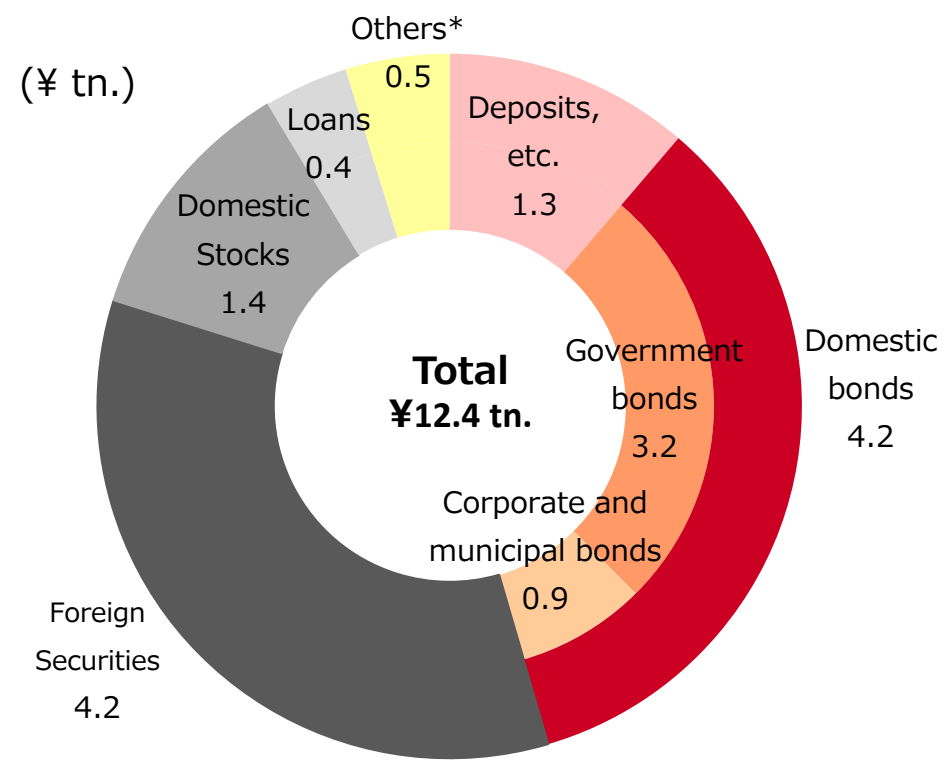
\*4 Total of net assets on non-consolidated balance sheets, and value in force of P&C and life insurance business (excl. goodwill and attributable to non-controlling shareholders, etc.)

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

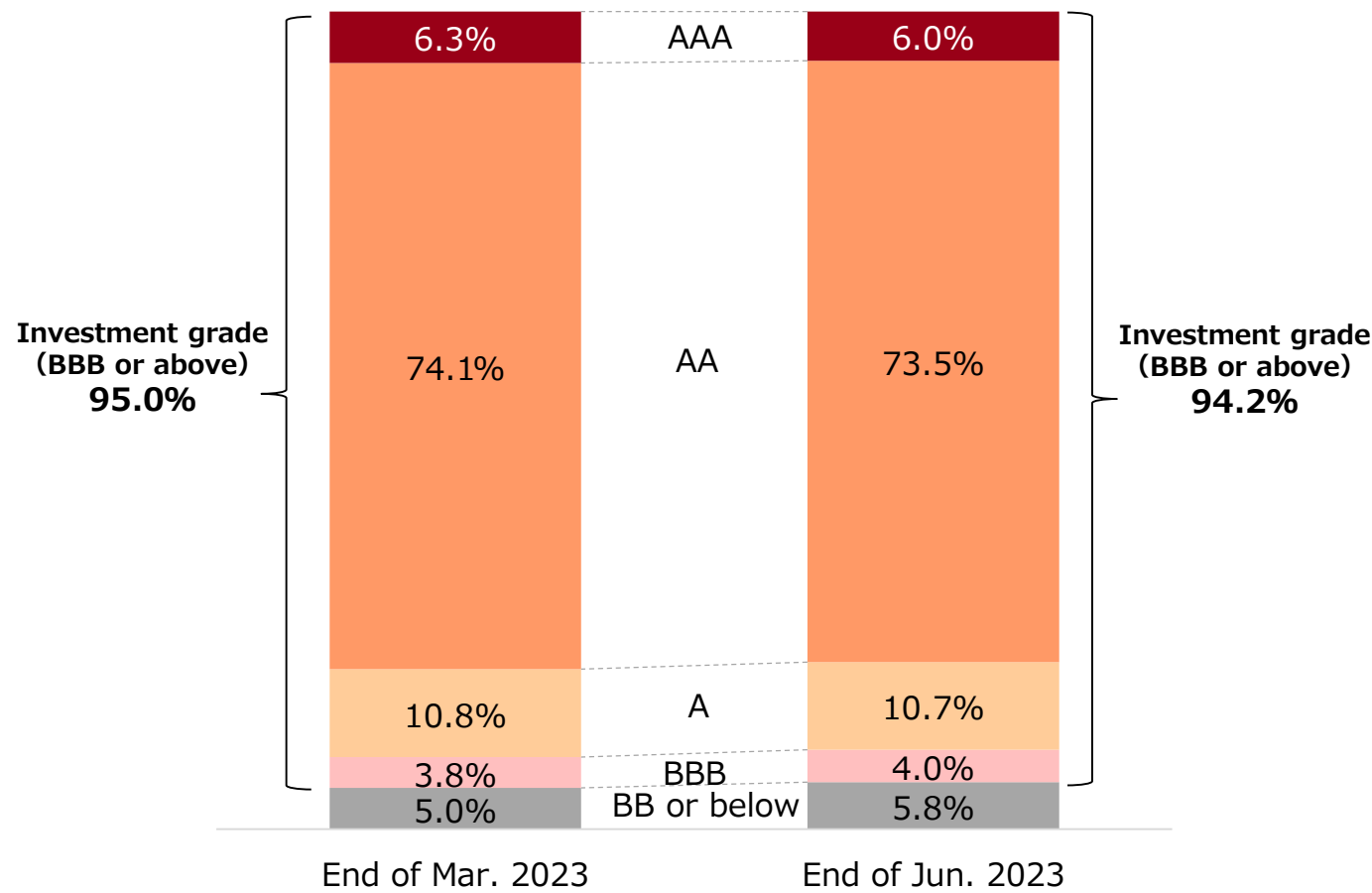
- Risk amount of each risk factor : Before reflecting risk diversification effect among risk factors and before-tax basis
- Group total risk : Sum of risk amount of each risk factor less risk diversification effect among risk factors and tax impact

# (Reference) Asset Portfolio – Group Consolidated

## Amount of investment assets (as of the end of June 2023, group consolidated basis)



## Group fixed income assets by rating (as of the end of June 2023)



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

# (Reference) Management Indicators, etc.

## Management indicators

(¥ bn.)	1Q FY2023		FY2023	
	Actual	vs. 1Q FY2022	Forecast	Segment ROE*4
Domestic P&C insurance	35.1	-1.2	80.0	5.4%
Overseas insurance	34.7	+14.6	150.0	12.3%
Domestic life insurance	9.9	+4.1	40.0	6.2%
Nursing care & seniors	1.4	+0.0	7.0	5.3%
Digital, etc.	0.5	+0.2	2.0	-
<b>Total (Adjusted consolidated profit)</b>	<b>81.8</b>	<b>+17.8</b>	<b>280.0</b>	<b>-</b>
<b>Adjusted consolidated ROE*3</b>	<b>-</b>	<b>-</b>	<b>10%+</b>	<b>-</b>
ROE (J-GAAP)	-	-	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

Net income

### Digital

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

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

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

\*3 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

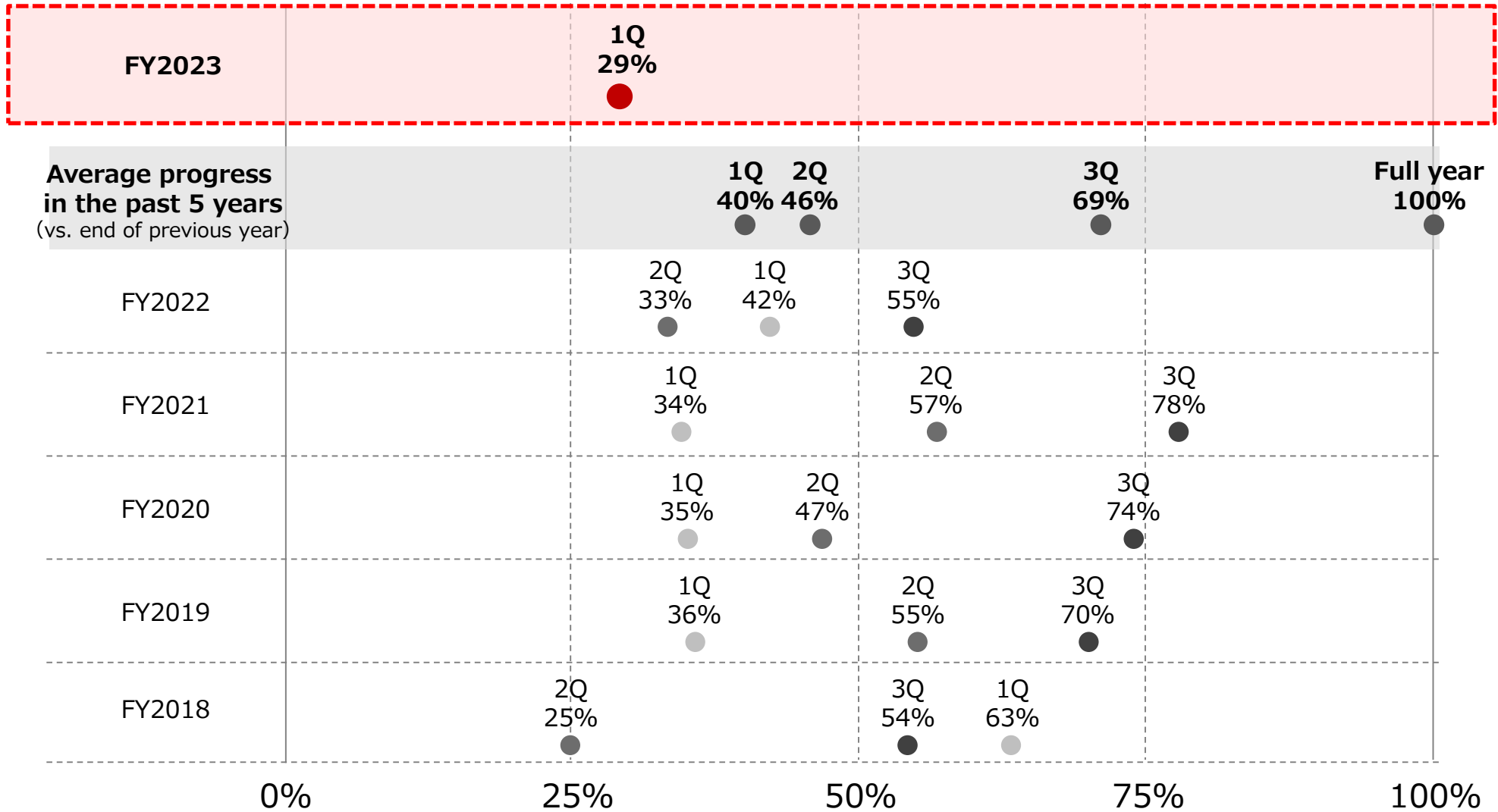
Domestic life insurance adjusted net assets = Net assets (J-GAAP) + Contingency reserve (after tax) + Reserve for price fluctuation (after tax) + Adjustment of underwriting reserve (after tax) + Non-depreciated acquisition cost (after tax)

\*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.

(Reference) Historical Progress Rates of Quarterly Results

Quarterly progress (Adjusted consolidated profit)





## 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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