

Sompo Holdings, Inc.

Summary of Consolidated Financial Results for the fiscal year ended March 31, 2022 [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, Chairman and Representative Executive Officer
 Scheduled date to hold general meeting of stockholders: June 27, 2022
 Scheduled date to file Securities Report: June 24, 2022
 Scheduled date to start payment of dividends: June 28, 2022
 Supplementary information for financial statements: Yes
 Schedule for 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 fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(1) Consolidated Results of Operations

(Note) Percentages are changes from previous fiscal year.

	Ordinary income		Ordinary profit		Net income attributable to shareholders of the parent	
	millions of yen	%	millions of yen	%	millions of yen	%
Fiscal year ended March 31, 2022	4,167,496	8.4	315,512	46.7	224,842	57.8
Fiscal year ended March 31, 2021	3,846,323	2.3	215,097	11.8	142,482	16.3
Reference) Comprehensive income:	Fiscal year ended March 31, 2022		143,823	million yen	(71.9)	%
	Fiscal year ended March 31, 2021		512,417	million yen	—	%

	Net income per share	Diluted net income per share	Return on equity	Ordinary profit to total assets	Ordinary profit to ordinary income
	yen	yen	%	%	%
Fiscal year ended March 31, 2022	644.24	643.86	11.1	2.3	7.6
Fiscal year ended March 31, 2021	397.40	397.16	7.9	1.7	5.6

Reference) Investment gains and losses on the equity method: Fiscal year ended March 31, 2022 (5,675) million yen
 Fiscal year ended March 31, 2021 (3,147) million yen

(2) Consolidated Financial Conditions

	Total assets	Net assets	Equity ratio	Net assets per share
	millions of yen	millions of yen	%	yen
As of March 31, 2022	13,787,835	2,040,789	14.7	5,919.73
As of March 31, 2021	13,118,656	2,031,168	15.4	5,686.22

Reference) Equity capital: As of March 31, 2022 2,028,118 million yen
 As of March 31, 2021 2,018,361 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the period
	millions of yen	millions of yen	millions of yen	millions of yen
Fiscal year ended March 31, 2022	600,021	(348,540)	(170,108)	1,207,306
Fiscal year ended March 31, 2021	626,202	(359,516)	(94,498)	1,117,770

2. Dividends

	Dividends per share					Total annual dividends	Dividend payout ratio (Consolidated)	Dividends on net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Annual			
	yen	yen	yen	yen	yen	millions of yen	%	%
Fiscal year ended March 31, 2021	—	80.00	—	90.00	170.00	60,705	42.8	3.4
Fiscal year ended March 31, 2022	—	105.00	—	105.00	210.00	72,785	32.6	3.6
Fiscal year ending March 31, 2023 (Forecast)	—	130.00	—	130.00	260.00		55.7	

3. Forecasts of Consolidated Financial Results for the fiscal year ending March 31, 2023 (April 1, 2022 to March 31, 2023)

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	235,000	(25.5)	160,000	(28.8)	467.01

(Notes)

- (1) Changes in significant subsidiaries during the fiscal year ended March 31, 2022 (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.: Yes
- (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 March 31, 2022 | 347,698,689 shares |
| As of March 31, 2021 | 373,330,489 shares |
- (b) Treasury stock:
- | | |
|----------------------|-------------------|
| As of March 31, 2022 | 5,096,040 shares |
| As of March 31, 2021 | 18,373,946 shares |
- (c) Average number of shares outstanding:
- | | |
|--|--------------------|
| For the fiscal year ended March 31, 2022 | 348,999,367 shares |
| For the fiscal year ended March 31, 2021 | 358,531,696 shares |

(Expression of implementation status of audit procedures)

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

(Notes for using forecasted information, 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.

Overview of Results of Operations

(1) Overview of Results of Operations for the fiscal year ended March 31, 2022

During the fiscal year ended March 31, 2022, the global economy was hit hard by the global COVID-19 pandemic in the first half of the year, but it generally picked up after that with recovery continuing in the United States and Europe.

We see signs of economic recovery also in Japan, including industrial production and corporate profits, but there is earnings downside risk primarily caused by geopolitical risk, including an increase in raw material prices, financial market fluctuations, and supply-side constraints, which continues to require close attention.

Under these circumstances, the consolidated financial results of Sompo Holdings Group (“SOMPO HOLDINGS”) for the fiscal year ended March 31, 2022 were as follows:

Ordinary income increased by 321.1 billion yen to 4,167.4 billion yen compared to the previous fiscal year, the components of which were underwriting income of 3,656.8 billion yen, investment income of 338.4 billion yen and other ordinary income of 172.1 billion yen. Meanwhile, ordinary expenses increased by 220.7 billion yen to 3,851.9 billion yen compared to the previous fiscal year, the components of which were underwriting expenses of 3,099.4 billion yen, investment expenses of 37.3 billion yen, operating, general and administrative expenses of 570.3 billion yen and other ordinary expenses of 144.7 billion yen.

As a result of the foregoing, Sompo Holdings, Inc. (the “Company”) reported ordinary profit, calculated as ordinary income minus ordinary expenses, of 315.5 billion yen, an increase of 100.4 billion yen from the previous fiscal year. The Company posted net income attributable to shareholders of the parent, after extraordinary items, net of income taxes and deferred income taxes and others, of 224.8 billion yen, an increase of 82.3 billion yen from the previous fiscal year.

Business results for each of the SOMPO HOLDINGS’ reporting segments were as follows:

(a) Domestic P&C insurance business

In the domestic P&C insurance business, net premiums written amounted to 2,217.1 billion yen, an increase of 20.5 billion yen from the previous fiscal year, due to increased net premiums written in fire and allied insurance. The domestic P&C insurance business posted net income attributable to shareholders of the parent of 138.2 billion yen, an increase of 1.5 billion yen from the previous fiscal year.

(b) Overseas insurance business

In the overseas insurance business, net premiums written amounted to 998.5 billion yen, an increase of 271.5 billion yen from the previous fiscal year. Net income attributable to shareholders of the parent increased by 47.8 billion yen to a net income of 42.1 billion yen compared to the previous fiscal year.

(c) Domestic life insurance business

In the domestic life insurance business, life insurance premiums written amounted to 318.5 billion yen, a decrease of 21.7 billion yen from the previous fiscal year. The domestic life insurance business posted net income attributable to shareholders of the parent of 15.9 billion yen, a decrease of 3.4 billion yen from the previous fiscal year.

(d) Nursing care & seniors business

Ordinary income decreased by 1.9 billion yen to 136.6 billion yen compared to the previous fiscal year. Net income attributable to shareholders of the parent increased by 0.2 billion yen to a net income of 1.3 billion yen compared to the previous fiscal year.

(2) Overview of Financial Condition as of March 31, 2022

Total assets as of March 31, 2022 amounted to 13,787.8 billion yen on a consolidated basis, an increase of 669.1 billion yen from March 31, 2021. Total net assets as of March 31, 2022 amounted to 2,040.7 billion yen on a consolidated basis, an increase of 9.6 billion yen from March 31, 2021.

Cash flows for the fiscal year ended March 31, 2022 were as follows:

Cash flows from operating activities resulted in a net inflow of 600.0 billion yen, a decrease of 26.1 billion yen from the previous fiscal year, due mainly to a decrease in life insurance premiums written and deposits of premiums by policyholders.

Cash flows from investing activities resulted in a net outflow of 348.5 billion yen, an increase of 10.9 billion yen from the previous fiscal year, due mainly to an increase in proceeds from sales of securities.

Cash flows from financing activities resulted in a net outflow of 170.1 billion yen, a decrease of 75.6 billion yen from the previous fiscal year, due mainly to a decrease in payables under securities lending transactions.

As a result, cash and cash equivalents at the end of the period were 1,207.3 billion yen, an increase of 89.5 billion yen from the end of the previous fiscal year.

(3) Outlook for the fiscal year ending March 31, 2023

For the fiscal year ending March 31, 2023, the Company is forecasting consolidated ordinary profit of 235.0 billion yen and net income attributable to shareholders of the parent of 160.0 billion yen, based on the following assumptions:

- Assumptions for net premiums written are based on the Company's own projections based on extrapolation from past trends and other factors.
- The Company is forecasting 83.0 billion yen for net incurred losses (excluding household earthquake insurance) of Sompo Japan Insurance Inc. due to domestic natural disasters that occur in the fiscal year ending March 31, 2023, taking into account past trends and other factors.
- The Company assumes no major change in market interest rates, exchange rates and stock prices from their levels at March 31, 2022.

The above forecasts were prepared based on information available as of the date of this release. Accordingly, actual results may differ materially from projections depending on various factors.

Basic Approach to Selection of Accounting Standard

SOMPO HOLDINGS is considering the adoption of International Financial Reporting Standards (IFRS). As part of this process, SOMPO HOLDINGS is implementing measures such as examining company guidelines and building infrastructure.

SOMPO HOLDINGS plans to determine the timing of adoption based on the influences surrounding accounting standards for insurance contracts (IFRS 17) and other factors.

Consolidated Financial Statements and Major Notes**(1) Consolidated Balance Sheet**

	(Millions of yen)	
	As of March 31, 2021	As of March 31, 2022
Assets:		
Cash and deposits	1,068,985	1,170,892
Receivables under resale agreements	59,999	73,999
Monetary receivables bought	21,700	20,104
Money trusts	27,698	20,815
Securities	9,036,200	9,542,035
Loans	639,631	536,132
Tangible fixed assets:	362,195	353,438
Land	120,244	114,278
Buildings	139,471	132,446
Leased assets	66,807	64,381
Construction in progress	3,946	12,618
Other tangible fixed assets	31,726	29,713
Intangible fixed assets:	422,238	428,266
Software	118,128	108,110
Goodwill	163,555	151,012
Other intangible fixed assets	140,554	169,143
Other assets	1,481,467	1,618,878
Net defined benefit asset	83	179
Deferred tax assets	6,652	31,741
Allowance for possible credit losses	(8,196)	(8,649)
Total assets	13,118,656	13,787,835
Liabilities:		
Underwriting funds:	8,891,259	9,445,446
Reserve for outstanding losses and claims	1,646,818	1,959,817
Underwriting reserves	7,244,440	7,485,628
Corporate bonds	529,591	539,742
Other liabilities	1,380,322	1,536,282
Net defined benefit liability	80,497	69,767
Reserve for retirement benefits to directors	35	9
Reserve for bonus payments	30,421	41,814
Reserve for bonus payments to directors	1,083	767
Reserve for stocks payments	1,953	2,401
Reserves under the special laws:	100,212	105,389
Reserve for price fluctuation	100,212	105,389
Deferred tax liabilities	72,109	5,424
Total liabilities	11,087,487	11,747,045

(Millions of yen)

As of March 31, 2021 As of March 31, 2022

Net assets:

Shareholders' equity:		
Common stock	100,045	100,045
Capital surplus	244,060	134,962
Retained earnings	876,066	1,028,109
Treasury stock	(73,772)	(24,965)
Total shareholders' equity	1,146,399	1,238,152
Accumulated other comprehensive income:		
Unrealized gains and losses on securities available for sale	997,904	838,843
Deferred gains and losses on hedges	4,406	3,429
Foreign currency translation adjustments	(141,211)	(68,911)
Remeasurements of defined benefit plans	10,862	16,605
Total accumulated other comprehensive income	871,961	789,966
Stock acquisition rights	467	446
Non-controlling interests	12,340	12,224
Total net assets	2,031,168	2,040,789
Total liabilities and net assets	13,118,656	13,787,835

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

Consolidated Statement of Income

(Millions of yen)

	Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)
Ordinary income:	3,846,323	4,167,496
Underwriting income:	3,403,765	3,656,896
Net premiums written	2,923,547	3,215,713
Deposits of premiums by policyholders	93,496	81,009
Interest and dividend income on deposits of premiums, etc.	32,031	30,944
Life insurance premiums written	346,177	325,183
Other underwriting income	8,512	4,045
Investment income:	279,437	338,496
Interest and dividend income	198,288	215,785
Investment gains on money trusts	5,046	1,353
Investment gains on trading securities	1,526	853
Gains on sales of securities	78,654	112,354
Gains on redemption of securities	3,116	4,836
Investment gains on special account	4,912	1,767
Other investment income	19,923	32,491
Transfer of interest and dividend income on deposits of premiums, etc.	(32,031)	(30,944)
Other ordinary income:	163,120	172,103
Other ordinary income	163,120	172,103
Ordinary expenses:	3,631,226	3,851,984
Underwriting expenses:	2,903,127	3,099,481
Net claims paid	1,519,862	1,584,397
Loss adjustment expenses	127,052	132,036
Net commissions and brokerage fees	549,324	632,667
Maturity refunds to policyholders	196,812	190,527
Dividends to policyholders	65	28
Life insurance claims paid and other payments	95,399	100,557
Provision for reserve for outstanding losses and claims	135,941	252,510
Provision for underwriting reserves	275,451	203,433
Other underwriting expenses	3,217	3,322
Investment expenses:	51,126	37,383
Investment losses on money trusts	11	45
Losses on sales of securities	7,901	11,869
Impairment losses on securities	5,752	5,966
Losses on redemption of securities	479	4
Losses on derivatives	28,165	15,368
Other investment expenses	8,817	4,129
Operating, general and administrative expenses	537,431	570,387
Other ordinary expenses:	139,541	144,731
Interest paid	13,734	14,960
Provision for allowance for possible credit losses	1,778	1,915
Losses on bad debt	29	108
Investment losses on the equity method	3,147	5,675
Other ordinary expenses	120,850	122,071
Ordinary profit	215,097	315,512

(Millions of yen)

	Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)
Extraordinary gains:	9,639	15,364
Gains on disposal of fixed assets	9,639	15,364
Extraordinary losses:	29,799	13,243
Losses on disposal of fixed assets	2,468	5,670
Impairment losses	19,805	2,396
Provision for reserves under the special laws:	4,825	5,176
Provision for reserve for price fluctuation	4,825	5,176
Other extraordinary losses	2,699	—
Net income before income taxes	194,937	317,632
Income taxes	86,681	123,161
Deferred income taxes	(34,633)	(32,139)
Total income taxes	52,047	91,022
Net income	142,890	226,610
Net income attributable to non-controlling interests	407	1,767
Net income attributable to shareholders of the parent	142,482	224,842

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)
Net income	142,890	226,610
Other comprehensive income:		
Unrealized gains and losses on securities available for sale	419,752	(159,488)
Deferred gains and losses on hedges	(1,187)	(977)
Foreign currency translation adjustments	(58,186)	71,828
Remeasurements of defined benefit plans	8,752	5,755
Share of other comprehensive income of affiliates accounted for under the equity method	396	94
Total other comprehensive income	369,527	(82,787)
Comprehensive income	512,417	143,823
(Comprehensive income attributable to)		
Comprehensive income attributable to shareholders of the parent	511,700	142,847
Comprehensive income attributable to non-controlling shareholders	717	976

(3) Consolidated Statement of Changes in Net Assets
Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(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			(56,058)		(56,058)
Net income attributable to shareholders of the parent			142,482		142,482
Acquisition of treasury stock				(35,322)	(35,322)
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)	87,144	(34,930)	52,144
Balance at the end of the period	100,045	244,060	876,066	(73,772)	1,146,399

	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								(56,058)
Net income attributable to shareholders of the parent								142,482
Acquisition of treasury stock								(35,322)
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	419,643	(1,187)	(57,997)	8,759	369,217	(84)	(2,693)	366,439
Total changes during the period	419,643	(1,187)	(57,997)	8,759	369,217	(84)	(2,693)	418,584
Balance at the end of the period	997,904	4,406	(141,211)	10,862	871,961	467	12,340	2,031,168

Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(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	244,060	876,066	(73,772)	1,146,399
Changes during the period:					
Dividends			(68,747)		(68,747)
Net income attributable to shareholders of the parent			224,842		224,842
Acquisition of treasury stock				(60,430)	(60,430)
Disposal of treasury stock		(10)		150	139
Cancellation of treasury stock		(109,087)		109,087	—
Changes in the scope of consolidation			(4,052)		(4,052)
Net changes in items other than shareholders' equity					
Total changes during the period	—	(109,097)	152,043	48,807	91,752
Balance at the end of the period	100,045	134,962	1,028,109	(24,965)	1,238,152

	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	997,904	4,406	(141,211)	10,862	871,961	467	12,340	2,031,168
Changes during the period:								
Dividends								(68,747)
Net income attributable to shareholders of the parent								224,842
Acquisition of treasury stock								(60,430)
Disposal of treasury stock								139
Cancellation of treasury stock								—
Changes in the scope of consolidation								(4,052)
Net changes in items other than shareholders' equity	(159,061)	(977)	72,299	5,743	(81,995)	(20)	(115)	(82,132)
Total changes during the period	(159,061)	(977)	72,299	5,743	(81,995)	(20)	(115)	9,620
Balance at the end of the period	838,843	3,429	(68,911)	16,605	789,966	446	12,224	2,040,789

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)
Cash flows from operating activities:		
Net income before income taxes	194,937	317,632
Depreciation	40,811	53,932
Impairment losses	19,805	2,396
Amortization of goodwill	27,892	26,536
Increase (decrease) in reserve for outstanding losses and claims	123,845	233,362
Increase (decrease) in underwriting reserves	262,905	194,259
Increase (decrease) in allowance for possible credit losses	69	(103)
Increase (decrease) in net defined benefit liability	(1,425)	(3,197)
Increase (decrease) in reserve for retirement benefits to directors	5	(26)
Increase (decrease) in reserve for bonus payments	(2,043)	10,296
Increase (decrease) in reserve for bonus payments to directors	381	(322)
Increase (decrease) in reserve for stocks payments	551	654
Increase (decrease) in reserve for price fluctuation	4,825	5,176
Interest and dividend income	(198,288)	(215,785)
Losses (gains) on investment in securities	(67,615)	(99,350)
Interest expenses	13,734	14,960
Foreign exchange losses (gains)	(17,992)	(29,474)
Losses (gains) related to tangible fixed assets	(7,174)	(9,706)
Losses (gains) related to loans	2	0
Investment losses (gains) on the equity method	3,147	5,675
Decrease (increase) in other assets (other than investing and financing activities)	108,735	(72,763)
Increase (decrease) in other liabilities (other than investing and financing activities)	(17,284)	65,410
Others	32,840	21,201
Subtotal	<u>522,667</u>	<u>520,767</u>
Interest and dividend received	199,536	201,430
Interest paid	(14,008)	(15,506)
Income taxes paid	(81,993)	(106,671)
Cash flows from operating activities	<u>626,202</u>	<u>600,021</u>

(Millions of yen)

	Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)
Cash flows from investing activities:		
Net decrease (increase) in deposits	7,626	10,079
Purchase of monetary receivables bought	(5,188)	(2,884)
Proceeds from sales and redemption of monetary receivables bought	3,238	4,183
Increase in money trusts	(46)	(20)
Decrease in money trusts	14,247	9,790
Purchase of securities	(1,682,472)	(1,944,183)
Proceeds from sales and redemption of securities	1,277,258	1,496,848
Loans made	(151,608)	(106,430)
Collection of loans	188,228	204,982
Net increase (decrease) in receivables under securities borrowing transactions and payables under securities lending transactions	111,921	47,624
Others	(37,428)	(25,433)
Total of investment transactions	(274,223)	(305,442)
Total of operating activities and investment transactions as above	351,978	294,578
Acquisition of tangible fixed assets	(24,542)	(21,497)
Proceeds from sales of tangible fixed assets	13,167	22,716
Acquisition of stocks of subsidiaries resulting in changes in the scope of consolidation	(23,601)	—
Proceeds from acquisition of stocks of subsidiaries resulting in changes in the scope of consolidation	333	—
Others	(50,649)	(44,316)
Cash flows from investing activities	(359,516)	(348,540)
Cash flows from financing activities:		
Repayments of borrowings	(32,387)	(30,482)
Net increase (decrease) in payables under securities lending transactions	42,926	673
Proceeds from sales of treasury stock	63	2
Acquisition of treasury stock	(35,322)	(60,430)
Dividends paid	(55,997)	(68,657)
Dividends paid to non-controlling shareholders	(5,121)	(839)
Others	(8,658)	(10,374)
Cash flows from financing activities	(94,498)	(170,108)
Effect of exchange rate changes on cash and cash equivalents	(22,341)	1,735
Increase (decrease) in cash and cash equivalents	149,846	83,107
Cash and cash equivalents at the beginning of the period	967,753	1,117,770
Increase in cash and cash equivalents resulting from newly consolidated subsidiaries	169	6,429
Cash and cash equivalents at the end of the period	1,117,770	1,207,306

(5) Notes on Going-Concern Assumption

None.

(6) Changes in Accounting Policies, Changes in Accounting Estimations, and Retrospective Restatements

(Changes in Accounting Policies)

1. Application of “Accounting Standard for Fair Value Measurement”, etc.

The Company applied “Accounting Standard for Fair Value Measurement” (Accounting Standards Board of Japan (ASBJ) Statement No.30, July 4, 2019, hereinafter “Accounting Standard for Fair Value Measurement”), etc. from the beginning of the fiscal year 2021 and the Company is going to apply the new accounting policy specified in “Accounting Standard for Fair Value Measurement”, etc. for the future in accordance with the transitional treatment based on Article 19 of “Accounting Standard for Fair Value Measurement” and Article 44-2 of “Accounting Standard for Financial Instruments” (ASBJ Statement No.10, July 4, 2019).

In addition, the effect on Consolidated Financial Statements is immaterial.

2. Application of “Accounting Standard for Revenue Recognition”, etc.

The Company applied “Accounting Standard for Revenue Recognition” (ASBJ Statement No.29, March 31, 2020, hereinafter “Accounting Standard for Revenue Recognition”), etc. from the beginning of the fiscal year 2021 and recognizes the revenue as the amount expected to be entitled in exchange for goods or services when the promised goods or services transferred to the customers.

The Company hereby recognizes the revenue from the service for the nursing home residents, to which the Company previously recognized the revenue as the gross amount received from the customers, as the net amount that remains after deducting the amount to pay to the suppliers from the amount received from the customers regarding the transaction in which the SOMPO HOLDINGS's role is the agent.

The Company applies “Accounting Standard for Revenue Recognition”, etc. in accordance with the transitional treatment based on the conditional clause of Article 84 of “Accounting Standard for Revenue Recognition.”

In addition, the effect of application of the accounting standard on Consolidated Financial Statements is immaterial.

(7) Notes to the Consolidated Financial Statements

(Segment information, etc.)

[Segment information]

1. Summary of reportable segments

The reportable segment of Sampo Holdings, Inc. ("the Company") is the component of SOMPO HOLDINGS, for which discrete financial information is available and whose operating results are periodically reviewed by the board of directors to make decisions about resources to be allocated to the segment and assess its performance.

The respective group companies of the Company determine their comprehensive strategies for their operations as independent management unit and roll out their operations under the group-wide management policy of the Company.

Therefore, the Company is composed of business segments, which consist of the respective group companies as minimum component. "Domestic P&C insurance business," "Overseas insurance business," "Domestic life insurance business" and "Nursing care & seniors business" are determined as the reportable segments. The businesses not covered by the reportable segments, such as the Company, extended warranty business, asset management business, defined-contribution pension business, etc., are included in "Others."

"Domestic P&C insurance business" consists mainly of underwriting of property and casualty insurance, investment, and related activities in Japan, "Overseas insurance business" consists mainly of underwriting of property and casualty insurance and investment activities overseas, "Domestic life insurance business" consists mainly of underwriting of life insurance and investment activities in Japan, and "Nursing care & seniors business" consists mainly of providing nursing care service.

(Change of the reportable segment names, etc.)

From the fiscal year 2021, the category name of the reportable segment, which was previously named "Nursing care & healthcare business" has been changed to "Nursing care & seniors business" and the healthcare business, which was previously included in the "Nursing care & healthcare business" segment, is now included in the "Others" segment.

The effect of this change on the comparing information is immaterial.

The segment name in the previous consolidated accounting year is also shown in the new segment name.

2. Calculation methods for the amount of sales, income or loss, assets and other items by each reportable segment

The accounting methods of reportable business segments are those used in the preparation of the consolidated financial statements. Income or loss attributable to the reportable segments is the amounts based on net income attributable to shareholders of the parent in the consolidated statement of income.

Income from internal transactions among segments is based on the price of transactions among third parties and others.

(Application of "Accounting Standard for Fair Value Measurement", etc.)

As described in "(6) Changes in Accounting Policies, Changes in Accounting Estimations, and Retrospective Restatements", the Company applied "Accounting Standard for Fair Value Measurement" (ASBJ Statement No.30, July 4, 2019), etc. from the beginning of the fiscal year 2021.

The effect of this change on segment income (loss) for the fiscal year ended March 31, 2022 is immaterial.

(Application of "Accounting Standard for Revenue Recognition", etc.)

As described in "(6) Changes in Accounting Policies, Changes in Accounting Estimations, and Retrospective Restatements", the Company applied "Accounting Standard for Revenue Recognition" (ASBJ Statement No.29, March 31, 2020), etc. from the beginning of the fiscal year 2021.

The effect of this change on segment income (loss) for the fiscal year ended March 31, 2022 is immaterial.

3. Information related to the amount of sales, income or loss, assets and other items by each reportable segment

Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(Millions of yen)

	Reportable segments					Others (Note 2)	Total	Adjustments (Note 3)	Amount on the consolidated financial statements (Note 4)
	Domestic P&C insurance business	Overseas insurance business	Domestic life insurance business	Nursing care & seniors business	Total				
Sales (Note 1):									
Sales from transactions with external customers	2,196,574	732,860	340,291	138,425	3,408,151	12,195	3,420,346	425,977	3,846,323
Sales from internal transactions or transfers among segments	—	—	—	193	193	13,757	13,951	(13,951)	—
Total	2,196,574	732,860	340,291	138,618	3,408,344	25,953	3,434,297	412,026	3,846,323
Segment income (loss)	136,744	(5,639)	19,435	1,090	151,630	(9,148)	142,482	—	142,482
Segment assets	6,424,928	2,626,544	3,537,254	166,822	12,755,549	363,106	13,118,656	—	13,118,656
Other items:									
Depreciation	16,387	18,140	493	5,348	40,370	441	40,811	—	40,811
Amortization of goodwill	37	20,417	609	6,828	27,892	—	27,892	—	27,892
Interest and dividend income	116,123	35,644	47,082	113	198,964	160	199,124	(836)	198,288
Interest paid	7,072	4,253	69	2,344	13,739	3	13,743	(8)	13,734
Investment gains (losses) on the equity method	1	71	—	—	72	(3,220)	(3,147)	—	(3,147)
Extraordinary gains (Note 5)	9,613	11	7	—	9,632	7	9,639	—	9,639
Extraordinary losses (Note 6)	15,214	11,852	892	1,821	29,781	17	29,799	—	29,799
Impairment losses	8,045	11,760	—	—	19,805	—	19,805	—	19,805
Income tax expenses	42,508	2,028	7,984	1,338	53,859	(1,812)	52,047	—	52,047
Investment in affiliates accounted for under the equity method	1,417	8,701	—	—	10,119	17,276	27,395	—	27,395
Increase in tangible and intangible fixed assets	63,676	34,479	453	6,567	105,177	623	105,801	—	105,801

Notes)

1. Sales amounts represent the following:

Domestic P&C insurance business:	Net premiums written
Overseas insurance business:	Net premiums written and life insurance premiums written
Domestic life insurance business:	Life insurance premiums written
Nursing care & seniors business:	Ordinary income
“Others” and amount on the consolidated financial statements:	Ordinary income

2. “Others” is business segments which are not included in reportable segments. It includes the Company (insurance holding company), asset management business, risk management business, defined-contribution pension business, etc.

3. Adjustments of sales are as follows.

Ordinary income related to domestic P&C insurance business, overseas insurance business and domestic life insurance business excluding net premiums written and life insurance premiums written:	425,977 million yen
Elimination of internal transactions among segments:	(13,951) million yen

4. Segment income (loss) is adjusted to net income attributable to shareholders of the parent in the consolidated statement of income.

5. Extraordinary gains for domestic P&C insurance business are 9,613 million yen of gains on disposal of fixed assets.

6. Extraordinary losses for domestic P&C insurance business include 8,045 million yen of impairment losses and 3,993 million yen of provision for reserve for price fluctuation.
Also, extraordinary losses for nursing care & seniors business include 1,722 million yen of expenses pertaining to COVID-19 measures.

Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(Millions of yen)

	Reportable segments					Others (Note 2)	Total	Adjustments (Note 3)	Amount on the consolidated financial statements (Note 4)
	Domestic P&C insurance business	Overseas insurance business	Domestic life insurance business	Nursing care & seniors business	Total				
Sales (Note 1):									
Sales from transactions with external customers	2,217,148	1,005,247	318,501	136,661	3,677,558	89,999	3,767,558	399,938	4,167,496
Sales from internal transactions or transfers among segments	—	—	—	1	1	16,559	16,560	(16,560)	—
Total	2,217,148	1,005,247	318,501	136,663	3,677,560	106,558	3,784,118	383,377	4,167,496
Segment income	138,288	42,168	15,949	1,367	197,773	27,069	224,842	—	224,842
Segment assets	6,385,083	3,232,407	3,716,323	163,731	13,497,544	290,290	13,787,835	—	13,787,835
Other items:									
Depreciation	25,889	21,402	497	5,134	52,923	1,009	53,932	—	53,932
Amortization of goodwill	11	21,716	—	4,807	26,536	—	26,536	—	26,536
Interest and dividend income	117,041	49,601	49,447	96	216,187	402	216,589	(804)	215,785
Interest paid	7,022	5,676	59	2,203	14,961	0	14,962	(2)	14,960
Investment gains (losses) on the equity method	73	888	—	—	961	(6,637)	(5,675)	—	(5,675)
Extraordinary gains (Note 5)	15,149	213	0	—	15,364	0	15,364	—	15,364
Extraordinary losses (Note 6)	11,307	937	956	7	13,209	34	13,243	—	13,243
Impairment losses	1,650	745	—	—	2,396	—	2,396	—	2,396
Income tax expenses	45,902	18,871	6,414	3,364	74,554	16,468	91,022	—	91,022
Investment in affiliates accounted for under the equity method	1,484	9,919	—	—	11,403	13,106	24,509	—	24,509
Increase in tangible and intangible fixed assets	55,199	8,035	2,440	4,362	70,036	988	71,025	—	71,025

Notes)

1. Sales amounts represent the following:

Domestic P&C insurance business:	Net premiums written
Overseas insurance business:	Net premiums written and life insurance premiums written
Domestic life insurance business:	Life insurance premiums written
Nursing care & seniors business:	Ordinary income
“Others” and amount on the consolidated financial statements:	Ordinary income

2. “Others” is business segments which are not included in reportable segments. It includes the Company (insurance holding company), extended warranty business, asset management business, defined-contribution pension business, etc.

3. Adjustments of sales are as follows.

Ordinary income related to domestic P&C insurance business, overseas insurance business and domestic life insurance business excluding net premiums written and life insurance premiums written:	399,938	million yen
Elimination of internal transactions among segments:	(16,560)	million yen

4. Segment income is adjusted to net income attributable to shareholders of the parent in the consolidated statement of income.

5. Extraordinary gains for domestic P&C insurance business are 15,149 million yen of gains on disposal of fixed assets.

6. Extraordinary losses for domestic P&C insurance business include 5,404 million yen of losses on disposal of fixed assets and 4,251 million yen of provision for reserve for price fluctuation.

[Related information]

Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)

1. Information by products and services

(Millions of yen)

	Fire and allied insurance	Marine insurance	Personal accident insurance	Voluntary automobile insurance	Compulsory automobile liability insurance	Others	Total
Net premiums written	459,304	82,005	156,744	1,217,620	238,136	769,737	2,923,547

(Millions of yen)

	Individual insurance	Individual annuities	Group insurance	Group annuities	Total
Life insurance premiums written	325,972	4,945	15,259	—	346,177

2. Information by geographic area

(1) Sales

(Millions of yen)

Japan	United States	Others	Total
2,643,229	396,450	368,471	3,408,151

Notes)

1. Sales represent amounts of net premiums written, life insurance premiums written and ordinary income of nursing care & seniors business.
2. Geographic area is classified into country or region in line with the classification used for management purpose mainly based on locations of customers.

(2) Tangible fixed assets

(Millions of yen)

Japan	Overseas	Total
327,883	34,311	362,195

3. Information by major customers

None.

Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

1. Information by products and services

(Millions of yen)

	Fire and allied insurance	Marine insurance	Personal accident insurance	Voluntary automobile insurance	Compulsory automobile liability insurance	Others	Total
Net premiums written	524,266	92,493	156,850	1,217,232	217,261	1,007,609	3,215,713

(Millions of yen)

	Individual insurance	Individual annuities	Group insurance	Group annuities	Total
Life insurance premiums written	304,713	4,150	16,319	—	325,183

2. Information by geographic area

(1) Sales

(Millions of yen)

Japan	United States	Others	Total
2,624,841	604,567	448,149	3,677,558

Notes)

1. Sales represent amounts of net premiums written, life insurance premiums written and ordinary income of nursing care & seniors business.
2. Geographic area is classified into country or region in line with the classification used for management purpose mainly based on locations of customers.

(2) Tangible fixed assets

(Millions of yen)

Japan	Overseas	Total
318,849	34,588	353,438

3. Information by major customers

None.

[Information related to impairment losses on fixed assets by reportable segments]

Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(Millions of yen)

	Reportable segments					Others	Unallocated amounts and eliminations	Total
	Domestic P&C insurance business	Overseas insurance business	Domestic life insurance business	Nursing care & seniors business	Total			
Impairment losses	8,045	11,760	—	—	19,805	—	—	19,805

Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(Millions of yen)

	Reportable segments					Others	Unallocated amounts and eliminations	Total
	Domestic P&C insurance business	Overseas insurance business	Domestic life insurance business	Nursing care & seniors business	Total			
Impairment losses	1,650	745	—	—	2,396	—	—	2,396

[Information related to amortization of goodwill and balance of goodwill by reportable segments]

Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(Millions of yen)

	Reportable segments					Others	Unallocated amounts and eliminations	Total
	Domestic P&C insurance business	Overseas insurance business	Domestic life insurance business	Nursing care & seniors business	Total			
Amortization for the fiscal year ended March 31, 2021	37	20,417	609	6,828	27,892	—	—	27,892
Balance as of March 31, 2021	11	132,368	—	31,174	163,555	—	—	163,555

Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(Millions of yen)

	Reportable segments					Others	Unallocated amounts and eliminations	Total
	Domestic P&C insurance business	Overseas insurance business	Domestic life insurance business	Nursing care & seniors business	Total			
Amortization for the fiscal year ended March 31, 2022	11	21,716	—	4,807	26,536	—	—	26,536
Balance as of March 31, 2022	—	124,645	—	26,366	151,012	—	—	151,012

[Information related to gains on negative goodwill by reportable segments]

None.

(Securities)

1. Trading Securities

(Millions of yen)

	As of March 31, 2021		As of March 31, 2022	
	Carrying amount	Unrealized gains and losses recognized in statement of income	Carrying amount	Unrealized gains and losses recognized in statement of income
Trading securities	31,211	4,835	32,584	1,639

2. Bonds held to maturity

(Millions of yen)

		As of March 31, 2021			As of March 31, 2022		
		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	1,158,582	1,411,949	253,367	1,086,043	1,295,977	209,934
	Foreign securities	22,469	23,592	1,122	19,545	25,851	6,305
	Subtotal	1,181,051	1,435,541	254,490	1,105,589	1,321,829	216,239
Securities whose fair value does not exceed their carrying amount	Domestic bonds	30,728	29,713	(1,014)	118,674	111,662	(7,011)
	Foreign securities	10,066	9,778	(287)	2,975	2,942	(32)
	Subtotal	40,794	39,492	(1,302)	121,649	114,605	(7,043)
Total		1,221,845	1,475,033	253,187	1,227,238	1,436,434	209,195

3. Policy reserve matching bonds

(Millions of yen)

		As of March 31, 2021			As of March 31, 2022		
		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	348,093	376,692	28,599	244,471	261,774	17,303
Securities whose fair value does not exceed their carrying amount	Domestic bonds	403,529	391,420	(12,108)	722,025	672,562	(49,462)
Total		751,622	768,113	16,490	966,496	934,337	(32,159)

4. Securities available for sale

(Millions of yen)

		As of March 31, 2021			As of March 31, 2022		
		Carrying amount	Cost	Unrealized gains and losses	Carrying amount	Cost	Unrealized gains and losses
Securities whose carrying amount exceeds their cost	Domestic bonds	1,633,949	1,502,590	131,359	1,271,303	1,168,831	102,472
	Domestic stocks	1,243,617	407,488	836,128	1,191,869	379,955	811,913
	Foreign securities	2,806,275	2,385,754	420,521	2,113,763	1,810,929	302,833
	Others	162,470	141,843	20,626	190,781	165,269	25,512
	Subtotal	5,846,312	4,437,677	1,408,635	4,767,718	3,524,986	1,242,731
Securities whose carrying amount does not exceed their cost	Domestic bonds	472,623	485,343	(12,720)	737,695	762,653	(24,957)
	Domestic stocks	28,175	33,447	(5,271)	38,624	45,836	(7,212)
	Foreign securities	587,797	601,944	(14,146)	1,636,053	1,688,726	(52,673)
	Others	79,250	80,740	(1,490)	92,099	93,379	(1,279)
	Subtotal	1,167,846	1,201,475	(33,628)	2,504,472	2,590,595	(86,122)
Total		7,014,159	5,639,152	1,375,006	7,272,190	6,115,581	1,156,609

Notes)

As of March 31, 2021	As of March 31, 2022
1. Securities available for sale which are considered extremely difficult to figure out their fair value are not included in the above table.	1. Stocks and others without a quoted market price and Investments in Partnerships are not included in the above table.
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 classified as monetary receivables bought in the consolidated balance sheet are included in "Others" above.

5. Securities available for sale sold

(Millions of yen)

	Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)			Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)		
	Proceeds from sales	Gains on sales	Losses on sales	Proceeds from sales	Gains on sales	Losses on sales
Domestic bonds	192,140	9,694	781	151,559	979	5,584
Domestic stocks	70,642	48,693	922	52,983	39,042	1,293
Foreign securities	847,550	19,245	6,195	917,840	69,110	4,880
Others	18,469	1,011	1	5,495	2,950	111
Total	1,128,802	78,644	7,901	1,127,878	112,082	11,869

6. Securities for which impairment losses are recognized

Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)
For the fiscal year ended March 31, 2021, 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 1,722 million yen (domestic stocks: 164 million yen, foreign securities: 1,557 million yen), and impairment losses on securities available for sale which are considered extremely difficult to figure out their fair value amount to 2,175 million yen (domestic stocks: 716 million yen, foreign securities: 1,458 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 fiscal year ended March 31, 2022, impairment losses on securities available for sale (excluding stocks and others without a quoted market price and Investments in Partnerships) amount to 2,944 million yen (domestic stocks: 1,537 million yen, foreign securities: 1,406 million yen), and impairment losses on stocks and others without a quoted market price and Investments in Partnerships amount to 1,110 million yen (domestic stocks: 744 million yen, foreign securities: 366 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.

(Per share information)

	Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)
Net assets per share	5,686.22 yen	5,919.73 yen
Net income per share	397.40 yen	644.24 yen
Diluted net income per share	397.16 yen	643.86 yen

Notes)

1. Calculations of net income per share and diluted net income per share are based on the following figures.

(Millions of yen)

	Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)
Net income per share		
Net income attributable to shareholders of the parent	142,482	224,842
Amount not attributable to common shareholders	—	—
Net income attributable to shareholders of the parent to common stocks	142,482	224,842
Average number of common stocks outstanding	358,531 thousand shares	348,999 thousand shares
Diluted net income per share		
Adjustment of net income attributable to shareholders of the parent	—	—
Increase of common stocks:	214 thousand shares	209 thousand shares
Stock acquisition rights	214 thousand shares	209 thousand shares

2. Calculation of net assets per share is based on the following figures.

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Total net assets	2,031,168	2,040,789
Amount to be deducted from total net assets:	12,807	12,671
Stock acquisition rights	467	446
Non-controlling interests	12,340	12,224
Net assets attributable to common stocks	2,018,361	2,028,118
Number of common stocks used for calculation of net assets per share	354,956 thousand shares	342,602 thousand shares

3. In the calculation of net income per share and diluted net income per share, the Company shares outstanding in "Board Benefit Trust (BBT)" which are recognized as treasury stock in shareholders' equity are included in treasury stock deducted from the average number of shares outstanding. In addition, in the calculation of net assets per share, such shares are included in treasury stock deducted from the number of total shares outstanding.

The average number of the treasury stock deducted above mentioned is 996 thousand for the fiscal year ended March 31, 2021 and is 963 thousand for the fiscal year ended March 31, 2022. The number of the treasury stock deducted above mentioned is 991 thousand as of March 31, 2021 and is 961 thousand as of March 31, 2022.

(Significant subsequent events)

Acquisition of treasury stock

The Company passed a resolution setting out details of the Company's stock buybacks to be conducted in accord with Article 156 of the Companies Act applied pursuant to Article 165, paragraph 3, of that Act at the Company's Board of Directors meeting on May 20, 2022.

(1) Reason for stock buybacks

While maintaining financial soundness and improving capital efficiency by investing on growing fields, etc., the Company has a policy to provide with basic return (50% of adjusted consolidated profit) and supplementary return based on its performance trends, market conditions and its capital conditions, etc., with the option of stock buybacks depending on capital conditions other than paying dividends regarding shareholder return. In accordance with this policy, the Company will conduct stock buybacks as a part of the shareholder return (basic return) for the financial results of fiscal year ended March 31, 2022.

(2) Details of stock buybacks

(a) Class of shares	Common stock of the Company
(b) Potential total number	16,000,000 shares (upper limit)
(c) Total price	58,000,000,000 yen (upper limit)
(d) Period	June 1, 2022 — November 17, 2022

Other

(1) Summary of Results of Operations (Consolidated)

	(Millions of yen)			
	Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)	Increase (Decrease)	Rate of change
Ordinary income and expenses:				%
Underwriting income:	3,403,765	3,656,896	253,131	7.4
Net premiums written	2,923,547	3,215,713	292,165	10.0
Deposits of premiums by policyholders	93,496	81,009	(12,486)	(13.4)
Life insurance premiums written	346,177	325,183	(20,994)	(6.1)
Underwriting expenses:	2,903,127	3,099,481	196,354	6.8
Net claims paid	1,519,862	1,584,397	64,535	4.2
Loss adjustment expenses	127,052	132,036	4,984	3.9
Net commissions and brokerage fees	549,324	632,667	83,342	15.2
Maturity refunds to policyholders	196,812	190,527	(6,285)	(3.2)
Life insurance claims paid and other payments	95,399	100,557	5,158	5.4
Provision for reserve for outstanding losses and claims	135,941	252,510	116,569	85.7
Provision for underwriting reserves	275,451	203,433	(72,018)	(26.1)
Investment income:	279,437	338,496	59,058	21.1
Interest and dividend income	198,288	215,785	17,497	8.8
Gains on sales of securities	78,654	112,354	33,699	42.8
Investment expenses:	51,126	37,383	(13,743)	(26.9)
Losses on sales of securities	7,901	11,869	3,968	50.2
Impairment losses on securities	5,752	5,966	214	3.7
Operating, general and administrative expenses	537,431	570,387	32,956	6.1
Other ordinary income and expenses:	23,579	27,371	3,792	16.1
Investment gains on the equity method	(3,147)	(5,675)	(2,528)	—
Ordinary profit	215,097	315,512	100,414	46.7
Extraordinary gains and losses:				
Extraordinary gains	9,639	15,364	5,724	59.4
Extraordinary losses	29,799	13,243	(16,555)	(55.6)
Extraordinary gains and losses	(20,159)	2,120	22,280	—
Net income before income taxes	194,937	317,632	122,695	62.9
Income taxes	86,681	123,161	36,480	42.1
Deferred income taxes	(34,633)	(32,139)	2,494	—
Total income taxes	52,047	91,022	38,975	74.9
Net income	142,890	226,610	83,719	58.6
Net income attributable to non-controlling interests	407	1,767	1,359	333.4
Net income attributable to shareholders of the parent	142,482	224,842	82,360	57.8

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

Direct premiums written (including deposits of premiums by policyholders)

(Millions of yen)

Business line	Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)			Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	638,907	19.6	9.2	698,230	19.2	9.3
Marine insurance	88,985	2.7	(5.6)	104,894	2.9	17.9
Personal accident insurance	250,048	7.7	(9.7)	239,911	6.6	(4.1)
Voluntary automobile insurance	1,217,128	37.4	(1.4)	1,217,407	33.4	0.0
Compulsory automobile liability insurance	238,823	7.3	(17.8)	220,617	6.1	(7.6)
Others	824,414	25.3	8.3	1,163,307	31.9	41.1
Total	3,258,306	100.0	0.5	3,644,369	100.0	11.8
Deposits of premiums by policyholders	93,496	2.9	(17.8)	81,009	2.2	(13.4)

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

Net premiums written

(Millions of yen)

Business line	Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)			Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	459,304	15.7	13.0	524,266	16.3	14.1
Marine insurance	82,005	2.8	(6.0)	92,493	2.9	12.8
Personal accident insurance	156,744	5.4	(9.9)	156,850	4.9	0.1
Voluntary automobile insurance	1,217,620	41.6	(0.3)	1,217,232	37.9	(0.0)
Compulsory automobile liability insurance	238,136	8.1	(15.3)	217,261	6.8	(8.8)
Others	769,737	26.3	17.4	1,007,609	31.3	30.9
Total	2,923,547	100.0	3.5	3,215,713	100.0	10.0

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

Net claims paid

(Millions of yen)

Business line	Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)			Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	275,451	18.1	(9.9)	311,296	19.6	13.0
Marine insurance	45,217	3.0	(8.9)	45,867	2.9	1.4
Personal accident insurance	72,797	4.8	(17.5)	71,164	4.5	(2.2)
Voluntary automobile insurance	597,948	39.3	(9.6)	612,647	38.7	2.5
Compulsory automobile liability insurance	175,844	11.6	(8.7)	159,225	10.0	(9.5)
Others	352,603	23.2	1.3	384,195	24.2	9.0
Total	1,519,862	100.0	(7.6)	1,584,397	100.0	4.2

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