

**UNOFFICIAL TRANSLATION**

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February 14, 2023

**Sompo Holdings, Inc.****Summary of Consolidated Financial Results for the nine months ended December 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 file Quarterly Securities Report: February 14, 2023  
 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, 2022 (April 1 to December 31, 2022)****(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, 2022	3,689,735	16.9	56,746	(78.3)	37,610	(79.5)
Nine months ended December 31, 2021	3,157,219	8.5	261,880	82.5	183,725	114.3

Note) Comprehensive income: Nine months ended December 31, 2022 (131,746) million yen — %  
 Nine months ended December 31, 2021 182,277 million yen (53.1) %

	Net income per share	Diluted net income per share
	yen	yen
Nine months ended December 31, 2022	111.26	111.21
Nine months ended December 31, 2021	523.64	523.33

**(2) Consolidated Financial Conditions**

	Total assets	Net assets	Equity ratio
	millions of yen	millions of yen	%
As of December 31, 2022	14,939,310	1,768,147	11.7
As of March 31, 2022	13,787,835	2,040,789	14.7

Reference) Equity capital: As of December 31, 2022 1,754,042 million yen  
 As of March 31, 2022 2,028,118 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, 2022	—	105.00	—	105.00	210.00
Fiscal year ending March 31, 2023	—	130.00	—		
Fiscal year ending March 31, 2023 (Forecast)				130.00	260.00

(Note) Revisions to the latest announced dividends forecasts: None

### 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	115,000	(63.6)	80,000	(64.4)	238.36

Note) Revisions to the latest announced forecasts of financial results: None

#### (Notes)

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2022 (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.: Yes
- (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, 2022 | 347,698,689 | shares |
| As of March 31, 2022    | 347,698,689 | shares |
- (b) Treasury stock:
- |                         |            |        |
|-------------------------|------------|--------|
| As of December 31, 2022 | 14,615,249 | shares |
| As of March 31, 2022    | 5,096,040  | shares |
- (c) Average number of shares outstanding:
- |                                             |             |        |
|---------------------------------------------|-------------|--------|
| For the nine months ended December 31, 2022 | 338,040,502 | shares |
| For the nine months ended December 31, 2021 | 350,860,324 | 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.

## Contents of Appendix

Quarterly Consolidated Financial Statements and Major Notes .....	2
(1) Quarterly Consolidated Balance Sheet .....	2
(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income .....	3
(3) Notes on Going-Concern Assumption .....	5
(4) Notes on Significant Changes in Shareholders' Equity .....	5
(5) Application of Accounting Methods Used Specifically for the Preparation of the Quarterly Consolidated Financial Statements .....	5
(6) Changes in Accounting Policies, Changes in Accounting Estimations, and Retrospective Restatements .....	5
Supplementary Information .....	6
(1) Summary of Results of Operations (Consolidated) .....	6
(2) Premiums Written and Claims Paid by Business Lines (Consolidated) .....	7
(3) Securities (Consolidated) .....	8

## Quarterly Consolidated Financial Statements and Major Notes

### (1) Quarterly Consolidated Balance Sheet

	(Millions of yen)	
	As of March 31, 2022	As of December 31, 2022
Assets:		
Cash and deposits	1,170,892	1,510,148
Receivables under resale agreements	73,999	69,999
Monetary receivables bought	20,104	20,070
Money trusts	20,815	17,930
Securities	9,542,035	9,540,367
Loans	536,132	499,429
Tangible fixed assets	353,438	353,720
Intangible fixed assets	428,266	478,851
Other assets	1,618,878	2,301,161
Net defined benefit asset	179	184
Deferred tax assets	31,741	159,048
Allowance for possible credit losses	(8,649)	(11,602)
Total assets	13,787,835	14,939,310
Liabilities:		
Underwriting funds:	9,445,446	10,464,109
Reserve for outstanding losses and claims	1,959,817	2,549,110
Underwriting reserves	7,485,628	7,914,998
Corporate bonds	539,742	666,713
Other liabilities	1,536,282	1,825,621
Net defined benefit liability	69,767	74,750
Reserve for retirement benefits to directors	9	14
Reserve for bonus payments	41,814	26,340
Reserve for bonus payments to directors	767	68
Reserve for stocks payments	2,401	2,678
Reserves under the special laws:	105,389	109,454
Reserve for price fluctuation	105,389	109,454
Deferred tax liabilities	5,424	1,410
Total liabilities	11,747,045	13,171,162
Net assets:		
Shareholders' equity:		
Common stock	100,045	100,045
Capital surplus	134,962	134,708
Retained earnings	1,028,109	980,132
Treasury stock	(24,965)	(82,144)
Total shareholders' equity	1,238,152	1,132,742
Accumulated other comprehensive income:		
Unrealized gains and losses on securities available for sale	838,843	439,097
Deferred gains and losses on hedges	3,429	2,015
Foreign currency translation adjustments	(68,911)	164,052
Remeasurements of defined benefit plans	16,605	16,134
Total accumulated other comprehensive income	789,966	621,299
Stock acquisition rights	446	269
Non-controlling interests	12,224	13,835
Total net assets	2,040,789	1,768,147
Total liabilities and net assets	13,787,835	14,939,310

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income  
 Quarterly Consolidated Statement of Income  
 Nine months ended December 31, 2022

	(Millions of yen)	
	Nine months ended December 31, 2021 (April 1 to December 31, 2021)	Nine months ended December 31, 2022 (April 1 to December 31, 2022)
Ordinary income:	3,157,219	3,689,735
Underwriting income:	2,782,141	3,307,506
Net premiums written	2,455,120	2,996,156
Deposits of premiums by policyholders	63,340	52,489
Interest and dividend income on deposits of premiums, etc.	22,453	21,289
Life insurance premiums written	238,521	235,376
Investment income:	250,957	245,528
Interest and dividend income	160,876	186,031
Investment gains on money trusts	1,233	2,320
Investment gains on trading securities	1,133	1,799
Gains on sales of securities	93,087	52,717
Transfer of interest and dividend income on deposits of premiums, etc.	(22,453)	(21,289)
Other ordinary income	124,120	136,699
Ordinary expenses:	2,895,338	3,632,988
Underwriting expenses:	2,354,679	2,958,268
Net claims paid	1,144,228	1,421,927
Loss adjustment expenses	97,419	102,897
Net commissions and brokerage fees	464,967	548,334
Maturity refunds to policyholders	139,045	133,791
Life insurance claims paid and other payments	73,625	103,052
Provision for reserve for outstanding losses and claims	211,097	346,700
Provision for underwriting reserves	220,785	286,576
Investment expenses:	13,958	86,494
Investment losses on money trusts	46	2
Losses on sales of securities	4,175	47,436
Impairment losses on securities	5,539	11,264
Operating, general and administrative expenses	420,013	457,378
Other ordinary expenses:	106,686	130,846
Interest paid	11,138	12,409
Ordinary profit	<u>261,880</u>	<u>56,746</u>
Extraordinary gains:	2,180	5,923
Gains on disposal of fixed assets	2,180	5,923
Extraordinary losses:	4,935	5,068
Losses on disposal of fixed assets	1,174	914
Provision for reserves under the special laws:	3,760	4,065
Provision for reserve for price fluctuation	3,760	4,065
Losses on reduction of real estate	—	88
Net income before income taxes	<u>259,126</u>	<u>57,601</u>
Income taxes and deferred income taxes	<u>73,864</u>	<u>18,270</u>
Net income	<u>185,262</u>	<u>39,330</u>
Net income attributable to non-controlling interests	<u>1,536</u>	<u>1,719</u>
Net income attributable to shareholders of the parent	<u>183,725</u>	<u>37,610</u>

Quarterly Consolidated Statement of Comprehensive Income  
 Nine months ended December 31, 2022

	(Millions of yen)	
	Nine months ended December 31, 2021 (April 1 to December 31, 2021)	Nine months ended December 31, 2022 (April 1 to December 31, 2022)
Net income	185,262	39,330
Other comprehensive income:		
Unrealized gains and losses on securities available for sale	(59,519)	(399,942)
Deferred gains and losses on hedges	(842)	(1,413)
Foreign currency translation adjustments	57,298	230,889
Remeasurements of defined benefit plans	100	(464)
Share of other comprehensive income of affiliates accounted for under the equity method	(21)	(145)
Total other comprehensive income	<u>(2,984)</u>	<u>(171,077)</u>
Comprehensive income	<u>182,277</u>	<u>(131,746)</u>
(Comprehensive income attributable to)		
Comprehensive income attributable to shareholders of the parent	181,496	(131,055)
Comprehensive income attributable to non-controlling interests	781	(691)

(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.

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

(Changes in Accounting Policies)

Application of "Implementation Guidance on Accounting Standard for Fair Value Measurement"

The Company has applied "Implementation Guidance on Accounting Standard for Fair Value Measurement" (Accounting Standards Board of Japan (ASBJ) Guidance No.31, June 17, 2021) from the beginning of the fiscal year 2022 and the new accounting policy specified in "Implementation Guidance on Accounting Standard for Fair Value Measurement" for the future in accordance with the transitional treatment based on Paragraph 27-2 of "Implementation Guidance on Accounting Standard for Fair Value Measurement."

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

## Supplementary Information

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

(Millions of yen)

	Nine months ended December 31, 2021 (April 1 to December 31, 2021)	Nine months ended December 31, 2022 (April 1 to December 31, 2022)	Increase (Decrease)	Rate of change
Ordinary income and expenses:				%
Underwriting income:	2,782,141	3,307,506	525,364	18.9
Net premiums written	2,455,120	2,996,156	541,036	22.0
Deposits of premiums by policyholders	63,340	52,489	(10,851)	(17.1)
Life insurance premiums written	238,521	235,376	(3,144)	(1.3)
Underwriting expenses:	2,354,679	2,958,268	603,588	25.6
Net claims paid	1,144,228	1,421,927	277,699	24.3
Loss adjustment expenses	97,419	102,897	5,477	5.6
Net commissions and brokerage fees	464,967	548,334	83,367	17.9
Maturity refunds to policyholders	139,045	133,791	(5,254)	(3.8)
Life insurance claims paid and other payments	73,625	103,052	29,427	40.0
Provision for reserve for outstanding losses and claims	211,097	346,700	135,602	64.2
Provision for underwriting reserves	220,785	286,576	65,790	29.8
Investment income:	250,957	245,528	(5,428)	(2.2)
Interest and dividend income	160,876	186,031	25,155	15.6
Gains on sales of securities	93,087	52,717	(40,370)	(43.4)
Investment expenses:	13,958	86,494	72,535	519.6
Losses on sales of securities	4,175	47,436	43,260	1,036.0
Impairment losses on securities	5,539	11,264	5,725	103.3
Operating, general and administrative expenses	420,013	457,378	37,364	8.9
Other ordinary income and expenses	17,434	5,852	(11,581)	(66.4)
Ordinary profit	261,880	56,746	(205,134)	(78.3)
Extraordinary gains and losses:				
Extraordinary gains	2,180	5,923	3,742	171.6
Extraordinary losses	4,935	5,068	133	2.7
Extraordinary gains and losses	(2,754)	854	3,609	—
Net income before income taxes	259,126	57,601	(201,524)	(77.8)
Income taxes and deferred income taxes	73,864	18,270	(55,593)	(75.3)
Net income	185,262	39,330	(145,931)	(78.8)
Net income attributable to non-controlling interests	1,536	1,719	183	11.9
Net income attributable to shareholders of the parent	183,725	37,610	(146,114)	(79.5)



## (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, 2021 (April 1 to December 31, 2021)			Nine months ended December 31, 2022 (April 1 to December 31, 2022)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	523,902	19.0	6.0	656,500	20.3	25.3
Marine insurance	76,621	2.8	13.7	104,452	3.2	36.3
Personal accident insurance	185,650	6.7	(4.5)	183,171	5.7	(1.3)
Voluntary automobile insurance	910,028	33.0	(0.4)	945,909	29.3	3.9
Compulsory automobile liability insurance	165,762	6.0	(6.0)	167,565	5.2	1.1
Others	898,659	32.6	42.8	1,175,773	36.4	30.8
Total	2,760,624	100.0	11.5	3,233,372	100.0	17.1
Deposits of premiums by policyholders	63,340	2.3	(15.6)	52,489	1.6	(17.1)

(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, 2021 (April 1 to December 31, 2021)			Nine months ended December 31, 2022 (April 1 to December 31, 2022)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	403,734	16.4	10.7	532,219	17.8	31.8
Marine insurance	69,687	2.8	6.3	93,641	3.1	34.4
Personal accident insurance	121,114	4.9	0.5	124,144	4.1	2.5
Voluntary automobile insurance	908,766	37.0	(0.6)	949,710	31.7	4.5
Compulsory automobile liability insurance	166,184	6.8	(7.5)	157,172	5.2	(5.4)
Others	785,632	32.0	26.7	1,139,267	38.0	45.0
Total	2,455,120	100.0	8.4	2,996,156	100.0	22.0

(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, 2021 (April 1 to December 31, 2021)			Nine months ended December 31, 2022 (April 1 to December 31, 2022)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	230,175	20.1	12.7	303,299	21.3	31.8
Marine insurance	32,256	2.8	(5.0)	36,064	2.5	11.8
Personal accident insurance	53,362	4.7	(3.2)	68,783	4.8	28.9
Voluntary automobile insurance	453,380	39.6	3.0	505,902	35.6	11.6
Compulsory automobile liability insurance	120,655	10.5	(9.5)	110,060	7.7	(8.8)
Others	254,398	22.2	0.2	397,817	28.0	56.4
Total	1,144,228	100.0	2.1	1,421,927	100.0	24.3

(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, 2022			As of December 31, 2022		
	Carrying amount	Fair value	Unrealized gains and losses	Carrying amount	Fair value	Unrealized gains and losses
Domestic bonds	1,204,717	1,407,640	202,922	1,208,423	1,308,501	100,077
Foreign securities	22,520	28,794	6,273	31,760	40,464	8,703
Total	1,227,238	1,436,434	209,195	1,240,184	1,348,965	108,781

## 2. Policy reserve matching bonds

(Millions of yen)

	As of March 31, 2022			As of December 31, 2022		
	Carrying amount	Fair value	Unrealized gains and losses	Carrying amount	Fair value	Unrealized gains and losses
Domestic bonds	966,496	934,337	(32,159)	1,252,578	1,062,034	(190,543)
Total	966,496	934,337	(32,159)	1,252,578	1,062,034	(190,543)

## 3. Securities available for sale

(Millions of yen)

	As of March 31, 2022			As of December 31, 2022		
	Cost	Carrying amount	Unrealized gains and losses	Cost	Carrying amount	Unrealized gains and losses
Domestic bonds	1,931,484	2,008,999	77,514	1,664,970	1,635,481	(29,488)
Domestic stocks	425,792	1,230,493	804,701	403,209	1,166,635	763,425
Foreign securities	3,499,656	3,749,816	250,160	3,811,866	3,673,002	(138,863)
Others	258,648	282,881	24,232	288,486	296,505	8,019
Total	6,115,581	7,272,190	1,156,609	6,168,533	6,771,625	603,092

## Notes)

As of March 31, 2022	As of December 31, 2022
1. Stocks and others without a quoted market price and Investments in Partnerships 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 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 quarterly consolidated balance sheet are included in "Others" above.
3. 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). 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 stocks and others without a quoted market price and Investments in Partnerships) amount to 3,125 million yen (domestic stocks: 957 million yen, foreign securities: 2,151 million yen, others: 16 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.