SOMPO HOLDINGS

UNOFFICIAL TRANSLATION
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Summary of Consolidated Financial Results for the fiscal year ended March 31, 2024

Supplementary Information

May 20, 2024

Sompo Holdings, Inc.

（ Securities Code : 8630 ）

Summary of Consolidated Financial Results for the fiscal year ended March 31, 2024
Contents of Supplementary Information

1. Overview of Consolidated Financial Results for the fiscal year ended March 31, 2024

(1) Sompo Holdings, Inc.

Overview of Consolidated Financial Results for the fiscal year ended March 31, 2024

(Yen in billions)

		Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)	Increase (Decrease)	Rate of change
					%
Ordinary income:	(1)	4,525	4,933	407	9.0
Net premiums written:	(2)	3,670	3,690	19	0.5
Sompo Japan Insurance Inc.	(3)	2,225	2,177	(47)	(2.1)
Overseas consolidated subsidiaries	(4)	1,380	1,442	62	4.5
Life insurance premiums written	(5)	316	311	(4)	(1.5)
Ordinary profit	(6)	49	488	438	885.8
Net income attributable to shareholders of the parent:	(7)	26	416	389	1,475.1
Sompo Japan Insurance Inc.	(8)	108	207	99	92.5
Overseas consolidated subsidiaries	(9)	9	265	256	2,834.7
Sompo Himawari Life Insurance, Inc.	(10)	0	15	14	1,581.0
Nursing Care & Seniors consolidated subsidiaries	(11)	5	8	2	51.2
Others and consolidation adjustment, etc.	(12)	(97)	(81)	15	

Note)

Overseas consolidated subsidiaries that have applied International Financial Reporting Standards (IFRS) have applied IFRS 17 "Insurance Contracts" and IFRS 9 "Financial Instruments" from the beginning of the fiscal year ended March 31, 2024. Various figures for the fiscal year ended March 31, 2023 after retrospective application of IFRS 17 and 9 have been compared with those for the fiscal year ended March 31, 2024. (The same applies to subsequent tables.)
The impact before and after retrospective application for the fiscal year ended March 31, 2023 is as shown in the table below.

The impact of main items in the consolidated statement of income for the fiscal year ended March 31, 2023

(Yen in billions)

		Before retrospective application	After retrospective application	Amount of impact
Ordinary income:	(1)	4,607	4,525	(81)
Investment income	(2)	325	244	(81)
Ordinary expense:	(3)	4,484	4,476	(8)
Underwriting expenses	(4)	3,597	3,516	(81)
Investment expenses	(5)	113	187	73
Ordinary profit	(6)	122	49	(73)
Net income attributable to shareholders of the parent	(7)	91	26	(64)

Note)

Please refer to the note on page 13 3(6) "Changes in Accounting Policies, Changes in Accounting Estimations, and Retrospective Restatements" of the Consolidated Financial Statements for the fiscal year ended March 31, 2024.

The impact of Sompo Japan Insurance Inc.’s domestic natural disasters excluding household earthquake insurance during the period

(Yen in billions)

		Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)	Increase (Decrease)
Net claims paid	(1)	89	76	(13)
Change in reserve for outstanding losses and claims	(2)	36	27	(8)
Net incurred loss	(3)	126	104	(21)

(Reference) SOMPO HOLDINGS' numerical management targets

(Yen in billions)

	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)	Increase (Decrease)	Rate of change
				%
Adjusted consolidated profit:	152	291	138	91.2
Sompo Japan Insurance Inc.	33	73	40	122.2
Overseas consolidated subsidiaries	93	163	69	74.7

(2) Sompo Japan Insurance Inc.

Summary of Results of Operations

(Yen in billions)

			Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)	Increase (Decrease)	Rate of change
						%
Ordinary income and expenses:						
Underwriting income and expenses:[Note]						
	Direct premiums written	(1)	2,507	2,456	(50)	(2.0)
(+)	Net premiums written	(2)	2,225	2,177	(47)	(2.1)
(-)	Net claims paid	(3)	1,311	1,342	31	2.4
(-)	Loss adjustment expenses	(4)	115	115	(0)	(0.3)
(-)	Net operating expenses:	(5)	745	735	(10)	(1.4)
	Net commissions and brokerage fees	(6)	439	428	(11)	(2.5)
	Operating, general and administrative expenses related to underwriting	(7)	306	307	0	0.2
	Underwriting result	(8)	53	(14)	(68)	(127.8)
(-)	Change in reserve for outstanding losses and claims	(9)	60	31	(28)	(47.5)
(-)	Change in Ordinary Underwriting Reserves	(10)	34	(65)	(100)	(290.3)
(-)	Change in Catastrophic Loss Reserve	(11)	(11)	(20)	(9)	–
(+)	Other underwriting income and expenses	(12)	10	13	2	23.2
	Underwriting profit	(13)	(19)	52	72	–
Investment income and expenses:						
(+)	Interest and dividend income	(14)	166	216	49	30.0
(+)	Transfer of interest and dividend income on deposits of premiums, etc.	(15)	(30)	(30)	(0)	–
	Net Interest and dividend income	(16)	136	185	49	36.5
(+)	Gains and losses on sales of securities	(17)	30	44	13	44.5
(-)	Impairment losses on securities	(18)	1	2	0	29.2
(+)	Gains and losses on derivatives	(19)	(13)	(18)	(4)	–
(+)	Other investment income and expenses	(20)	6	3	(3)	(45.2)
	Gross investment margin	(21)	158	213	54	34.7
(+)	Other ordinary income and expenses, etc.	(22)	(13)	(14)	(1)	–
	Ordinary profit	(23)	124	251	126	101.3
Extraordinary gains and losses:						
(+)	Extraordinary gains	(24)	5	0	(4)	(83.4)
(-)	Extraordinary losses	(25)	6	5	(0)	(11.0)
	Extraordinary gains and losses	(26)	(0)	(4)	(4)	–
	Net income before income taxes	(27)	124	246	122	98.2
(-)	Total income taxes	(28)	16	38	22	135.8
	Net income	(29)	108	207	99	92.5
Ratios:			%	%	%	
	Net loss ratio	(30)	64.1	66.9	2.8	
	Net operating expenses ratio	(31)	33.5	33.8	0.2	
	Combined ratio	(32)	97.6	100.7	3.1	
	Return on investments (income base)	(33)	3.09	4.07	0.98	
	Return on investments (realized base)	(34)	3.50	4.60	1.10	

Reference: Ratios excluding earthquake insurance and compulsory automobile liability insurance

E/I loss ratio	(35)	67.0	65.4	(1.6)	
E/I combined ratio	(36)	100.9	99.3	(1.6)	

Note) Profit or losses by maturity refunds, etc. of savings-type insurance are not included in underwriting income and expenses.

Reference) Total return based on the fair value: Fiscal year ended March 31, 2023 1.84 %

Fiscal year ended March 31, 2024 12.59 %

(3) Overseas consolidated subsidiaries

Summary of Results of Major items

(Yen in billions)

		Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)	Increase (Decrease)	Rate of change
					%
Net premiums written	(1)	1,380	1,442	62	4.5
Underwriting profit	(2)	59	9	(49)	(83.8)
Interest income, etc.	(3)	69	140	71	102.4
Realized and unrealized investment gains and losses	(4)	(172)	61	233	—
Net income attributable to shareholders of the parent	(5)	9	265	256	2,834.7

Reference: Indicators related to SI commercial insurance

(Yen in billions)

		Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)	Increase (Decrease)	Rate of change
					%
Net premiums written	(6)	1,245	1,299	53	4.3
Underwriting profit	(7)	88	24	(63)	(72.0)
E/I loss ratio	(8)	69.0	71.8	2.8	
E/I combined ratio	(9)	92.4	98.2	5.8	
Net incurred loss due to natural disasters	(10)	73	45	(27)	(37.4)

Note) This table includes figures for internal performance management. SI stands for Sompo International Holdings Ltd.

(4) Sompo Himawari Life Insurance, Inc.

Summary of Results of Major items

(Yen in billions)

		Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)	Increase (Decrease)	Rate of change
					%
Insurance premiums and other	(1)	434	433	(1)	(0.3)
Net premiums written	(2)	310	309	(1)	(0.6)
Ordinary profit	(3)	6	27	21	339.4
Net income	(4)	0	15	14	1,581.0

(5) Sompo Japan Insurance Inc.

Summary of Results of Major items

(a) Direct premiums written (excluding deposits of premiums by policyholders)

(Yen in billions)

Business line	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)		Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)		
	Amount	Rate of change	Amount	Increase (Decrease)	Rate of change
		%			%
Fire and allied insurance	553	11.7	517	(35)	(6.5)
Marine insurance	59	20.5	57	(1)	(2.1)
Personal accident insurance	160	2.0	161	0	0.5
Voluntary automobile insurance	1,088	(0.4)	1,086	(1)	(0.1)
Compulsory automobile liability insurance	225	2.2	195	(30)	(13.5)
Others	420	3.7	437	16	4.0
Total	2,507	3.6	2,456	(50)	(2.0)
Deposits of premiums by policyholders	70	(12.6)	62	(8)	(11.6)

(b) Net premiums written

(Yen in billions)

Business line	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)		Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)		
	Amount	Rate of change	Amount	Increase (Decrease)	Rate of change
		%			%
Fire and allied insurance	385	17.5	342	(42)	(11.1)
Marine insurance	54	17.3	53	(1)	(2.3)
Personal accident insurance	153	1.4	153	(0)	(0.2)
Voluntary automobile insurance	1,083	(0.4)	1,082	(0)	(0.1)
Compulsory automobile liability insurance	210	(2.8)	195	(15)	(7.3)
Others	337	3.0	350	13	3.9
Total	2,225	3.1	2,177	(47)	(2.1)
Excluding household earthquake insurance and compulsory automobile liability insurance	2,014	3.8	1,982	(32)	(1.6)

(c) Net claims paid

(Yen in billions)

Business line	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)		Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)			
	Amount	Net loss ratio	Amount	Increase (Decrease)	Net loss ratio	Increase (Decrease)
		%			%	%
Fire and allied insurance	286	76.7	263	(23)	79.0	2.3
Marine insurance	22	44.2	28	5	56.3	12.1
Personal accident insurance	86	61.3	76	(10)	54.4	(6.9)
Voluntary automobile insurance	581	60.2	633	52	65.2	5.0
Compulsory automobile liability insurance	144	76.0	147	3	83.9	7.9
Others	189	59.3	192	3	58.1	(1.2)
Total	1,311	64.1	1,342	31	66.9	2.8
Excluding household earthquake insurance and compulsory automobile liability insurance	1,165	62.8	1,194	29	65.3	2.5

(d) Net Incurred Loss during the period due to Natural Disasters in Japan

(Yen in billions)

Business line	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)			Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)		
	Net claims paid	Reserve for outstanding losses and claims	Net incurred loss	Net claims paid	Reserve for outstanding losses and claims	Net incurred loss
Fire and allied insurance	65	33	98	47	24	72
Voluntary automobile insurance	21	1	23	24	2	27
Other than the above	2	1	3	3	0	4
Total excluding household earthquake insurance and compulsory automobile liability insurance	89	36	126	76	27	104

Note) Net incurred loss ＝ Net claims paid ＋ Reserve for outstanding losses and claims

Reserve for outstanding losses and claims represents amounts deducting reinsurance recoverable on unpaid loss from reserve for outstanding losses and claims of direct insurance and assumed reinsurance.

(e) Breakdown of Operating, General and Administrative Expenses and Loss Adjustment Expenses

(Yen in billions)

Business line	Fiscal year ended March 31, 2023			Fiscal year ended March 31, 2024		
	Amount	Increase (Decrease)	Rate of change	Amount	Increase (Decrease)	Rate of change
			%			%
Personnel expenses	204	(4)	(1.9)	199	(5)	(2.5)
Non-personnel expenses	215	5	2.6	222	6	2.9
Others (taxes and contributions)	20	0	0.7	21	1	5.2
Total	440	1	0.3	443	2	0.5

(f) Reserve for Outstanding Losses and Claims

(Yen in billions)

Business line	Fiscal year ended March 31, 2023		Fiscal year ended March 31, 2024	
	Balance	Change	Balance	Change
Fire and allied insurance	175	20	168	(7)
Marine insurance	24	1	29	4
Personal accident insurance	48	1	50	1
Voluntary automobile insurance	390	20	415	24
Compulsory automobile liability insurance	61	(1)	58	(2)
Others	260	16	270	10
Total	960	60	992	31

(g) Ordinary Underwriting Reserves

(Yen in billions)

Business line	Fiscal year ended March 31, 2023		Fiscal year ended March 31, 2024	
	Balance	Change	Balance	Change
Fire and allied insurance	810	26	759	(50)
Marine insurance	31	9	28	(2)
Personal accident insurance	129	0	129	0
Voluntary automobile insurance	317	0	316	(0)
Compulsory automobile liability insurance	458	(1)	441	(17)
Others	343	(0)	348	4
Total	2,090	34	2,024	(65)

Note) This table excludes reserve for maturity refunds and reserve for dividends to policyholders of savings-type insurance and includes underwriting reserves of earthquake insurance and compulsory automobile liability insurance.

(h) Catastrophic Loss Reserve

(Yen in billions)

Business line	Fiscal year ended March 31, 2023				Fiscal year ended March 31, 2024			
	Reversal	Provision	Balance	Balance ratio	Reversal	Provision	Balance	Balance ratio
				%				%
Fire and allied insurance	92	93	115	30.1	91	125	150	43.9
Marine insurance	—	3	48	88.9	—	3	52	97.0
Personal accident insurance	10	4	75	49.1	0	4	79	51.9
Voluntary automobile insurance	43	35	98	9.1	98	35	35	3.3
Others	14	12	201	59.7	12	13	202	57.7
Total	160	149	540	26.8	202	182	519	26.2

Note) Balance ratio = Balance of catastrophic loss reserve / Net premiums written (excluding earthquake insurance and compulsory automobile liability insurance) × 100

2. Forecasts for the fiscal year ending March 31, 2025 (April 1, 2024 to March 31, 2025)

Sompo Holdings, Inc. (Consolidated)

(Yen in billions)

	Fiscal year ended March 31, 2024 Result	Fiscal year ending March 31, 2025 Forecast	Increase (Decrease)	Rate of change
				%
Net premiums written	3,690	4,003	312	8.5
Life insurance premiums written	311	343	31	10.2
Ordinary profit	488	320	(168)	(34.4)
Net income attributable to shareholders of the parent:	416	230	(186)	(44.7)
Sompo Japan Insurance Inc.	207	157	(50)	(24.5)
Overseas consolidated subsidiaries	265	199	(65)	(24.7)
Sompo Himawari Life Insurance, Inc.	15	19	3	24.6
Nursing Care Business consolidated subsidiaries	8	5	(2)	(30.7)
Others and consolidation adjustment, etc. (Note)	(81)	(152)	(70)	——

Note)

“Others and consolidation adjustment, etc.” in the above table includes profits and losses of consolidated companies other than the above and adjustments due to consolidation adjustments, etc.

SOMPO HOLDINGS' numerical management targets and dividends

(Yen in billions)

	Fiscal year ended March 31, 2024 Result		Fiscal year ending March 31, 2025 Forecast	Increase (Decrease)	Rate of change
					%
Adjusted consolidated profit	291		255	(36)	(12.4)
	Before the stock split	After the stock split			
Dividends per share (annual)	300 yen	100 yen	112 yen	12 yen	——
Interim Dividends per share	150 yen	50 yen	56 yen	6 yen	——
Year-end Dividends per share	150 yen	50 yen	56 yen	6 yen	——

*The Company implemented a 3-for-1 common stock split on April 1, 2024. Amounts before the stock split and amounts calculated assuming that the stock split was implemented at the beginning of the fiscal year ended March 31, 2024 are stated as the results for the fiscal year ended March 31, 2024. Figures presented in the "Increase (Decrease)" column are comparisons with the amounts after the stock split.

Sompo Japan Insurance Inc. (Non-consolidated)

(Yen in billions)

	Fiscal year ended March 31, 2024 Result	Fiscal year ending March 31, 2025 Forecast	Increase (Decrease)	Rate of change
				%
Net premiums written	2,177	2,270	92	4.2
(Excluding earthquake insurance and compulsory automobile liability insurance)	1,982	2,074	91	4.6
Net loss ratio	66.9	66.2	(0.7)	——
(Excluding earthquake insurance and compulsory automobile liability insurance)	65.3	64.6	(0.6)	——
Net operating expenses ratio	33.8	34.5	0.7	——
(Excluding earthquake insurance and compulsory automobile liability insurance)	33.8	34.8	1.0	——
Combined ratio	100.7	100.7	(0.0)	——
(Excluding earthquake insurance and compulsory automobile liability insurance)	99.1	99.5	0.4	——
Underwriting profit	52	(47)	(99)	(188.9)
Gross investment margin	213	253	39	18.7
Ordinary profit	251	185	(66)	(26.4)
Net income	207	157	(50)	(24.5)

(Reference: Ratios excluding earthquake insurance and compulsory automobile liability insurance)

				%
E/I loss ratio	65.4	65.8	0.3	——
E/I combined ratio	99.3	100.6	1.3	——

(Major assumptions of the forecasts of consolidated financial results)

・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 110.0 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, 2025, taking past trends and other factors into account.
・The Company assumes no major change in market interest rates, exchange rates and stock prices from their levels at March 31, 2024.
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.

3. Overview of Business Results of Principal Consolidated Subsidiaries

Sompo Japan Insurance Inc. (Non-consolidated)

Balance Sheet

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits:	474,287	399,666	(74,621)
Cash	7	7	0
Deposits	474,280	399,658	(74,622)
Receivables under resale agreements	69,999	14,999	(55,000)
Monetary receivables bought	20,366	18,927	(1,438)
Money trusts	21,105	4,712	(16,393)
Securities:	5,085,990	5,801,000	715,010
Government bonds	512,262	530,397	18,135
Municipal bonds	5,545	5,418	(126)
Corporate bonds	490,450	472,769	(17,681)
Domestic stocks	1,312,035	1,730,279	418,243
Foreign securities	2,539,168	2,770,845	231,677
Other securities	226,528	291,289	64,761
Loans:	563,994	408,708	(155,285)
Policy loans	2,897	2,104	(792)
Ordinary loans	561,096	406,603	(154,493)
Tangible fixed assets:	232,078	236,792	4,714
Land	82,690	82,230	(459)
Buildings	104,503	120,421	15,917
Leased assets	5,526	7,406	1,880
Construction in progress	14,711	2,267	(12,444)
Other tangible fixed assets	24,646	24,466	(179)
Intangible fixed assets:	235,489	242,341	6,852
Software	83,412	186,579	103,167
Other intangible fixed assets	152,076	55,761	(96,315)
Other assets:	531,253	544,179	12,926
Premiums receivable	3,053	1,838	(1,214)
Agency accounts receivable	189,583	179,881	(9,701)
Foreign agency accounts receivable	14,041	15,461	1,420
Coinsurance accounts receivable	10,351	17,376	7,025
Reinsurance accounts receivable	68,738	79,674	10,936
Foreign reinsurance accounts receivable	38,482	36,328	(2,153)
Proxy service receivable	62	71	9
Accounts receivable	104,377	86,682	(17,695)
Accrued income	6,192	7,327	1,134
Advance deposits	13,860	19,204	5,343
Earthquake insurance deposits	1,432	1,269	(163)
Suspense payments	67,550	79,105	11,555
Deposits paid for future transactions	7,985	8,536	550
Derivative assets	4,767	2,702	(2,065)
Cash collateral paid for financial instruments	764	8,711	7,947
Other assets	7	7	―
Deferred tax assets	40,035	―	(40,035)
Allowance for possible credit losses	(2,751)	(2,598)	153
Allowance for possible investment losses	(5,180)	(4,372)	808
Total assets	7,266,668	7,664,357	397,689

Sompo Japan Insurance Inc. (Non-consolidated)

Balance Sheet

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024	Increase (Decrease)
	Amount	Amount	
Liabilities:			
Underwriting funds:	4,547,526	4,403,431	(144,095)
Reserve for outstanding losses and claims	960,373	992,003	31,629
Underwriting reserves	3,587,152	3,411,427	(175,725)
Corporate bonds	527,000	527,000	―
Other liabilities:	589,464	542,958	(46,506)
Coinsurance accounts payable	6,256	5,869	(386)
Reinsurance accounts payable	72,058	65,195	(6,862)
Foreign reinsurance accounts payable	26,148	25,586	(562)
Payables under securities lending transactions	177,859	155,078	(22,780)
Borrowings	77	59	(18)
Income taxes payable	5,679	41,360	35,680
Deposits received	2,787	3,591	803
Unearned income	316	388	72
Accounts payable	186,409	141,860	(44,548)
Suspense receipts	85,662	80,877	(4,785)
Derivative liabilities	7,878	12,372	4,494
Cash collateral received for financial instruments	9,976	419	(9,556)
Lease obligations	6,142	8,038	1,896
Asset retirement obligations	2,211	2,257	46
Reserve for retirement benefits	78,879	69,895	(8,983)
Reserve for bonus payments	15,240	14,389	(851)
Reserve for bonus payments to directors	87	52	(34)
Reserves under the special laws:	99,792	104,368	4,575
Reserve for price fluctuation	99,792	104,368	4,575
Deferred tax liabilities	―	107,147	107,147
Total liabilities	5,857,992	5,769,243	(88,749)
Net assets:			
Shareholders' equity:			
Common stock	70,000	70,000	―
Capital surplus:	70,000	70,000	―
Capital reserves	70,000	70,000	―
Retained earnings:	508,480	595,325	86,844
Other retained earnings:	508,480	595,325	86,844
Reserve for advanced depreciation	11,867	11,460	(406)
Reserve for promoting open innovation	270	270	―
General reserve	83,300	83,300	―
Retained earnings carried forward	413,043	500,294	87,251
Total shareholders' equity	648,480	735,325	86,844
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	757,782	1,158,092	400,310
Deferred gains and losses on hedges	2,412	1,696	(716)
Total valuation and translation adjustments	760,194	1,159,789	399,594
Total net assets	1,408,675	1,895,114	486,438
Total liabilities and net assets	7,266,668	7,664,357	397,689

Sompo Japan Insurance Inc. (Non-consolidated)

Statement of Income

(Millions of yen)

	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)	Increase (Decrease)	Rate of change
	Amount	Amount		
				%
Ordinary income:	2,623,349	2,737,163	113,813	4.3
Underwriting income:	2,399,389	2,449,052	49,663	2.1
Net premiums written	2,225,531	2,177,954	(47,577)	(2.1)
Deposits of premiums by policyholders	70,773	62,530	(8,242)	(11.6)
Interest and dividend income on deposits of premiums, etc.	30,102	30,366	264	0.9
Reversal of underwriting reserves	70,156	175,725	105,568	150.5
Foreign exchange gains	2,218	2,347	129	5.8
Other underwriting income	606	127	(478)	(78.9)
Investment income:	210,057	273,704	63,646	30.3
Interest and dividend income	166,250	216,205	49,954	30.0
Investment gains on money trusts	3,105	5,787	2,681	86.3
Gains on sales of securities	53,878	61,799	7,921	14.7
Gains on redemption of securities	2,389	2,101	(287)	(12.0)
Foreign exchange gains	13,369	17,925	4,556	34.1
Other investment income	1,166	251	(914)	(78.4)
Transfer of interest and dividend income on deposits of premiums, etc.	(30,102)	(30,366)	(264)	–
Other ordinary income	13,902	14,406	503	3.6
Ordinary expenses:	2,498,423	2,485,646	(12,777)	(0.5)
Underwriting expenses:	2,109,098	2,086,146	(22,951)	(1.1)
Net claims paid	1,311,226	1,342,628	31,401	2.4
Loss adjustment expenses	115,369	115,004	(365)	(0.3)
Net commissions and brokerage fees	439,225	428,029	(11,195)	(2.5)
Maturity refunds to policyholders	181,722	167,755	(13,966)	(7.7)
Dividends to policyholders	7	9	2	35.9
Provision for reserve for outstanding losses and claims	60,251	31,629	(28,621)	(47.5)
Other underwriting expenses	1,295	1,089	(206)	(15.9)
Investment expenses:	51,543	60,195	8,652	16.8
Investment losses on money trusts	2	–	(2)	(100.0)
Losses on sales of securities	22,936	17,090	(5,846)	(25.5)
Impairment losses on securities	1,954	2,525	570	29.2
Losses on redemption of securities	–	1	1	–
Losses on derivatives	13,362	18,204	4,842	36.2
Other investment expenses	13,286	22,373	9,086	68.4
Operating, general and administrative expenses	325,566	328,206	2,639	0.8
Other ordinary expenses:	12,215	11,098	(1,117)	(9.1)
Interest paid	7,587	6,513	(1,073)	(14.2)
Provision for allowance for possible credit losses	48	–	(48)	(100.0)
Losses on bad debt	31	38	7	23.5
Other ordinary expenses	4,548	4,546	(2)	(0.1)
Ordinary profit	124,926	251,517	126,590	101.3

Sompo Japan Insurance Inc. (Non-consolidated)

Statement of Income

(Millions of yen)

		Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)	Increase (Decrease)	Rate of change
		Amount	Amount		
Extraordinary gains:		5,854	969	(4,884)	(83.4)
Gains on disposal of fixed assets		5,854	969	(4,884)	(83.4)
Extraordinary losses:		6,206	5,522	(683)	(11.0)
Losses on disposal of fixed assets		1,596	947	(649)	(40.7)
Impairment losses		148	—	(148)	(100.0)
Provision for reserves under the special laws:		4,461	4,575	113	2.5
Provision for reserve for price fluctuation		4,461	4,575	113	2.5
Net income before income taxes		124,573	246,964	122,390	98.2
Income taxes		14,435	46,496	32,060	222.1
Deferred income taxes		2,096	(7,516)	(9,612)	(458.6)
Total income taxes		16,531	38,979	22,447	135.8
Net income		108,041	207,984	99,942	92.5

Underwriting result:					
Net premiums written	(+)	2,225,531	2,177,954	(47,577)	(2.1)
Net claims paid	(−)	1,311,226	1,342,628	31,401	2.4
Loss adjustment expenses	(−)	115,369	115,004	(365)	(0.3)
Net operating expenses:	(−)	745,649	735,113	(10,536)	(1.4)
Net commissions and brokerage fees		439,225	428,029	(11,195)	(2.5)
Operating, general and administrative expenses related to underwriting		306,424	307,083	659	0.2
Underwriting result		53,286	(14,791)	(68,077)	(127.8)
Underwriting profit (loss)		(19,833)	52,840	72,674	—
Ratios:					
Net loss ratio	(%)	64.1	66.9	2.8	
Net operating expenses ratio	(%)	33.5	33.8	0.2	
Combined ratio	(%)	97.6	100.7	3.1	

Sompo Japan Insurance Inc. (Non-consolidated)

Premiums Written and Claims Paid by Business Lines

Direct premiums written (excluding deposits of premiums by policyholders)

(Millions of yen)

Business line	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)			Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
		%	%		%	%
Fire and allied insurance	553,304	22.1	11.7	517,458	21.1	(6.5)
Marine insurance	59,117	2.4	20.5	57,889	2.4	(2.1)
Personal accident insurance	160,291	6.4	2.0	161,089	6.6	0.5
Voluntary automobile insurance	1,088,008	43.4	(0.4)	1,086,904	44.3	(0.1)
Compulsory automobile liability insurance	225,489	9.0	2.2	195,079	7.9	(13.5)
Others	420,923	16.8	3.7	437,794	17.8	4.0
Total	2,507,134	100.0	3.6	2,456,216	100.0	(2.0)
Deposits of premiums by policyholders	70,773	——	(12.6)	62,530	——	(11.6)

Net premiums written

(Millions of yen)

Business line	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)			Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
		%	%		%	%
Fire and allied insurance	385,029	17.3	17.5	342,122	15.7	(11.1)
Marine insurance	54,947	2.5	17.3	53,663	2.5	(2.3)
Personal accident insurance	153,793	6.9	1.4	153,479	7.0	(0.2)
Voluntary automobile insurance	1,083,235	48.7	(0.4)	1,082,408	49.7	(0.1)
Compulsory automobile liability insurance	210,705	9.5	(2.8)	195,393	9.0	(7.3)
Others	337,821	15.2	3.0	350,886	16.1	3.9
Total	2,225,531	100.0	3.1	2,177,954	100.0	(2.1)

Net claims paid

(Millions of yen)

Business line	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)			Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)		
	Amount	Rate of change	Net loss ratio	Amount	Rate of change	Net loss ratio
		%	%		%	%
Fire and allied insurance	286,546	32.6	76.7	263,284	(8.1)	79.0
Marine insurance	22,970	(0.2)	44.2	28,939	26.0	56.3
Personal accident insurance	86,762	24.6	61.3	76,575	(11.7)	54.4
Voluntary automobile insurance	581,063	8.3	60.2	633,274	9.0	65.2
Compulsory automobile liability insurance	144,538	(8.9)	76.0	147,734	2.2	83.9
Others	189,345	10.6	59.3	192,819	1.8	58.1
Total	1,311,226	11.6	64.1	1,342,628	2.4	66.9

Sompo Japan Insurance Inc. (Non-consolidated)

Non-consolidated Solvency Margin Ratio

(Millions of yen)

		As of March 31, 2023	As of March 31, 2024
(A) Total Non-consolidated Solvency Margin		2,952,779	3,568,741
	Capital and funds, etc.	648,480	735,325
	Reserve for price fluctuation	99,792	104,368
	Contingency reserve	3,624	5,587
	Catastrophic loss reserve	541,683	521,086
	General allowance for possible credit losses	172	92
	Unrealized gains and losses on securities, deferred gains and losses on hedges (before tax effect deductions)	935,188	1,437,042
	Unrealized gains and losses on land	129,929	134,953
	Excess amount of reserve for maturity refunds	–	–
	Subordinated debt, etc.	427,000	427,000
	Excess amount of reserve for maturity refunds and subordinated debt, etc. which are excluded from total solvency margin	–	–
	Deductions	36,213	32,677
	Others	203,119	235,963
(B) Total Non-consolidated Risks $\sqrt{(R_1+R_2)^2+(R_3+R_4)^2}+R_5+R_6$		947,373	1,049,207
	Underwriting risk (R_1)	202,217	205,429
	Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_2)	–	–
	Guaranteed interest rate risk (R_3)	12,362	11,101
	Investment risk (R_4)	692,323	792,254
	Business management risk (R_5)	21,983	24,093
	Major catastrophe risk (R_6)	192,263	195,907
(C) Non-consolidated Solvency Margin Ratio [(A) / {(B) × 1/2}] × 100		623.3 %	680.2 %

Note) The above amounts and figures are calculated based on provisions of Articles 86 and 87 of the Ordinance for Enforcement of the Insurance Business Act and Public Notice No.50 of the Ministry of Finance (1996).

SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED (Non-consolidated)

Balance Sheet

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits:	17,032	25,293	8,260
Cash	0	0	0
Deposits	17,032	25,293	8,260
Securities:	50,419	40,125	(10,294)
Municipal bonds	7,156	7,106	(50)
Corporate bonds	24,099	22,438	(1,660)
Domestic stocks	38	40	2
Foreign securities	6,796	1,961	(4,834)
Other securities	12,328	8,577	(3,750)
Tangible fixed assets:	351	324	(27)
Buildings	95	80	(14)
Leased assets	189	190	1
Other tangible fixed assets	67	53	(14)
Intangible fixed assets:	7,594	9,271	1,676
Software	7,591	9,268	1,676
Other intangible fixed assets	2	2	(0)
Other assets:	6,853	10,500	3,646
Premiums receivable	1,943	2,721	777
Agency accounts receivable	125	130	4
Coinsurance accounts receivable	13	10	(3)
Reinsurance accounts receivable	87	182	94
Foreign reinsurance accounts receivable	10	18	8
Accounts receivable	1,076	3,749	2,673
Accrued income	54	45	(9)
Advance deposits	495	499	4
Suspense payments	3,046	3,142	96
Deferred tax assets	1,862	2,650	787
Allowance for possible credit losses	(2)	(2)	(0)
Total assets	84,112	88,162	4,049

SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED (Non-consolidated)

Balance Sheet

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024	Increase (Decrease)
	Amount	Amount	
Liabilities:			
Underwriting funds:	62,687	66,559	3,872
Reserve for outstanding losses and claims	25,005	27,523	2,518
Underwriting reserves	37,682	39,036	1,354
Other liabilities:	5,641	6,098	456
Coinsurance accounts payable	36	34	(1)
Reinsurance accounts payable	209	174	(34)
Foreign reinsurance accounts payable	64	56	(8)
Income taxes payable	198	215	17
Deposits received	37	37	(0)
Accounts payable	1,853	1,512	(341)
Suspense receipts	3,040	3,856	816
Lease obligations	200	209	9
Reserve for retirement benefits to directors	15	14	(0)
Reserve for bonus payments	395	417	22
Reserve for bonus payments to directors	17	20	2
Reserves under the special laws:	107	9	(97)
Reserve for price fluctuation	107	9	(97)
Total liabilities	68,865	73,120	4,255
Net assets:			
Shareholders’ equity:			
Common stock	32,260	32,260	—
Capital surplus:	40,692	40,692	—
Capital reserves	30,497	30,497	—
Other capital surplus	10,194	10,194	—
Retained earnings:	(56,242)	(57,358)	(1,116)
Other retained earnings:	(56,242)	(57,358)	(1,116)
Retained earnings carried forward	(56,242)	(57,358)	(1,116)
Total shareholders’ equity	16,709	15,593	(1,116)
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	(1,462)	(552)	910
Total valuation and translation adjustments	(1,462)	(552)	910
Total net assets	15,247	15,041	(205)
Total liabilities and net assets	84,112	88,162	4,049

SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED (Non-consolidated)

Statement of Income

(Millions of yen)

	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023) Amount	Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024) Amount	Increase (Decrease)	Rate of change
				%
Ordinary income:	65,192	70,277	5,084	7.8
Underwriting income:	64,503	69,324	4,821	7.5
Net premiums written	64,446	69,256	4,810	7.5
Interest and dividend income on deposits of premiums, etc.	56	67	11	19.4
Foreign exchange gains	0	0	(0)	(97.2)
Investment income:	624	942	317	50.9
Interest and dividend income	341	218	(122)	(36.0)
Gains on sales of securities	340	791	451	132.9
Transfer of interest and dividend income on deposits of premiums, etc.	(56)	(67)	(11)	—
Other ordinary income	64	10	(54)	(84.4)
Ordinary expenses:	66,067	71,955	5,887	8.9
Underwriting expenses:	49,520	55,542	6,021	12.2
Net claims paid	38,536	45,631	7,095	18.4
Loss adjustment expenses	4,415	4,682	267	6.0
Net commissions and brokerage fees	1,255	1,349	94	7.5
Provision for reserve for outstanding losses and claims	2,890	2,518	(372)	(12.9)
Provision for underwriting reserves	2,415	1,354	(1,061)	(43.9)
Other underwriting expenses	7	6	(1)	(13.5)
Investment expenses:	337	1,365	1,027	304.4
Losses on sales of securities	336	703	367	109.3
Impairment losses on securities	1	—	(1)	(100.0)
Losses on redemption of securities	—	0	0	—
Other investment expenses	—	661	661	—
Operating, general and administrative expenses	16,096	15,032	(1,064)	(6.6)
Other ordinary expenses:	112	15	(97)	(86.2)
Interest paid	4	5	0	5.0
Provision for allowance for possible credit losses	2	0	(1)	(82.0)
Other ordinary expenses	105	10	(95)	(90.5)
Ordinary loss	(875)	(1,678)	(803)	—
Extraordinary gains:	—	97	97	—
Reversal of reserves under the special laws:	—	97	97	—
Reversal of reserve for price fluctuation	—	97	97	—
Extraordinary losses:	24	186	161	667.0
Losses on disposal of fixed assets	0	38	38	28,468.7
Impairment losses	4	—	(4)	(100.0)
Provision for reserves under the special laws:	19	—	(19)	(100.0)
Provision for reserve for price fluctuation	19	—	(19)	(100.0)
Other extraordinary losses	—	147	147	—
Net loss before income taxes	(899)	(1,767)	(867)	—
Income taxes	15	15	0	0.3
Deferred income taxes	6	(667)	(673)	(10,762.8)
Total income taxes	22	(651)	(673)	(3,053.5)
Net loss	(921)	(1,116)	(194)	—

Underwriting result:				
Net premiums written (+)	64,446	69,256	4,810	7.5
Net claims paid (−)	38,536	45,631	7,095	18.4
Loss adjustment expenses (−)	4,415	4,682	267	6.0
Net operating expenses: (−)	17,217	16,298	(919)	(5.3)
Net commissions and brokerage fees	1,255	1,349	94	7.5
Operating, general and administrative expenses related to underwriting	15,962	14,948	(1,013)	(6.3)
Underwriting result	4,276	2,644	(1,632)	(38.2)
Underwriting profit (loss)	(959)	(1,167)	(207)	—
Ratios:				
Net loss ratio (%)	66.6	72.6	6.0	
Net operating expenses ratio (%)	26.7	23.5	(3.2)	
Combined ratio (%)	93.4	96.2	2.8	

SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED (Non-consolidated)

Non-consolidated Solvency Margin Ratio

(Millions of yen)

		As of March 31, 2023	As of March 31, 2024
(A) Total Non-consolidated Solvency Margin		19,323	19,009
	Capital and funds, etc.	16,709	15,593
	Reserve for price fluctuation	107	9
	Contingency reserve	11	11
	Catastrophic loss reserve	3,915	4,024
	General allowance for possible credit losses	0	1
	Unrealized gains and losses on securities, deferred gains and losses on hedges (before tax effect deductions)	(1,421)	(631)
	Unrealized gains and losses on land	–	–
	Excess amount of reserve for maturity refunds	–	–
	Subordinated debt, etc.	–	–
	Excess amount of reserve for maturity refunds and subordinated debt, etc. which are excluded from total solvency margin	–	–
	Deductions	–	–
	Others	–	–
(B) Total Non-consolidated Risks $\sqrt{(R_1+R_2)^2+(R_3+R_4)^2}+R_5+R_6$		9,442	11,011
	Underwriting risk (R_1)	7,612	8,730
	Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_2)	–	–
	Guaranteed interest rate risk (R_3)	13	12
	Investment risk (R_4)	1,747	1,391
	Business management risk (R_5)	320	358
	Major catastrophe risk (R_6)	1,309	1,810
(C) Non-consolidated Solvency Margin Ratio [(A) / {(B) × 1/2}] × 100		409.2 %	345.2 %

Note) The above amounts and figures are calculated based on provisions of Articles 86 and 87 of the Ordinance for Enforcement of the Insurance Business Act and Public Notice No. 50 of the Ministry of Finance (1996).

Sompo Himawari Life Insurance, Inc. (Non-consolidated)

Balance Sheet

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits:	79,308	115,961	36,653
Deposits	79,308	115,961	36,653
Securities:	3,735,314	3,935,368	200,053
Government bonds	2,693,598	2,967,250	273,651
Municipal bonds	56,732	59,497	2,764
Corporate bonds	380,019	382,384	2,365
Domestic stocks	10,424	13,780	3,356
Foreign securities	587,130	497,295	(89,834)
Other securities	7,409	15,160	7,751
Loans:	42,150	42,953	802
Policy loans	42,148	42,953	804
Ordinary loans	2	―	(2)
Tangible fixed assets:	1,750	2,057	307
Buildings	433	471	37
Leased assets	1,005	677	(327)
Construction in progress	3	269	265
Other tangible fixed assets	307	639	331
Intangible fixed assets:	3,620	4,140	519
Software	―	2,721	2,721
Other intangible fixed assets	3,620	1,419	(2,201)
Agency accounts receivable	119	195	75
Reinsurance accounts receivable	1,650	1,814	164
Other assets:	59,467	56,189	(3,278)
Accounts receivable	40,994	36,675	(4,319)
Prepaid expenses	4,525	5,454	928
Accrued income	9,672	9,784	111
Advance deposits	2,645	3,395	749
Derivative assets	948	204	(744)
Cash collateral paid for financial instruments	20	130	110
Suspense payments	572	453	(119)
Other assets	87	92	4
Deferred tax assets	39,503	6,877	(32,625)
Allowance for possible credit losses	(51)	(125)	(73)
Total assets	3,962,833	4,165,432	202,598

Sompo Himawari Life Insurance, Inc. (Non-consolidated)

Balance Sheet

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024	Increase (Decrease)
	Amount	Amount	
Liabilities:			
Policy reserves:	3,423,777	3,555,847	132,069
Reserve for outstanding claims	40,758	40,221	(537)
Policy reserves	3,378,531	3,511,187	132,656
Reserve for dividends to policyholders	4,488	4,438	(49)
Agency accounts payable	5,134	5,481	346
Reinsurance accounts payable	1,075	1,129	53
Other liabilities:	414,812	399,549	(15,262)
Payables under securities lending transactions	397,672	371,949	(25,722)
Income taxes payable	41	6,064	6,022
Accounts payable	602	7,884	7,282
Accrued expenses	7,655	8,267	612
Unearned income	0	2	2
Deposits received	130	236	105
Derivative liabilities	6,523	2,359	(4,163)
Cash collateral received for financial instruments	130	–	(130)
Lease obligations	1,154	786	(367)
Suspense receipts	544	495	(49)
Other liabilities	357	1,504	1,146
Reserve for bonus payments to directors	25	42	16
Reserve for retirement benefits	5,316	5,649	333
Reserve for possible reimbursement of prescribed claims	542	345	(197)
Reserves under the special laws:	10,958	12,035	1,077
Reserve for price fluctuation	10,958	12,035	1,077
Total liabilities	3,861,642	3,980,080	118,438
Net assets:			
Shareholders' equity:			
Common stock	17,250	17,250	–
Capital surplus:	13,333	13,333	–
Capital reserves	13,333	13,333	–
Retained earnings:	96,422	97,012	589
Legal reserve	3,916	3,916	–
Other retained earnings:	92,505	93,095	589
Reserve under Article 10 of the Supplementary Provisions of Ordinance for Enforcement of the Insurance Business Act	325	325	–
Retained earnings carried forward	92,180	92,770	589
Total shareholders' equity	127,005	127,595	589
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	(25,815)	57,755	83,570
Total valuation and translation adjustments	(25,815)	57,755	83,570
Total net assets	101,190	185,351	84,160
Total liabilities and net assets	3,962,833	4,165,432	202,598

Sompo Himawari Life Insurance, Inc. (Non-consolidated)

Statement of Income

(Millions of yen)

	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023) Amount	Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024) Amount	Increase (Decrease)	Rate of change
				%
Ordinary income:	518,504	538,546	20,042	3.9
Insurance premiums and other:	434,473	433,079	(1,393)	(0.3)
Insurance premiums	430,164	429,163	(1,001)	(0.2)
Reinsurance income	4,308	3,916	(392)	(9.1)
Investment income:	82,038	103,274	21,235	25.9
Interest and dividend income and other:	54,982	59,918	4,936	9.0
Interest and dividends on securities	53,471	58,285	4,814	9.0
Interest on loans	1,270	1,304	34	2.7
Other interest and dividends	240	328	88	36.7
Gains on sales of securities	18,732	29,801	11,068	59.1
Foreign exchange gains	6,890	6,570	(320)	(4.6)
Reversal of allowance for possible credit losses	2	—	(2)	(100.0)
Other investment income	0	0	(0)	(69.6)
Investment gains on special account	1,430	6,984	5,554	388.4
Other ordinary income:	1,992	2,192	200	10.1
Fund receipt for annuity rider	434	343	(90)	(21.0)
Fund receipt for claim deposit payments	1,257	1,280	22	1.8
Reversal of reserve for outstanding claims	137	537	399	290.2
Other ordinary income	162	31	(131)	(80.9)
Ordinary expenses:	512,173	510,728	(1,445)	(0.3)
Insurance claims and other:	253,947	228,406	(25,540)	(10.1)
Insurance claims	42,542	41,109	(1,433)	(3.4)
Annuity payments	12,144	11,608	(535)	(4.4)
Insurance benefits	79,929	55,563	(24,365)	(30.5)
Surrender benefits	111,098	112,182	1,083	1.0
Other refunds	4,145	3,738	(406)	(9.8)
Reinsurance premiums	4,086	4,202	115	2.8
Provision for policy reserves and other:	132,937	132,656	(280)	(0.2)
Provision for policy reserves	132,937	132,656	(280)	(0.2)
Provision for interest portion of reserve for dividends to policyholders	0	0	(0)	(3.2)
Investment expenses:	21,717	48,117	26,399	121.6
Interest paid	150	65	(85)	(56.7)
Losses on sales of securities	16,637	39,736	23,098	138.8
Impairment losses on securities	—	99	99	—
Losses on derivatives	4,773	7,972	3,198	67.0
Provision for allowance for possible credit losses	—	78	78	—
Other investment expenses	155	165	9	5.9
Operating expenses	99,017	96,145	(2,872)	(2.9)
Other ordinary expenses:	4,553	5,402	849	18.6
Claim deposit payments	1,522	1,508	(13)	(0.9)
Taxes	1,994	1,961	(33)	(1.7)
Depreciation	654	1,259	604	92.4
Provision for reserve for retirement benefits	344	333	(11)	(3.3)
Other ordinary expenses	37	340	302	803.3
Ordinary profit	6,330	27,818	21,488	339.4
Extraordinary gains:	3	0	(2)	(93.4)
Gains on disposal of fixed assets and other	3	0	(2)	(93.4)
Extraordinary losses:	1,449	2,384	935	64.5
Losses on disposal of fixed assets and other	16	2	(14)	(86.7)
Provision for reserves under the special laws:	988	1,077	89	9.1
Provision for reserve for price fluctuation	988	1,077	89	9.1
Other extraordinary losses	444	1,304	859	193.3
Provision for reserve for dividends to policyholders	3,371	3,123	(247)	(7.3)
Net income before income taxes	1,512	22,310	20,797	1,374.6
Income taxes	338	6,294	5,956	1,759.5
Deferred income taxes	229	125	(103)	(45.0)
Total income taxes	567	6,420	5,852	1,031.0
Net income	945	15,889	14,944	1,581.0

Sompo Himawari Life Insurance, Inc. (Non-consolidated)

Major Business Results

Total amount of policies in force

(Number in thousands, Yen in billions, %)

	As of March 31, 2023				As of March 31, 2024			
	Number		Amount		Number		Amount	
		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year
Individual insurance	4,668	106.0	22,858	98.1	4,888	104.7	22,447	98.2
Individual annuities	48	96.2	208	96.6	45	93.9	200	95.9
Group insurance	——	——	2,659	98.5	——	——	2,539	95.5
Group annuities	——	——	–	–	——	——	–	–

Note) Amounts of “Individual annuities” represent the sums of annuity fund at the beginning of annuity payment of contracts before the beginning of annuity payment and policy reserves for the contracts after the beginning of annuity payment.

Total amount of new policies

(Number in thousands, Yen in billions, %)

	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)				Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)			
	Number		Amount		Number		Amount	
		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year
Individual insurance	496	122.9	1,724	89.6	455	91.8	1,748	101.4
Individual annuities	–	–	–	–	–	–	–	–
Group insurance	——	——	93	392.1	——	——	50	53.8
Group annuities	——	——	–	–	——	——	–	–

Note) Amounts of “Individual annuities” represent amounts of annuity fund at the beginning of annuity payment.

Annualized premiums

Policies in force

(Millions of yen, %)

	As of March 31, 2023		As of March 31, 2024	
		% of previous fiscal year		% of previous fiscal year
Individual insurance	370,259	100.8	375,613	101.4
Individual annuities	15,087	98.4	14,694	97.4
Total	385,346	100.7	390,307	101.3
Medical and survival benefits	187,585	108.0	197,905	105.5

New policies

(Millions of yen, %)

	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)		Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)	
		% of previous fiscal year		% of previous fiscal year
Individual insurance	33,250	104.1	32,985	99.2
Individual annuities	–	–	–	–
Total	33,250	104.1	32,985	99.2
Medical and survival benefits	23,667	112.4	19,995	84.5

Notes)

1. Annualized premiums are calculated by using multipliers for various premium payment terms to the premium per payment. In single premium contracts, the amount is calculated by dividing the premium by the duration of the policy.
2. Annualized premiums for medical and survival benefits include (a) premium related to medical benefits such as hospitalization and surgery benefits, (b) premium related to survival benefits such as specific illness and nursing benefits, and (c) premium related to premium waiver benefits, in which disability cause is excluded but causes such as specific illness and nursing care are included.

Sompo Himawari Life Insurance, Inc. (Non-consolidated)

Non-consolidated Solvency Margin Ratio

(Millions of yen)

		As of March 31, 2023	As of March 31, 2024
(A) Total Non-consolidated Solvency Margin		309,186	422,873
	Capital, etc.	127,005	127,595
	Reserve for price fluctuation	10,958	12,035
	Contingency reserve	34,301	34,976
	General allowance for possible credit losses	1	0
	Unrealized gains and losses on securities (before tax effect deductions) (90% of gain or 100% of loss), deferred gains and losses on hedges (before tax effect deductions) (90% of gain or 100% of loss)	(35,854)	72,194
	Unrealized gains and losses on land (85% of gain or 100% of loss)	—	—
	Excess amount of continued Zillmerized reserve	145,353	139,674
	Subordinated debt, etc.	—	—
	Excess amount of continued Zillmerized reserve and subordinated debt, etc. which are excluded from total solvency margin	(8,748)	—
	Brought in capital, etc.	—	—
	Deductions	—	—
	Others	36,168	36,395
(B) Total Non-consolidated Risks $\sqrt{(R_1+R_8)^2+(R_2+R_3+R_7)^2}+R_4$		58,712	74,928
	Underwriting risk (R_1)	13,924	13,473
	Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_8)	13,089	14,184
	Guaranteed interest rate risk (R_2)	8,354	8,238
	Guaranteed minimum benefit risk (R_7)	401	420
	Investment risk (R_3)	41,622	58,925
	Business management risk (R_4)	1,547	1,904
(C) Non-consolidated Solvency Margin Ratio [(A) / {(B) × 1/2}] × 100		1,053.2 %	1,128.7 %

Notes)

1. The above amounts and figures are calculated based on provisions of Articles 86 and 87 of the Ordinance for Enforcement of the Insurance Business Act and Public Notice No. 50 of the Ministry of Finance (1996).
2. Guaranteed minimum benefit risk is calculated by using the standard method.

Supplementary Explanation

< Calculation of returns >

The calculation methods of “Return on investments (income base)”, “Return on investments (realized base)” and “Total return based on the fair value” are as follows.

1. Return on investments (income base)

The results of investment activities are shown from the point of view of income earned (interest and dividend income earned).

Numerator is based on interest and dividend income related to investment assets. Denominator is based on cost of investment assets.

Numerator = Interest and dividend income (including amounts which correspond to interest and dividend income of investment gains and losses on money trusts)

Denominator = Average balances of investment assets based on the cost or the amortized cost

2. Return on investments (realized base)

The results of investment activities are shown from the point of view of the contribution to periodic gains and losses of the period (statement of income).

Numerator is based on realized gains and losses. Denominator is based on cost of investment assets.

Numerator = Investment income + Interest and dividend income on deposits of premiums, etc. - Investment expenses

Denominator = Average balances of investment assets based on the cost or the amortized cost

3. Total return based on the fair value (reference)

The return on investment based on fair value is shown.

Numerator is based on realized gains and losses and changes in unrealized gains and losses on investment assets.

Denominator is based on fair value of investment assets.

Numerator = (Investment income + Interest and dividend income on deposits of premiums, etc. - Investment expenses) + (Unrealized gains and losses at the end of this period* - Unrealized gains and losses at the end of the previous period*) + Increase or decrease in deferred gains and losses on hedges

Denominator = Average balances of investment assets based on the cost or the amortized cost + Unrealized gains and losses at the end of the previous period* + Unrealized gains and losses on trading securities at the end of the previous period

*Unrealized gains and losses relate to securities available for sale, monetary receivables bought and money trusts classified as other than trading purposes or held to maturity. The amount is based on before tax effect deductions.

< Calculation of ratios, etc. >

- Underwriting profit = Underwriting income - Underwriting expenses - Operating, general and administrative expenses related to underwriting + Other income and expenses*

  *Other income and expenses include, but not limited to, income tax expenses for compulsory automobile liability insurance.
- Net loss ratio = (Net claims paid + Loss adjustment expenses) / Net premiums written × 100
- Net operating expenses ratio = (Net commissions and brokerage fees + Operating, general and administrative expenses related to underwriting) / Net premiums written × 100
- Combined ratio = Net loss ratio + Net operating expenses ratio

• E/I(Note1) loss ratio = (Net claims paid + Reserve for outstanding losses and claims at the end of this period - Reserve for outstanding losses and claims at the end of the previous period + Loss adjustment expenses) / Net earned premiums(Note2) × 100

Notes)

1. E/I loss ratio is calculated by excluding household earthquake insurance and compulsory automobile liability insurance.
2. Net earned premiums = Net premiums written - Unearned premium at the end of this period + Unearned premium at the end of the previous period

• E/I Combined ratio = E/I loss ratio + Operating expenses ratio

< Non-consolidated solvency margin ratio >

• In addition to reserves to cover payments for claims, benefits and maturity refunds, etc., it is necessary for insurance companies to maintain sufficient solvency in order to cover against risks which exceed their normal estimates, i.e. occurrence of major catastrophes, fluctuation in mortality rate due to significant changes in key environmental factors and big decline in value of assets held by insurance companies.

• (C) Non-consolidated Solvency Margin Ratio, which is calculated in accordance with the Insurance Business Act, etc. is the ratio of “solvency margin of insurance companies by means of their capital, reserves, etc.” ((A) Total Non-consolidated Solvency Margin) to “risks which exceed their normal estimates” ((B) Total Non-consolidated Risks).

• “Risks which exceed their normal estimates” are composed of risks described below.

<1> Underwriting risk, Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance:
Risks of rate of occurrence of insurance claims, etc. in excess of normal estimates (excluding risks relating to major catastrophes)

<2> Guaranteed interest rate risk:
Risks of invested assets failing to yield assumed interest rates due to the aggravation of investment conditions

<3> Investment risk:
Risks of securities and other assets held fluctuating in prices in excess of normal estimates

<4> Business management risk:
Risks beyond normal estimates arising from business management that do not fall under other categories

<5> Major catastrophe risk:
Risks of the occurrence of major catastrophic losses in excess of normal estimates (risks such as the Great Kanto Earthquake or Isewan Typhoon)

<6> Guaranteed minimum benefit risk:
Risks of special account assets fluctuating in prices in excess of normal estimates

• “Solvency margin of insurance companies by means of their capital, reserves, etc.” (total non-consolidated solvency margin) is the sum of total net assets (excluding planned outflows), certain reserves (reserve for price fluctuation, contingency reserve and catastrophic loss reserve, etc.) and parts of unrealized gains and losses on land, etc.

• Solvency margin ratio is one of the indicators for the regulatory authorities to monitor financial soundness of insurance companies. Solvency margin ratio exceeding 200% would indicate adequate capability to meet payments of possible insurance claims and others.

< Adjusted consolidated profit >

(Fiscal year ended March 31, 2024)

		Calculation method
Adjusted profit by business segment (Note 1)	Domestic P&C Insurance Business	Net income for the period ＋Provisions for catastrophic loss reserve, etc. (after tax) ＋Provisions for reserve for price fluctuation (after tax) －Gains/losses on sales of securities and impairment losses on securities (after tax)
	Overseas Insurance Business	Operating income (Note 2) Net income for the period for affiliates accounted for under the equity-method in principle
	Domestic Life Insurance Business	Net income for the period ＋Provisions of contingency reserve (after tax) ＋Provisions for reserve for price fluctuation (after tax) ＋Adjustment of underwriting reserve (after tax) ＋Deferral of acquisition cost (after tax) －Depreciation of acquisition cost (after tax) －Gains/losses on sales of securities and impairment losses on securities (after tax)
	Nursing Care & Seniors Business	Net income for the period
	Digital Business	Net income for the period －Gains/losses and impairment losses on investment (after tax)
	Other Businesses	Net income for the period
Adjusted consolidated profit		Total of adjusted profit by business segment

Notes)
1. Adjusted profit by business segment excludes one-time gains and losses or special factors such as dividend from group companies.
2. Operating income excludes one-time factors (operating income = Net income – Net foreign exchange gains and losses – Net realized and unrealized gains and losses – Net impairment losses recognized in earnings, etc.).

(Fiscal year ending March 31, 2025)

		Calculation method
Adjusted profit by business segment (Note 1)	Domestic P&C Insurance Business	Net income for the period ＋Provisions for catastrophic loss reserve, etc. (after tax) ＋Provisions for reserve for price fluctuation (after tax) －Gains/losses on sales of securities and impairment losses on securities (after tax)
	Overseas Insurance Business	Operating income (Note 2) Net income for the period for affiliates accounted for under the equity-method in principle
	Domestic Life Insurance Business	Net income for the period ＋Provisions of contingency reserve (after tax) ＋Provisions for reserve for price fluctuation (after tax) ＋Adjustment of underwriting reserve (after tax) ＋Deferral of acquisition cost (after tax) －Depreciation of acquisition cost (after tax) －Gains/losses on sales of securities and impairment losses on securities (after tax)
	Nursing Care Business	Net income for the period
	Digital & Others	Net income for the period －Gains/losses and impairment losses on investment (after tax)
Adjusted consolidated profit		Total of adjusted profit by business segment

Notes)
1. Adjusted profit by business segment excludes one-time gains and losses or special factors such as dividend from group companies.
2. Operating income excludes one-time factors (operating income = Net income – Net foreign exchange gains and losses – Net realized and unrealized gains and losses – Net impairment losses recognized in earnings, etc.).

4. Supplementary Data about Financial Results for the fiscal year ended March 31, 2024 at Press Conference

Sompo Japan Insurance Inc. (Non-consolidated)

(1) Key figures

(Yen in billions)

	Fiscal year ended March 31, 2023 (A)	Six months ended September 30, 2023 (B)	Fiscal year ended March 31, 2024 (C)	Increase (Decrease) (C) - (A)	Increase (Decrease) (C) - (B)
1 Net premiums written	2,225	1,124	2,177	(47)	—
Rate of change	3.1 %	(3.2)%	(2.1)%	(5.2)%	1.1 %
2 Total assets	7,266	7,357	7,664	397	307
3 Loss ratio	64.1 %	63.3 %	66.9 %	2.8 %	3.6 %
4 Operating expenses ratio	33.5 %	33.2 %	33.8 %	0.2 %	0.6 %
5 Combined ratio	97.6 %	96.5 %	100.7 %	3.1 %	4.1 %
Underwriting result ratio	2.4 %	3.5 %	(0.7)%	(3.1)%	(4.1)%
6 Voluntary automobile insurance					
・Net premiums written	1,083	539	1,082	(0)	—
Rate of change	(0.4)%	0.1 %	(0.1)%	0.3 %	(0.2)%
・Underwriting result ratio	6.4 %	3.7 %	0.8 %	(5.6)%	(2.9)%
・Loss ratio	60.2 %	62.7 %	65.2 %	5.0 %	2.6 %
・Operating expenses ratio	33.4 %	33.6 %	34.0 %	0.6 %	0.3 %
7 Fire and allied insurance					
・Net premiums written	385	177	342	(42)	—
Rate of change	17.5 %	(18.8)%	(11.1)%	(28.7)%	7.7 %
・Underwriting result ratio	(14.8)%	(15.2)%	(15.9)%	(1.0)%	(0.7)%
・Loss ratio	76.7 %	78.5 %	79.0 %	2.3 %	0.5 %
・Operating expenses ratio	38.1 %	36.7 %	36.9 %	(1.3)%	0.1 %
8 Number of employees	21,705	21,123	20,767	(938)	(356)
9 Number of agencies	45,273	44,645	43,905	(1,368)	(740)

<Reference> Consolidated figures of Sompo Holdings, Inc.

(Yen in billions)

	Fiscal year ended March 31, 2023 (A)	Six months ended September 30, 2023 (B)	Fiscal year ended March 31, 2024 (C)	Increase (Decrease) (C) - (A)	Increase (Decrease) (C) - (B)
1 Ordinary income	4,525	2,659	4,933	407	—
2 Net premiums written	3,670	2,088	3,690	19	—
Rate of change	14.1 %	(0.7)%	0.5 %	(13.6)%	1.2 %
3 Life insurance premiums written	316	155	311	(4)	—
Rate of change	(2.6)%	(0.9)%	(1.5)%	1.0 %	(0.6)%
4 Ordinary profit	49	181	488	438	—
5 Net income attributable to shareholders of the parent	26	131	416	389	—

Notes)
1. Loss ratio = (Net claims paid + Loss adjustment expenses) / Net premiums written
2. Operating expenses ratio = (Net commissions and brokerage fees + Operating, general and administrative expenses related to underwriting) / Net premiums written
3. Combined ratio = Loss ratio + Operating expenses ratio
4. Underwriting result ratio = 1 - Combined ratio
5. Items with % within “Increase (Decrease)” represent change from the fiscal year ended March 31, 2023 and the six months ended September 30, 2023, respectively.
6. Overseas consolidated subsidiaries that have applied the International Financial Reporting Standards (IFRS) have applied IFRS 17 “Insurance Contracts” and IFRS 9 “Financial Instruments” from the beginning of the fiscal year ended March 31, 2024. Accordingly, the figures for the fiscal year ended March 31, 2023 have reflected the retrospective application of these accounting standards, etc.

Sompo Japan Insurance Inc. (Non-consolidated)

(2) Other figures

(a) Impairment losses on securities

(Yen in billions)

	Fiscal year ended March 31, 2023	Six months ended September 30, 2023	Fiscal year ended March 31, 2024
Domestic bonds	－	－	－
Domestic stocks	1	1	2
Foreign securities	0	－	0
Others	－	－	－
Total	1	1	2

Note) Besides the above, impairment losses on trust assets (securities) in money trusts other than trading purposes or held to maturity amount to 0.0 billion yen for the fiscal year ended March 31, 2023.
This amount is recognized in “Investment gains on money trusts” and “Investment losses on money trusts” in the statement of income.

Applied rules of impairment loss recognition

Basically, Sompo Japan recognizes impairment losses on securities if fair value declines by 30% or more from their cost.

(b) Impairment losses on fixed assets

(Yen in billions)

	Fiscal year ended March 31, 2023	Six months ended September 30, 2023	Fiscal year ended March 31, 2024
Land	－	－	－
Buildings	0	－	－
Others	－	－	－
Total	0	－	－

(c) Unrealized gains and losses on securities

(Yen in billions)

	As of March 31, 2023	As of September 30, 2023	As of March 31, 2024
Domestic bonds	16	(13)	(7)
Domestic stocks	914	1,112	1,356
Foreign securities	71	123	184
Others	8	15	33
Total	1,010	1,237	1,566

Notes)

1. Unrealized gains and losses on monetary receivables bought are included in “Others” above.
2. Besides the above, unrealized gains and losses on trust assets (securities) in money trusts other than trading purposes or held to maturity amount to 3.4 billion yen as of March 31, 2023, 0.0 billion yen as of September 30, 2023 and (0.0) billion yen as of March 31, 2024.

Sompo Japan Insurance Inc. (Non-consolidated)

(d) Claims during the period due to natural disasters in Japan (excluding household earthquake insurance)

(Yen in billions)

		Fiscal year ended March 31, 2023	Six months ended September 30, 2023	Fiscal year ended March 31, 2024
Direct claims paid	a	90	35	77
Net claims paid	b	89	35	76
Unpaid claims	c	36	45	27
Net incurred loss	b＋c	126	80	104

Notes)

1. This table represents paid and unpaid claims during the period due to natural disasters in Japan.
2. Amounts of unpaid claims are calculated by deducting reinsurance recoverable on unpaid loss.

(e) Catastrophic loss reserve

(Yen in billions,%)

Business line	Fiscal year ended March 31, 2023			Six months ended September 30, 2023			Fiscal year ended March 31, 2024		
	Balance	Balance ratio	Provision	Balance	Balance ratio	Provision	Balance	Balance ratio	Provision
Fire and allied insurance	115	30.1	93	105	29.6	34	150	43.9	125
Marine insurance	48	88.9	3	50	90.4	1	52	97.0	3
Personal accident insurance	75	49.1	4	78	46.3	2	79	51.9	4
Voluntary automobile insurance	98	9.1	35	85	8.0	17	35	3.3	35
Others	201	59.7	12	208	54.0	7	202	57.7	13
Total	540	26.8	149	527	25.8	63	519	26.2	182

Notes)

1. Balance ratio = Balance of catastrophic loss reserve / Net premiums written (excluding household earthquake insurance and compulsory automobile liability insurance)
   As for the six months ended September 30, 2023, net premiums written (excluding household earthquake insurance and compulsory automobile liability insurance) are doubled for the calculation of balance ratio.
2. Provision represents gross amounts before deducting reversal.

(f) Reinsurance assumed

(Yen in billions)

Business line	Fiscal year ended March 31, 2023		Fiscal year ended March 31, 2024	
	Reinsurance premiums assumed	Reinsurance claims assumed	Reinsurance premiums assumed	Reinsurance claims assumed
Fire and allied insurance	45	18	44	31
Marine insurance	15	5	15	9
Personal accident insurance	1	0	1	0
Voluntary automobile insurance	0	0	0	0
Compulsory automobile liability insurance	131	144	117	147
Others	17	8	19	7
Total	210	179	197	197

(g) Reinsurance ceded

(Yen in billions)

Business line	Fiscal year ended March 31, 2023		Fiscal year ended March 31, 2024	
	Reinsurance premiums ceded	Reinsurance claims ceded	Reinsurance premiums ceded	Reinsurance claims ceded
Fire and allied insurance	213	100	219	52
Marine insurance	19	5	20	8
Personal accident insurance	7	4	8	3
Voluntary automobile insurance	4	0	4	0
Compulsory automobile liability insurance	146	154	116	158
Others	100	30	106	35
Total	492	297	475	259