

November 19, 2020

## Sompo Holdings, Inc.

### Summary of Consolidated Financial Results for the six months ended September 30, 2020 [Under Japanese GAAP]

Company Name: Sompo Holdings, Inc.  
Listed on: Tokyo Stock Exchange  
Securities Code: 8630  
URL: <https://www.sompo-hd.com/en/>  
Representative: Kengo Sakurada, Group CEO, Director, President and Representative Executive Officer  
Scheduled date to file Quarterly Securities Report: November 26, 2020  
Scheduled date to start payment of dividends: December 7, 2020  
Supplementary information for quarterly financial statements: Yes  
Schedule for quarterly investor meeting: Yes (intended for institutional investors and analysts)

(Note) Amounts less than one million yen are rounded down.

#### 1. Consolidated Financial Results for the six months ended September 30, 2020 (April 1 to September 30, 2020)

##### (1) Consolidated Results of Operations

(Note) Percentages are changes from corresponding period of previous fiscal year.

	Ordinary income		Ordinary profit		Net income attributable to shareholders of the parent	
	millions of yen	%	millions of yen	%	millions of yen	%
Six months ended September 30, 2020	1,985,323	1.5	77,516	21.6	39,616	(9.8)
Six months ended September 30, 2019	1,955,408	3.5	63,771	129.2	43,927	98.4
Note) Comprehensive income:	Six months ended September 30, 2020		164,726	million yen	900.6	%
	Six months ended September 30, 2019		16,462	million yen	218.4	%

	Net income per share	Diluted net income per share
	yen	yen
Six months ended September 30, 2020	109.48	109.42
Six months ended September 30, 2019	118.97	118.89

##### (2) Consolidated Financial Conditions

	Total assets	Net assets	Equity ratio
	millions of yen	millions of yen	%
As of September 30, 2020	12,469,845	1,721,860	13.7
As of March 31, 2020	11,977,836	1,612,584	13.3

Reference) Equity capital: As of September 30, 2020 1,709,422 million yen  
As of March 31, 2020 1,596,998 million yen

#### 2. Dividends

	Dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Annual
	yen	yen	yen	yen	yen
Fiscal year ended March 31, 2020	—	75.00	—	75.00	150.00
Fiscal year ending March 31, 2021	—	80.00	—	—	—
Fiscal year ending March 31, 2021 (Forecast)	—	—	—	90.00	170.00

Note) Revisions to the latest announced dividends forecasts: Yes

### 3. Forecasts of Consolidated Financial Results for the fiscal year ending March 31, 2021 (April 1, 2020 to March 31, 2021)

Note) Percentages are changes from previous fiscal year.

	Ordinary profit		Net income attributable to shareholders of the parent		Net income per share
	millions of yen	%	millions of yen	%	yen
Full year	223,000	15.9	140,000	14.3	391.72

Note) Revisions to the latest announced forecasts of financial results: Yes

#### (Notes)

- (1) Changes in significant subsidiaries during the six months ended September 30, 2020 (changes in specified subsidiaries resulting in changes in the scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimations, and retrospective restatements
  - (a) Changes in accounting policies due to revisions to accounting standards, etc.: None
  - (b) Changes in accounting policies due to reasons other than the above: None
  - (c) Changes in accounting estimations: None
  - (d) Retrospective restatements: None
- (3) Number of shares outstanding (Common stock) :
  - (a) Total shares outstanding including treasury stock:
 

As of September 30, 2020	373,330,489 shares
As of March 31, 2020	373,330,489 shares
  - (b) Treasury stock:
 

As of September 30, 2020	15,941,122 shares
As of March 31, 2020	9,205,407 shares
  - (c) Average number of shares outstanding:
 

For the six months ended September 30, 2020	361,836,323 shares
For the six months ended September 30, 2019	369,224,225 shares

#### (Expression of implementation status of interim audit procedures)

This summary is not subject to interim audits by a certified public accountant or an incorporated accounting firm.

#### (Notes for using forecasts of financial results, etc.)

The forecasts included in this document are based on the currently available information and certain assumptions that we believe reasonable. Accordingly, the actual results, etc. may differ materially from those projected herein depending on various factors.

Sompo Holdings, Inc. prepares the interim consolidated financial statements for the six months ended September 30, 2020, since it conducts business defined in the provision of Article 17-15, Paragraph (2) of the Cabinet Office Ordinance on Disclosure of Corporate Information, etc.

## Interim Consolidated Financial Statements and Major Notes

## (1) Interim Consolidated Balance Sheet

	(Millions of yen)	
	As of March 31, 2020	As of September 30, 2020
Assets:		
Cash and deposits	925,014	1,077,620
Receivables under resale agreements	69,999	49,999
Monetary receivables bought	21,183	21,407
Money trusts	33,003	21,154
Securities	7,970,386	8,383,820
Loans	684,094	675,304
Tangible fixed assets	374,393	370,838
Intangible fixed assets	407,988	397,692
Other assets	1,428,879	1,432,821
Net defined benefit asset	186	324
Deferred tax assets	70,886	46,882
Allowance for possible credit losses	(8,179)	(8,021)
Total assets	11,977,836	12,469,845
Liabilities:		
Underwriting funds:	8,544,735	8,862,742
Reserve for outstanding losses and claims	1,558,502	1,592,236
Underwriting reserves	6,986,233	7,270,505
Corporate bonds	504,089	502,789
Other liabilities	1,091,499	1,138,627
Net defined benefit liability	94,094	96,984
Reserve for retirement benefits to directors	30	33
Reserve for bonus payments	32,969	30,300
Reserve for bonus payments to directors	702	—
Reserve for stocks payments	1,619	1,953
Reserves under the special laws:	95,387	97,733
Reserve for price fluctuation	95,387	97,733
Deferred tax liabilities	125	16,820
Total liabilities	10,365,252	10,747,985
Net assets:		
Shareholders' equity:		
Common stock	100,045	100,045
Capital surplus	244,129	244,060
Retained earnings	788,922	801,871
Treasury stock	(38,842)	(64,322)
Total shareholders' equity	1,094,254	1,081,654
Accumulated other comprehensive income:		
Unrealized gains and losses on securities available for sale	578,261	733,708
Deferred gains and losses on hedges	5,593	5,036
Foreign currency translation adjustments	(83,214)	(112,953)
Remeasurements of defined benefit plans	2,103	1,976
Total accumulated other comprehensive income	502,743	627,767
Stock acquisition rights	551	467
Non-controlling interests	15,033	11,970
Total net assets	1,612,584	1,721,860
Total liabilities and net assets	11,977,836	12,469,845

(2) Interim Consolidated Statement of Income and Interim Consolidated Statement of Comprehensive Income  
Interim Consolidated Statement of Income

	(Millions of yen)	
	Six months ended September 30, 2019 (April 1 to September 30, 2019)	Six months ended September 30, 2020 (April 1 to September 30, 2020)
Ordinary income:	1,955,408	1,985,323
Underwriting income:	1,752,195	1,806,408
Net premiums written	1,502,471	1,568,892
Deposits of premiums by policyholders	56,624	50,230
Interest and dividend income on deposits of premiums, etc.	18,461	16,956
Life insurance premiums written	172,969	168,837
Investment income:	124,907	99,103
Interest and dividend income	100,059	85,014
Investment gains on money trusts	931	1,495
Investment gains on trading securities	613	277
Gains on sales of securities	40,478	26,514
Transfer of interest and dividend income on deposits of premiums, etc.	(18,461)	(16,956)
Other ordinary income	78,305	79,811
Ordinary expenses:	1,891,636	1,907,806
Underwriting expenses:	1,545,123	1,550,298
Net claims paid	759,677	712,200
Loss adjustment expenses	65,614	64,274
Net commissions and brokerage fees	263,229	274,351
Maturity refunds to policyholders	89,773	87,553
Life insurance claims paid and other payments	43,945	45,649
Provision for reserve for outstanding losses and claims	47,388	59,121
Provision for underwriting reserves	272,176	301,753
Investment expenses:	13,863	25,774
Investment losses on money trusts	85	15
Losses on sales of securities	4,775	6,025
Impairment losses on securities	3,198	6,075
Operating, general and administrative expenses	265,282	264,536
Other ordinary expenses:	67,366	67,197
Interest paid	7,131	6,895
Ordinary profit	63,771	77,516
Extraordinary gains:	1,300	1,048
Gains on disposal of fixed assets	1,300	1,048
Extraordinary losses:	4,959	14,963
Losses on disposal of fixed assets	1,060	710
Impairment losses	797	9,371
Provision for reserves under the special laws:	2,312	2,345
Provision for reserve for price fluctuation	2,312	2,345
Other extraordinary losses	789	2,535
Net income before income taxes	60,112	63,601
Income taxes	29,423	46,473
Deferred income taxes	(14,014)	(22,856)
Total income taxes	15,408	23,617
Net income	44,703	39,984
Net income attributable to non-controlling interests	776	367
Net income attributable to shareholders of the parent	43,927	39,616

## Interim Consolidated Statement of Comprehensive Income

	(Millions of yen)	
	Six months ended September 30, 2019 (April 1 to September 30, 2019)	Six months ended September 30, 2020 (April 1 to September 30, 2020)
Net income	44,703	39,984
Other comprehensive income:		
Unrealized gains and losses on securities available for sale	3,455	155,526
Deferred gains and losses on hedges	(203)	(557)
Foreign currency translation adjustments	(31,472)	(30,222)
Remeasurements of defined benefit plans	196	(127)
Share of other comprehensive income of affiliates accounted for under the equity method	(217)	123
Total other comprehensive income	<u>(28,241)</u>	<u>124,742</u>
Comprehensive income	<u>16,462</u>	<u>164,726</u>
(Comprehensive income attributable to)		
Comprehensive income attributable to shareholders of the parent	15,766	164,640
Comprehensive income attributable to non-controlling shareholders	695	85

(3) Interim Consolidated Statement of Changes in Net Assets  
Six months ended September 30, 2019 (April 1 to September 30, 2019)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	100,045	244,170	712,745	(2,902)	1,054,058
Changes during the period:					
Dividends			(24,243)		(24,243)
Net income attributable to shareholders of the parent			43,927		43,927
Acquisition of treasury stock				(36,314)	(36,314)
Disposal of treasury stock		(35)		387	351
Changes in the scope of consolidation			(271)		(271)
Changes in interest of the parent related to transactions with non-controlling shareholders		(5)			(5)
Others			5,056		5,056
Net changes in items other than shareholders' equity					
Total changes during the period	—	(40)	24,469	(35,926)	(11,497)
Balance at the end of the period	100,045	244,129	737,214	(38,829)	1,042,560

	Accumulated other comprehensive income					Stock acquisition rights	Non-controlling interests	Total net assets
	Unrealized gains and losses on securities available for sale	Deferred gains and losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the period	763,859	6,449	(62,937)	(3,551)	703,820	632	21,399	1,779,911
Changes during the period:								
Dividends								(24,243)
Net income attributable to shareholders of the parent								43,927
Acquisition of treasury stock								(36,314)
Disposal of treasury stock								351
Changes in the scope of consolidation								(271)
Changes in interest of the parent related to transactions with non-controlling shareholders								(5)
Others								5,056
Net changes in items other than shareholders' equity	3,365	(203)	(31,520)	189	(28,168)	(81)	(4,182)	(32,431)
Total changes during the period	3,365	(203)	(31,520)	189	(28,168)	(81)	(4,182)	(43,929)
Balance at the end of the period	767,225	6,246	(94,457)	(3,361)	675,652	551	17,217	1,735,982

## Six months ended September 30, 2020 (April 1 to September 30, 2020)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	100,045	244,129	788,922	(38,842)	1,094,254
Changes during the period:					
Dividends			(27,388)		(27,388)
Net income attributable to shareholders of the parent			39,616		39,616
Acquisition of treasury stock				(25,871)	(25,871)
Disposal of treasury stock		(69)		391	322
Changes in the scope of consolidation			(8)		(8)
Changes in the scope of the equity method			729		729
Net changes in items other than shareholders' equity					
Total changes during the period	—	(69)	12,948	(25,479)	(12,600)
Balance at the end of the period	100,045	244,060	801,871	(64,322)	1,081,654

	Accumulated other comprehensive income					Stock acquisition rights	Non-controlling interests	Total net assets
	Unrealized gains and losses on securities available for sale	Deferred gains and losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the period	578,261	5,593	(83,214)	2,103	502,743	551	15,033	1,612,584
Changes during the period:								
Dividends								(27,388)
Net income attributable to shareholders of the parent								39,616
Acquisition of treasury stock								(25,871)
Disposal of treasury stock								322
Changes in the scope of consolidation								(8)
Changes in the scope of the equity method								729
Net changes in items other than shareholders' equity	155,446	(557)	(29,739)	(126)	125,023	(84)	(3,063)	121,876
Total changes during the period	155,446	(557)	(29,739)	(126)	125,023	(84)	(3,063)	109,276
Balance at the end of the period	733,708	5,036	(112,953)	1,976	627,767	467	11,970	1,721,860

(4) Notes on Going-Concern Assumption

None.



## Supplementary Information

## (1) Summary of Results of Operations (Consolidated)

	Six months ended September 30, 2019 (April 1 to September 30, 2019)	Six months ended September 30, 2020 (April 1 to September 30, 2020)	Increase (Decrease)	Rate of change
				(Millions of yen)
Ordinary income and expenses:				%
Underwriting income:	1,752,195	1,806,408	54,213	3.1
Net premiums written	1,502,471	1,568,892	66,420	4.4
Deposits of premiums by policyholders	56,624	50,230	(6,393)	(11.3)
Life insurance premiums written	172,969	168,837	(4,132)	(2.4)
Underwriting expenses:	1,545,123	1,550,298	5,175	0.3
Net claims paid	759,677	712,200	(47,477)	(6.2)
Loss adjustment expenses	65,614	64,274	(1,340)	(2.0)
Net commissions and brokerage fees	263,229	274,351	11,121	4.2
Maturity refunds to policyholders	89,773	87,553	(2,220)	(2.5)
Life insurance claims paid and other payments	43,945	45,649	1,703	3.9
Provision for reserve for outstanding losses and claims	47,388	59,121	11,732	24.8
Provision for underwriting reserves	272,176	301,753	29,576	10.9
Investment income:	124,907	99,103	(25,804)	(20.7)
Interest and dividend income	100,059	85,014	(15,044)	(15.0)
Gains on sales of securities	40,478	26,514	(13,964)	(34.5)
Investment expenses:	13,863	25,774	11,910	85.9
Losses on sales of securities	4,775	6,025	1,250	26.2
Impairment losses on securities	3,198	6,075	2,877	90.0
Operating, general and administrative expenses	265,282	264,536	(745)	(0.3)
Other ordinary income and expenses	10,938	12,613	1,675	15.3
Ordinary profit	63,771	77,516	13,744	21.6
Extraordinary gains and losses:				
Extraordinary gains	1,300	1,048	(251)	(19.3)
Extraordinary losses	4,959	14,963	10,004	201.7
Extraordinary gains and losses	(3,659)	(13,915)	(10,256)	—
Net income before income taxes	60,112	63,601	3,488	5.8
Income taxes	29,423	46,473	17,050	57.9
Deferred income taxes	(14,014)	(22,856)	(8,841)	—
Total income taxes	15,408	23,617	8,208	53.3
Net income	44,703	39,984	(4,719)	(10.6)
Net income attributable to non-controlling interests	776	367	(408)	(52.7)
Net income attributable to shareholders of the parent	43,927	39,616	(4,310)	(9.8)

## (2) Premiums Written and Claims Paid by Business Lines (Consolidated)

Direct premiums written (including deposits of premiums by policyholders)

(Millions of yen)

Business line	Six months ended September 30, 2019 (April 1 to September 30, 2019)			Six months ended September 30, 2020 (April 1 to September 30, 2020)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	293,575	17.6	14.9	327,096	19.5	11.4
Marine insurance	47,080	2.8	4.9	47,061	2.8	(0.0)
Personal accident insurance	143,991	8.7	(1.5)	133,936	8.0	(7.0)
Voluntary automobile insurance	614,144	36.9	1.1	610,130	36.3	(0.7)
Compulsory automobile liability insurance	151,588	9.1	4.0	116,927	7.0	(22.9)
Others	414,121	24.9	4.9	444,715	26.5	7.4
Total	1,664,501	100.0	4.4	1,679,868	100.0	0.9
Deposits of premiums by policyholders	56,624	3.4	(1.5)	50,230	3.0	(11.3)

Note) The above figures represent amounts after offsetting internal transactions among segments.

Net premiums written

(Millions of yen)

Business line	Six months ended September 30, 2019 (April 1 to September 30, 2019)			Six months ended September 30, 2020 (April 1 to September 30, 2020)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	221,484	14.7	7.3	245,854	15.7	11.0
Marine insurance	50,952	3.4	10.2	47,881	3.1	(6.0)
Personal accident insurance	95,325	6.3	(3.6)	85,307	5.4	(10.5)
Voluntary automobile insurance	610,960	40.7	0.9	612,241	39.0	0.2
Compulsory automobile liability insurance	145,935	9.7	4.8	123,473	7.9	(15.4)
Others	377,812	25.1	9.7	454,134	28.9	20.2
Total	1,502,471	100.0	4.3	1,568,892	100.0	4.4

Note) The above figures represent amounts after offsetting internal transactions among segments.

Net claims paid

(Millions of yen)

Business line	Six months ended September 30, 2019 (April 1 to September 30, 2019)			Six months ended September 30, 2020 (April 1 to September 30, 2020)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	125,262	16.5	(5.2)	122,767	17.2	(2.0)
Marine insurance	23,680	3.1	19.4	22,840	3.2	(3.5)
Personal accident insurance	44,441	5.9	(8.0)	36,608	5.1	(17.6)
Voluntary automobile insurance	315,992	41.6	(4.0)	283,855	39.9	(10.2)
Compulsory automobile liability insurance	96,191	12.7	(8.0)	81,325	11.4	(15.5)
Others	154,109	20.3	4.1	164,802	23.1	6.9
Total	759,677	100.0	(2.8)	712,200	100.0	(6.2)

Note) The above figures represent amounts after offsetting internal transactions among segments.

## (3) Securities (Consolidated)

## 1. Bonds held to maturity

(Millions of yen)

		As of March 31, 2020			As of September 30, 2020		
		Carrying amount	Fair value	Unrealized gains and losses	Carrying amount	Fair value	Unrealized gains and losses
Securities whose fair value exceeds their carrying amount	Domestic bonds	1,179,676	1,475,011	295,334	1,173,337	1,447,507	274,170
	Foreign securities	13,290	13,619	328	24,290	24,707	416
	Subtotal	1,192,967	1,488,630	295,663	1,197,627	1,472,215	274,587
Securities whose fair value does not exceed their carrying amount	Domestic bonds	5,981	5,845	(136)	17,557	17,043	(514)
	Foreign securities	1,599	1,593	(6)	7,062	7,046	(16)
	Subtotal	7,581	7,438	(142)	24,620	24,089	(531)
Total		1,200,548	1,496,069	295,520	1,222,248	1,496,304	274,055

## 2. Policy reserve matching bonds

(Millions of yen)

		As of March 31, 2020			As of September 30, 2020		
		Carrying amount	Fair value	Unrealized gains and losses	Carrying amount	Fair value	Unrealized gains and losses
Securities whose fair value exceeds their carrying amount	Domestic bonds	375,977	417,368	41,390	395,561	429,508	33,946
Securities whose fair value does not exceed their carrying amount	Domestic bonds	84,707	83,465	(1,241)	230,427	224,218	(6,208)
Total		460,685	500,834	40,148	625,989	653,727	27,737

## 3. Securities available for sale

(Millions of yen)

		As of March 31, 2020			As of September 30, 2020		
		Carrying amount	Cost	Unrealized gains and losses	Carrying amount	Cost	Unrealized gains and losses
Securities whose carrying amount exceeds their cost	Domestic bonds	1,889,044	1,722,025	167,019	1,764,341	1,610,630	153,711
	Domestic stocks	869,590	329,234	540,356	1,029,538	383,458	646,080
	Foreign securities	1,919,916	1,783,993	135,923	2,456,112	2,218,178	237,934
	Others	117,230	108,735	8,494	136,900	124,006	12,894
	Subtotal	4,795,782	3,943,990	851,792	5,386,894	4,336,273	1,050,620
Securities whose carrying amount does not exceed their cost	Domestic bonds	340,146	344,479	(4,333)	388,063	397,175	(9,111)
	Domestic stocks	117,179	132,825	(15,645)	57,827	69,212	(11,384)
	Foreign securities	953,928	988,441	(34,513)	592,943	612,547	(19,603)
	Others	45,695	48,304	(2,609)	66,193	66,658	(464)
	Subtotal	1,456,949	1,514,051	(57,101)	1,105,029	1,145,594	(40,565)
Total		6,252,732	5,458,041	794,690	6,491,923	5,481,868	1,010,055

## Notes)

As of March 31, 2020	As of September 30, 2020
1. Securities available for sale which are considered extremely difficult to figure out their fair value are not included in the above table.	1. Same as on the left
2. Certificate of deposit classified as cash and deposits and beneficial interests in the loan trusts, etc. classified as monetary receivables bought in the consolidated balance sheet are included in "Others" above.	2. Certificate of deposit classified as cash and deposits and beneficial interests in the loan trusts, etc. classified as monetary receivables bought in the interim consolidated balance sheet are included in "Others" above.

## 4. Securities for which impairment losses are recognized

Fiscal year ended March 31, 2020 (April 1, 2019 to March 31, 2020)	Six months ended September 30, 2020 (April 1 to September 30, 2020 )
For the fiscal year ended March 31, 2020, impairment losses on securities available for sale (excluding securities available for sale which are considered extremely difficult to figure out their fair value) amount to 17,691 million yen (domestic stocks: 15,805 million yen, foreign securities: 1,885 million yen), and impairment losses on securities available for sale which are considered extremely difficult to figure out their fair value amount to 5,616 million yen (domestic stocks: 2,636 million yen, foreign securities: 2,979 million yen, others: 0 million yen). Basically, impairment losses on securities are recognized if fair value at the end of the fiscal year declines by 30% or more from their cost.	For the six months ended September 30, 2020, impairment losses on securities available for sale (excluding securities available for sale which are considered extremely difficult to figure out their fair value) amount to 3,894 million yen (domestic stocks: 2,484 million yen, foreign securities: 1,410 million yen), and impairment losses on securities available for sale which are considered extremely difficult to figure out their fair value amount to 580 million yen (domestic stocks: 351 million yen, foreign securities: 229 million yen). Basically, impairment losses on securities are recognized if fair value at the end of the second quarter declines by 30% or more from their cost.