

**UNOFFICIAL TRANSLATION**

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February 12, 2021

**Sompo Holdings, Inc.****Summary of Consolidated Financial Results for the nine months ended December 31, 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: February 12, 2021  
Scheduled date to start payment of dividends: \_\_\_\_\_  
Supplementary information for quarterly financial statements: Yes  
Schedule for quarterly investor meeting: None

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

**1. Consolidated Financial Results for the nine months ended December 31, 2020 (April 1 to December 31, 2020)****(1) Consolidated Results of Operations (accumulated)**

(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	%
Nine months ended December 31, 2020	2,909,658	2.9	143,533	(6.7)	85,726	(21.2)
Nine months ended December 31, 2019	2,827,731	3.8	153,922	(5.8)	108,742	(8.2)

Note) Comprehensive income: Nine months ended December 31, 2020 388,994 million yen 225.6 %  
Nine months ended December 31, 2019 119,475 million yen - %

	Net income per share	Diluted net income per share
	yen	yen
Nine months ended December 31, 2020	238.32	238.18
Nine months ended December 31, 2019	295.88	295.68

**(2) Consolidated Financial Conditions**

	Total assets	Net assets	Equity ratio
	millions of yen	millions of yen	%
As of December 31, 2020	12,733,428	1,907,876	14.9
As of March 31, 2020	11,977,836	1,612,584	13.3

Reference) Equity capital: As of December 31, 2020 1,895,449 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: None

### 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: None

#### (Notes)

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2020 (changes in specified subsidiaries resulting in changes in the scope of consolidation): None
- (2) Application of accounting methods used specifically for the preparation of the quarterly consolidated financial statements: Yes
- (3) 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
- (4) Number of shares outstanding (Common stock):
- (a) Total shares outstanding including treasury stock:
- |                         |                    |
|-------------------------|--------------------|
| As of December 31, 2020 | 373,330,489 shares |
| As of March 31, 2020    | 373,330,489 shares |
- (b) Treasury stock:
- |                         |                   |
|-------------------------|-------------------|
| As of December 31, 2020 | 18,371,877 shares |
| As of March 31, 2020    | 9,205,407 shares  |
- (c) Average number of shares outstanding:
- |   |                    |
|---|--------------------|
| For the nine months ended December 31, 2020 | 359,701,434 shares |
| For the nine months ended December 31, 2019 | 367,519,027 shares |

#### (Expression of implementation status of quarterly review procedures)

This summary is not subject to quarterly reviews 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.

## Quarterly Consolidated Financial Statements and Major Notes

### (1) Quarterly Consolidated Balance Sheet

	(Millions of yen)	
	As of March 31, 2020	As of December 31, 2020
Assets:		
Cash and deposits	925,014	1,014,952
Receivables under resale agreements	69,999	49,999
Monetary receivables bought	21,183	22,246
Money trusts	33,003	22,902
Securities	7,970,386	8,780,414
Loans	684,094	661,249
Tangible fixed assets	374,393	367,755
Intangible fixed assets	407,988	396,857
Other assets	1,428,879	1,395,506
Net defined benefit asset	186	334
Deferred tax assets	70,886	29,158
Allowance for possible credit losses	(8,179)	(7,950)
<b>Total assets</b>	<b>11,977,836</b>	<b>12,733,428</b>
Liabilities:		
Underwriting funds:	8,544,735	8,859,960
Reserve for outstanding losses and claims	1,558,502	1,611,219
Underwriting reserves	6,986,233	7,248,740
Corporate bonds	504,089	501,478
Other liabilities	1,091,499	1,156,449
Net defined benefit liability	94,094	99,023
Reserve for retirement benefits to directors	30	34
Reserve for bonus payments	32,969	14,532
Reserve for bonus payments to directors	702	—
Reserve for stocks payments	1,619	1,953
Reserves under the special laws:	95,387	98,941
Reserve for price fluctuation	95,387	98,941
Deferred tax liabilities	125	93,177
<b>Total liabilities</b>	<b>10,365,252</b>	<b>10,825,551</b>
Net assets:		
Shareholders' equity:		
Common stock	100,045	100,045
Capital surplus	244,129	244,060
Retained earnings	788,922	819,310
Treasury stock	(38,842)	(73,764)
<b>Total shareholders' equity</b>	<b>1,094,254</b>	<b>1,089,652</b>
Accumulated other comprehensive income:		
Unrealized gains and losses on securities available for sale	578,261	929,339
Deferred gains and losses on hedges	5,593	4,530
Foreign currency translation adjustments	(83,214)	(129,963)
Remeasurements of defined benefit plans	2,103	1,890
<b>Total accumulated other comprehensive income</b>	<b>502,743</b>	<b>805,797</b>
Stock acquisition rights	551	467
Non-controlling interests	15,033	11,960
<b>Total net assets</b>	<b>1,612,584</b>	<b>1,907,876</b>
<b>Total liabilities and net assets</b>	<b>11,977,836</b>	<b>12,733,428</b>

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income  
 Quarterly Consolidated Statement of Income  
 Nine months ended December 31, 2020

	(Millions of yen)	
	Nine months ended December 31, 2019 (April 1 to December 31, 2019)	Nine months ended December 31, 2020 (April 1 to December 31, 2020)
Ordinary income:	2,827,731	2,909,658
Underwriting income:	2,527,039	2,621,231
Net premiums written	2,147,120	2,264,604
Deposits of premiums by policyholders	90,883	75,028
Interest and dividend income on deposits of premiums, etc.	27,384	25,118
Life insurance premiums written	259,054	253,787
Investment income:	184,639	171,023
Interest and dividend income	149,667	130,613
Investment gains on money trusts	2,086	2,355
Investment gains on trading securities	802	1,103
Gains on sales of securities	56,871	47,854
Transfer of interest and dividend income on deposits of premiums, etc.	(27,384)	(25,118)
Other ordinary income	116,051	117,403
Ordinary expenses:	2,673,809	2,766,124
Underwriting expenses:	2,158,911	2,226,835
Net claims paid	1,217,291	1,120,825
Loss adjustment expenses	97,765	95,620
Net commissions and brokerage fees	393,260	411,161
Maturity refunds to policyholders	160,196	146,424
Life insurance claims paid and other payments	69,472	70,017
Provision for reserve for outstanding losses and claims	36,658	92,012
Provision for underwriting reserves	177,153	288,403
Investment expenses:	14,446	44,873
Investment losses on money trusts	112	8
Losses on sales of securities	5,333	7,429
Impairment losses on securities	2,387	10,857
Operating, general and administrative expenses	395,878	394,619
Other ordinary expenses:	104,572	99,795
Interest paid	10,633	10,460
Ordinary profit	<u>153,922</u>	<u>143,533</u>
Extraordinary gains:	1,602	4,799
Gains on disposal of fixed assets	1,602	4,799
Extraordinary losses:	8,441	17,850
Losses on disposal of fixed assets	1,844	1,292
Impairment losses	1,372	10,377
Provision for reserves under the special laws:	3,485	3,554
Provision for reserve for price fluctuation	3,485	3,554
Other extraordinary losses	1,738	2,626
Net income before income taxes	<u>147,082</u>	<u>130,482</u>
Income taxes and deferred income taxes	<u>37,856</u>	<u>44,500</u>
Net income	<u>109,226</u>	<u>85,981</u>
Net income attributable to non-controlling shareholders	<u>484</u>	<u>255</u>
Net income attributable to shareholders of the parent	<u>108,742</u>	<u>85,726</u>

Quarterly Consolidated Statement of Comprehensive Income  
 Nine months ended December 31, 2020

	(Millions of yen)	
	Nine months ended December 31, 2019 (April 1 to December 31, 2019)	Nine months ended December 31, 2020 (April 1 to December 31, 2020)
Net income	109,226	85,981
Other comprehensive income:		
Unrealized gains and losses on securities available for sale	46,848	351,128
Deferred gains and losses on hedges	(1,070)	(1,062)
Foreign currency translation adjustments	(35,606)	(46,896)
Remeasurements of defined benefit plans	289	(214)
Share of other comprehensive income of affiliates accounted for under the equity method	(212)	57
Total other comprehensive income	10,248	303,012
Comprehensive income	119,475	388,994
(Comprehensive income attributable to)		
Comprehensive income attributable to shareholders of the parent	119,148	388,779
Comprehensive income attributable to non-controlling shareholders	327	214

(3) Notes on Going-Concern Assumption

None.

(4) Notes on Significant Changes in Shareholders' Equity

None.

(5) Application of Accounting Methods Used Specifically for the Preparation of the Quarterly Consolidated Financial Statements

Income tax expenses are calculated by multiplying net income before income taxes by an estimated effective tax rate, which is a reasonable estimate of the effective tax rate after applying tax effect accounting to net income before income taxes for the fiscal year that includes this third quarter. However, if the use of this estimated effective tax rate produces significantly unreasonable results, income tax expenses are calculated by using the statutory effective tax rate.

## Supplementary Information

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

	(Millions of yen)			
	Nine months ended December 31, 2019 (April 1 to December 31, 2019)	Nine months ended December 31, 2020 (April 1 to December 31, 2020)	Increase (Decrease)	Rate of change
Ordinary income and expenses:				%
Underwriting income:	2,527,039	2,621,231	94,192	3.7
Net premiums written	2,147,120	2,264,604	117,483	5.5
Deposits of premiums by policyholders	90,883	75,028	(15,854)	(17.4)
Life insurance premiums written	259,054	253,787	(5,266)	(2.0)
Underwriting expenses:	2,158,911	2,226,835	67,923	3.1
Net claims paid	1,217,291	1,120,825	(96,466)	(7.9)
Loss adjustment expenses	97,765	95,620	(2,145)	(2.2)
Net commissions and brokerage fees	393,260	411,161	17,900	4.6
Maturity refunds to policyholders	160,196	146,424	(13,772)	(8.6)
Life insurance claims paid and other payments	69,472	70,017	544	0.8
Provision for reserve for outstanding losses and claims	36,658	92,012	55,353	151.0
Provision for underwriting reserves	177,153	288,403	111,249	62.8
Investment income:	184,639	171,023	(13,616)	(7.4)
Interest and dividend income	149,667	130,613	(19,054)	(12.7)
Gains on sales of securities	56,871	47,854	(9,017)	(15.9)
Investment expenses:	14,446	44,873	30,427	210.6
Losses on sales of securities	5,333	7,429	2,095	39.3
Impairment losses on securities	2,387	10,857	8,470	354.8
Operating, general and administrative expenses	395,878	394,619	(1,258)	(0.3)
Other ordinary income and expenses	11,479	17,607	6,128	53.4
Ordinary profit	153,922	143,533	(10,388)	(6.7)
Extraordinary gains and losses:				
Extraordinary gains	1,602	4,799	3,197	199.6
Extraordinary losses	8,441	17,850	9,408	111.5
Extraordinary gains and losses	(6,839)	(13,050)	(6,211)	—
Net income before income taxes	147,082	130,482	(16,600)	(11.3)
Income taxes and deferred income taxes	37,856	44,500	6,644	17.6
Net income	109,226	85,981	(23,244)	(21.3)
Net income attributable to non-controlling interests	484	255	(229)	(47.3)
Net income attributable to shareholders of the parent	108,742	85,726	(23,015)	(21.2)

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

Direct premiums written (including deposits of premiums by policyholders)

(Millions of yen)

Business line	Nine months ended December 31, 2019 (April 1 to December 31, 2019)			Nine months ended December 31, 2020 (April 1 to December 31, 2020)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	438,698	18.0	10.5	494,357	20.0	12.7
Marine insurance	68,818	2.8	3.0	67,381	2.7	(2.1)
Personal accident insurance	216,546	8.9	3.9	194,413	7.9	(10.2)
Voluntary automobile insurance	918,313	37.7	2.1	913,869	36.9	(0.5)
Compulsory automobile liability insurance	220,108	9.0	0.4	176,376	7.1	(19.9)
Others	576,325	23.6	3.4	629,141	25.4	9.2
Total	2,438,811	100.0	3.8	2,475,540	100.0	1.5
Deposits of premiums by policyholders	90,883	3.7	7.4	75,028	3.0	(17.4)

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

Net premiums written

(Millions of yen)

Business line	Nine months ended December 31, 2019 (April 1 to December 31, 2019)			Nine months ended December 31, 2020 (April 1 to December 31, 2020)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	316,877	14.8	9.1	364,779	16.1	15.1
Marine insurance	66,299	3.1	3.4	65,527	2.9	(1.2)
Personal accident insurance	134,812	6.3	(3.2)	120,483	5.3	(10.6)
Voluntary automobile insurance	911,394	42.4	1.7	913,960	40.4	0.3
Compulsory automobile liability insurance	213,833	10.0	3.1	179,580	7.9	(16.0)
Others	503,902	23.5	7.5	620,272	27.4	23.1
Total	2,147,120	100.0	3.9	2,264,604	100.0	5.5

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

Net claims paid

(Millions of yen)

Business line	Nine months ended December 31, 2019 (April 1 to December 31, 2019)			Nine months ended December 31, 2020 (April 1 to December 31, 2020)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	228,594	18.8	(19.5)	204,253	18.2	(10.6)
Marine insurance	34,813	2.9	(0.1)	33,963	3.0	(2.4)
Personal accident insurance	67,231	5.5	(6.4)	55,124	4.9	(18.0)
Voluntary automobile insurance	496,174	40.8	(1.0)	440,303	39.3	(11.3)
Compulsory automobile liability insurance	146,469	12.0	(7.9)	133,309	11.9	(9.0)
Others	244,008	20.0	4.7	253,870	22.7	4.0
Total	1,217,291	100.0	(5.2)	1,120,825	100.0	(7.9)

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 December 31, 2020		
	Carrying amount	Fair value	Unrealized gains and losses	Carrying amount	Fair value	Unrealized gains and losses
Domestic bonds	1,185,658	1,480,856	295,198	1,190,844	1,460,159	269,315
Foreign securities	14,890	15,212	322	31,317	31,385	67
Total	1,200,548	1,496,069	295,520	1,222,161	1,491,544	269,382

## 2. Policy reserve matching bonds

(Millions of yen)

	As of March 31, 2020			As of December 31, 2020		
	Carrying amount	Fair value	Unrealized gains and losses	Carrying amount	Fair value	Unrealized gains and losses
Domestic bonds	460,685	500,834	40,148	707,110	730,650	23,540
Total	460,685	500,834	40,148	707,110	730,650	23,540

## 3. Securities available for sale

(Millions of yen)

	As of March 31, 2020			As of December 31, 2020		
	Cost	Carrying amount	Unrealized gains and losses	Cost	Carrying amount	Unrealized gains and losses
Domestic bonds	2,066,505	2,229,190	162,685	1,965,547	2,104,425	138,877
Domestic stocks	462,060	986,770	524,710	440,634	1,172,636	732,001
Foreign securities	2,772,435	2,873,845	101,409	2,903,911	3,298,467	394,555
Others	157,040	162,925	5,884	203,379	224,183	20,804
Total	5,458,041	6,252,732	794,690	5,513,474	6,799,713	1,286,239

## Notes)

As of March 31, 2020	As of December 31, 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 quarterly consolidated balance sheet are included in "Others" above.
3. 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). 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.	3. 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 8,666 million yen (domestic stocks: 7,621 million yen, foreign securities: 1,045 million yen). Basically, impairment losses on securities are recognized if fair value at the end of the third quarter declines by 30% or more from their cost.