



SOMPO
HOLDINGS

UNOFFICIAL TRANSLATION

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Summary of
Consolidated Financial Results
for the six months ended September 30, 2020
Supplementary Information

November 19, 2020

Sompo Holdings, Inc.

(Securities Code : 8630)

1. Overview of Consolidated Financial Results for the six months ended September 30, 2020

(1) Sompo Holdings, Inc.

Overview of Consolidated Financial Results for the six months ended September 30, 2020

(Yen in hundred millions, %)

		Six months ended September 30, 2019	Six months ended September 30, 2020	Increase (Decrease)	Rate of change
Ordinary income:	(1)	19,554	19,853	299	1.5
Net premiums written:	(2)	15,024	15,688	664	4.4
Sompo Japan Insurance Inc.	(3)	11,281	10,937	(343)	(3.0)
Overseas consolidated subsidiaries	(4)	3,457	4,436	979	28.3
Life insurance premiums written	(5)	1,729	1,688	(41)	(2.4)
Ordinary profit:	(6)	637	775	137	21.6
Sompo Japan Insurance Inc.	(7)	333	644	310	93.1
Net income attributable to shareholders of the parent:	(8)	439	396	(43)	(9.8)
Sompo Japan Insurance Inc.	(9)	249	459	209	83.8
Overseas consolidated subsidiaries ^(Note2)	(10)	492	64	(428)	(86.9)
Sompo Himawari Life Insurance, Inc.	(11)	94	119	24	26.3
Nursing care and healthcare consolidated subsidiaries	(12)	23	20	(2)	(11.5)
Others and consolidation adjustment, etc. ^(Note1,2)	(13)	(421)	(267)	153	

Notes)

1. "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.
2. Sompo International Holdings Ltd. among overseas consolidated subsidiaries has adopted International Financial Reporting Standards and due to differences in accounting standards, 21.4 billion yen is included in the interim result for the six months ended September 30, 2019 and 6.6 billion yen is included in the interim result for the six months ended September 30, 2020 as the amount to be revised in accordance with PITF No.18 "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries, etc. for Consolidated Financial Statements". The same amount is excluded in "Consolidation adjustment, etc.".

(2) Sampo Japan Insurance Inc.

Summary of Results of Operations

(Yen in hundred millions)

		Six months ended September 30, 2019 (April 1 to September 30, 2019)	Six months ended September 30, 2020 (April 1 to September 30, 2020)	Increase (Decrease)	Rate of change
Ordinary income and expenses:					%
Underwriting income and expenses: ^(Note)					
Direct premiums written	(1)	12,443	12,234	(208)	(1.7)
(+) Net premiums written	(2)	11,281	10,937	(343)	(3.0)
(-) Net claims paid	(3)	5,938	5,629	(308)	(5.2)
(-) Loss adjustment expenses	(4)	582	569	(13)	(2.3)
(-) Net operating expenses:	(5)	3,571	3,606	34	1.0
Net commissions and brokerage fees	(6)	2,052	2,104	51	2.5
Operating, general and administrative expenses related to underwriting	(7)	1,519	1,501	(17)	(1.1)
Underwriting result	(8)	1,188	1,132	(55)	(4.7)
(-) Change in reserve for outstanding losses and claims	(9)	407	114	(293)	(71.9)
(-) Change in Ordinary Underwriting Reserves	(10)	587	342	(245)	(41.7)
(-) Change in Catastrophic Loss Reserve	(11)	448	386	(61)	(13.8)
(+) Other underwriting income and expenses	(12)	44	54	10	23.3
Underwriting profit (loss)	(13)	(210)	343	554	—
Investment income and expenses:					
(+) Interest and dividend income	(14)	572	484	(88)	(15.4)
(+) Transfer of interest and dividend income on deposits of premiums, etc.	(15)	(184)	(169)	15	—
Net Interest and dividend income	(16)	388	315	(73)	(18.9)
(+) Gains and losses on sales of securities	(17)	324	162	(161)	(49.9)
(-) Impairment losses on securities	(18)	10	48	38	369.3
(+) Gains and losses on derivatives	(19)	(35)	(15)	20	—
(+) Other investment income and expenses	(20)	(44)	(34)	9	—
Gross investment margin	(21)	621	378	(243)	(39.1)
(+) Other ordinary income and expenses etc.	(22)	(77)	(78)	(0)	—
Ordinary profit	(23)	333	644	310	93.1
Extraordinary gains and losses:					
(+) Extraordinary gains	(24)	12	10	(2)	(19.4)
(-) Extraordinary losses	(25)	30	41	11	38.2
Extraordinary gains and losses	(26)	(17)	(31)	(13)	—
Net income before income taxes	(27)	316	613	296	93.8
(-) Total income taxes	(28)	66	153	87	131.3
Net income	(29)	249	459	209	83.8
Ratios:		%	%	%	
Net loss ratio	(30)	57.8	56.7	(1.1)	
Net operating expenses ratio	(31)	31.7	33.0	1.3	
Combined ratio	(32)	89.5	89.6	0.2	

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

(3) Overseas consolidated subsidiaries

Summary of Results of Major items

(Yen in hundred millions)

		Six months ended September 30, 2019 (April 1 to September 30, 2019)	Six months ended September 30, 2020 (April 1 to September 30, 2020)	Increase (Decrease)	Rate of change
Net premiums written:	(1)	3,457	4,436	979	28.3
(Sompo International)	(2)	3,407	4,385	977	28.7
Net income attributable to shareholders of the parent:	(3)	492	64	(428)	(86.9)
(Sompo International)	(4)	484	57	(427)	(88.2)
The amount to be revised due to differences in accounting standards, which is excluded on consolidation ^(Note 1, 2)	(5)	(214)	(66)	147	—
Reference: Adjusted net income (loss) attributable to shareholders of the parent (3)+(5)	(6)	278	(2)	(280)	(100.8)
(Sompo International) (4)+(5)	(7)	269	(9)	(279)	(103.5)

Notes)

1. For comparison, as for the six months ended September 30, 2019, the above figures have been reclassified depending on the organization of Sompo International as of September 30, 2020.

2. "The amount to be revised due to differences in accounting standards, which is excluded on consolidation" is the amount stated on page 1 (Note 2).

(4) Sampo Himawari Life Insurance, Inc.

Summary of Results of Major items

(Yen in hundred millions)

		Six months ended September 30, 2019 (April 1 to September 30, 2019)	Six months ended September 30, 2020 (April 1 to September 30, 2020)	Increase (Decrease)	Rate of change
Insurance premiums and other	(1)	2,177	2,153	(23)	(1.1)
Net premiums written	(2)	1,694	1,656	(38)	(2.2)
Ordinary profit	(3)	158	187	29	18.4
Net income	(4)	94	119	24	26.3

(5) Sampo Japan Insurance Inc.

Summary of Results of Major items

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

(Yen in hundred millions)

Business line	Six months ended September 30, 2019 (April 1 to September 30, 2019)		Six months ended September 30, 2020 (April 1 to September 30, 2020)		
	Amount	Rate of change	Amount	Increase (Decrease)	Rate of change
Fire and allied insurance	2,192	17.2 %	2,396	203	9.3 %
Marine insurance	244	0.8	231	(13)	(5.5)
Personal accident insurance	937	(2.0)	863	(73)	(7.9)
Voluntary automobile insurance	5,425	1.3	5,442	16	0.3
Compulsory automobile liability insurance	1,515	4.0	1,169	(346)	(22.9)
Others	2,126	3.4	2,131	4	0.2
Total	12,443	4.2	12,234	(208)	(1.7)
Deposits of premiums by policyholders	566	(1.5)	502	(63)	(11.3)

(b) Net premiums written

(Yen in hundred millions)

Business line	Six months ended September 30, 2019 (April 1 to September 30, 2019)		Six months ended September 30, 2020 (April 1 to September 30, 2020)		
	Amount	Rate of change	Amount	Increase (Decrease)	Rate of change
Fire and allied insurance	1,498	14.9 %	1,516	17	1.2 %
Marine insurance	241	3.5	208	(33)	(13.8)
Personal accident insurance	913	(2.6)	826	(87)	(9.6)
Voluntary automobile insurance	5,405	1.2	5,412	6	0.1
Compulsory automobile liability insurance	1,456	4.8	1,232	(223)	(15.4)
Others	1,765	2.1	1,743	(22)	(1.3)
Total	11,281	3.2	10,937	(343)	(3.0)
Excluding earthquake insurance and compulsory automobile liability insurance	9,822	2.9	9,704	(118)	(1.2)

(c) Net claims paid

(Yen in hundred millions)

Business line	Six months ended September 30, 2019 (April 1 to September 30, 2019)		Six months ended September 30, 2020 (April 1 to September 30, 2020)			
	Amount	Net loss ratio	Amount	Increase (Decrease)	Net loss ratio	Increase (Decrease)
Fire and allied insurance	860	59.8 %	1,002	141	68.4 %	8.6 %
Marine insurance	127	55.7	121	(5)	61.4	5.7
Personal accident insurance	422	49.6	354	(68)	46.7	(2.9)
Voluntary automobile insurance	2,777	58.3	2,516	(260)	53.2	(5.0)
Compulsory automobile liability insurance	958	71.9	810	(148)	72.6	0.6
Others	791	47.6	824	32	50.1	2.5
Total	5,938	57.8	5,629	(308)	56.7	(1.1)
Excluding earthquake insurance and compulsory automobile liability insurance	4,979	55.7	4,819	(160)	54.7	(1.1)

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

(Yen in hundred millions)

Business line	Six months ended September 30, 2019 (April 1 to September 30, 2019)			Six months ended September 30, 2020 (April 1 to September 30, 2020)		
	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	50	306	356	140	265	405
Voluntary automobile insurance	26	7	33	35	(2)	33
Other than the above	2	38	41	9	6	16
Total excluding earthquake insurance and compulsory automobile liability insurance	78	352	431	185	269	455

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 hundred millions)

Business line	Six months ended September 30, 2019 (April 1 to September 30, 2019)			Six months ended September 30, 2020 (April 1 to September 30, 2020)		
	Amount	Increase (Decrease)	Rate of change	Amount	Increase (Decrease)	Rate of change
Personnel expenses	1,136	(35)	(3.0)	1,087	(49)	(4.4)
Non-personnel expenses	935	(16)	(1.7)	957	22	2.4
Others (taxes and contributions)	110	(0)	(0.2)	109	(1)	(1.0)
Total	2,182	(52)	(2.3)	2,153	(28)	(1.3)

(f) Reserve for Outstanding Losses and Claims

(Yen in hundred millions)

Business line	Six months ended September 30, 2019		Six months ended September 30, 2020	
	Balance	Change	Balance	Change
Fire and allied insurance	1,419	179	1,227	141
Marine insurance	328	63	218	(6)
Personal accident insurance	561	(20)	476	(62)
Voluntary automobile insurance	4,011	115	3,761	(20)
Compulsory automobile liability insurance	718	(21)	739	51
Others	2,224	91	2,281	10
Total	9,264	407	8,705	114

(g) Ordinary Underwriting Reserves

(Yen in hundred millions)

Business line	Six months ended September 30, 2019		Six months ended September 30, 2020	
	Balance	Change	Balance	Change
Fire and allied insurance	7,285	108	7,733	130
Marine insurance	179	32	178	(37)
Personal accident insurance	1,360	104	1,355	81
Voluntary automobile insurance	3,175	31	3,192	(1)
Compulsory automobile liability insurance	4,550	162	4,653	22
Others	3,553	147	3,613	145
Total	20,105	587	20,726	342

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 hundred millions)

Business line	Six months ended September 30, 2019				Six months ended September 30, 2020			
	Reversal	Provision	Balance	Balance ratio	Reversal	Provision	Balance	Balance ratio
Fire and allied insurance	—	226	1,577	52.7	157	280	1,191	39.3
Marine insurance	—	14	452	93.6	0	6	446	107.2
Personal accident insurance	—	29	723	39.6	—	26	741	44.9
Voluntary automobile insurance	88	175	477	4.4	—	175	533	4.9
Others	10	102	2,133	60.4	0	56	2,053	58.9
Total	99	547	5,364	27.3	159	546	4,965	25.6

Note) Balance ratio = Balance of catastrophic loss reserve / { Net premiums written (excluding earthquake insurance and compulsory automobile liability insurance) × 2 } × 100

2. Forecasts for the fiscal year ending March 31, 2021 (April 1, 2020 to March 31, 2021)

Sompo Holdings, Inc. (Consolidated)

(Yen in hundred millions)

	Fiscal year ended March 31, 2020 Result	Fiscal year ending March 31, 2021 Original forecast (A)	Fiscal year ending March 31, 2021 Revised forecast (B)	Increase (Decrease) (B)-(A)
Net premiums written	28,254	28,600	28,840	240
Life insurance premiums written	3,560	3,585	3,500	(85)
Ordinary profit	1,924	2,230	2,230	—
Net income attributable to shareholders of the parent:	1,225	1,500	1,400	(100)
Sompo Japan Insurance Inc.	1,305	1,560	1,600	40
Overseas consolidated subsidiaries ^(Note2)	753	489	303	(186)
Sompo Himawari Life Insurance, Inc.	165	170	175	5
Nursing care and healthcare consolidated subsidiaries	61	64	46	(17)
Others and consolidation adjustment, etc. ^(Note1,2)	(1,061)	(783)	(724)	58
Dividends per share (annual)	150 yen	160 yen	170 yen	10 yen
Dividends per share (interim)	75 yen	80 yen	80 yen	— yen
Dividends per share (year-end)	75 yen	80 yen	90 yen	10 yen

Notes) 1. "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.

2. Sompo International Holdings Ltd. among overseas consolidated subsidiaries has adopted International Financial Reporting Standards and due to differences in accounting standards, 24.3 billion yen is included in the result during the fiscal year ended March 31, 2020 and 9.8 billion yen is included in the revised forecast during the fiscal year ended March 31, 2021 as the amount to be revised in accordance with PITF No.18 "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries, etc. for Consolidated Financial Statements". The same amount is excluded in "Consolidation adjustment, etc."

Sompo Japan Insurance Inc. (Non-consolidated)

(Yen in hundred millions, %)

	Fiscal year ended March 31, 2020 Result	Fiscal year ending March 31, 2021 Original forecast (A)	Fiscal year ending March 31, 2021 Revised forecast (B)	Increase (Decrease) (B)-(A)
Net premiums written	21,847	21,735	21,135	(600)
(Excluding earthquake insurance and compulsory automobile liability insurance)	19,038	19,431	18,779	(652)
Net loss ratio	64.9	64.1	62.1	(2.1)
(Excluding earthquake insurance and compulsory automobile liability insurance)	63.5	61.0	59.5	(1.6)
Net operating expenses ratio	32.4	32.8	33.7	0.9
(Excluding earthquake insurance and compulsory automobile liability insurance)	33.8	33.5	34.5	1.0
Combined ratio	97.3	96.9	95.7	(1.1)
(Excluding earthquake insurance and compulsory automobile liability insurance)	97.3	94.6	93.9	(0.6)
Underwriting profit	431	830	1,230	400
Gross investment margin	1,509	1,400	1,106	(293)
Ordinary profit	1,823	2,100	2,200	100
Net income	1,305	1,560	1,600	40

(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 60.0 billion yen for net incurred loss (excluding household earthquake insurance) of Sompo Japan Insurance Inc. due to domestic natural disasters that occur during the fiscal year ending March 31, 2021, taking into account results during the six months ended September 30, 2020 and earlier, among other factors.

- The Company assumes no major change in market interest rates, exchange rates and stock prices from their levels at September 30, 2020.

- The Company calculates the effects of the spread of COVID-19 on the forecasts by taking into account the characteristic of each businesses, results during the six months ended September 30, 2020, current economic environment, etc.

The Company's consolidated forecasts were prepared based on information available as of the date of this report. 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)

Interim Balance Sheet

	As of March 31, 2020	As of September 30, 2020	(Millions of yen) Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits	458,885	560,922	102,036
Receivables under resale agreements	69,999	49,999	(19,999)
Monetary receivables bought	19,897	21,214	1,316
Money trusts	32,871	21,023	(11,848)
Securities	4,724,237	4,850,095	125,858
Loans	673,292	634,944	(38,348)
Tangible fixed assets	246,883	245,740	(1,142)
Intangible fixed assets	156,542	177,380	20,838
Other assets	744,246	531,025	(213,221)
Prepaid pension cost	409	359	(50)
Deferred tax assets	48,676	30,099	(18,577)
Allowance for possible credit losses	(3,193)	(3,215)	(21)
Allowance for possible investment losses	(6,691)	(6,463)	227
Total assets	7,166,057	7,113,125	(52,932)
Liabilities:			
Underwriting funds:	4,577,735	4,635,715	57,979
Reserve for outstanding losses and claims	859,134	870,573	11,439
Underwriting reserves	3,718,600	3,765,141	46,540
Corporate bonds	433,560	433,560	—
Other liabilities	656,107	469,420	(186,687)
Reserve for retirement benefits	91,659	93,853	2,193
Reserve for bonus payments	17,811	20,075	2,263
Reserve for bonus payments to directors	107	—	(107)
Reserves under the special laws:	87,116	89,071	1,954
Reserve for price fluctuation	87,116	89,071	1,954
Total liabilities	5,864,098	5,741,694	(122,403)
Net assets:			
Shareholders' equity:			
Common stock	70,000	70,000	—
Capital surplus	70,000	70,000	—
Retained earnings	565,280	538,131	(27,148)
Total shareholders' equity	705,280	678,131	(27,148)
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	591,085	688,262	97,177
Deferred gains and losses on hedges	5,593	5,036	(557)
Total valuation and translation adjustments	596,679	693,299	96,619
Total net assets	1,301,959	1,371,430	69,471
Total liabilities and net assets	7,166,057	7,113,125	(52,932)

Sompo Japan Insurance Inc. (Non-consolidated)

Interim Statement of Income

(Millions of yen)

	Six months ended September 30, 2019 (April 1 to September 30, 2019)	Six months ended September 30, 2020 (April 1 to September 30, 2020)	Increase (Decrease)	Rate of change
	Amount	Amount		
Ordinary income:	1,282,560	1,217,540	(65,019)	(5.1)
Underwriting income:	1,203,651	1,161,356	(42,295)	(3.5)
Net premiums written	1,128,105	1,093,789	(34,316)	(3.0)
Deposits of premiums by policyholders	56,623	50,230	(6,393)	(11.3)
Interest and dividend income on deposits of premiums, etc.	18,435	16,931	(1,503)	(8.2)
Investment income:	74,152	50,799	(23,352)	(31.5)
Interest and dividend income	57,260	48,436	(8,823)	(15.4)
Investment gains on money trusts	931	1,495	563	60.4
Gains on sales of securities	33,334	16,955	(16,378)	(49.1)
Transfer of interest and dividend income on deposits of premiums, etc.	(18,435)	(16,931)	1,503	—
Other ordinary income	4,756	5,384	628	13.2
Ordinary expenses:	1,249,198	1,153,102	(96,095)	(7.7)
Underwriting expenses:	1,072,406	977,001	(95,404)	(8.9)
Net claims paid	593,817	562,979	(30,837)	(5.2)
Loss adjustment expenses	58,286	56,919	(1,366)	(2.3)
Net commissions and brokerage fees	205,276	210,454	5,177	2.5
Maturity refunds to policyholders	89,764	87,553	(2,210)	(2.5)
Provision for reserve for outstanding losses and claims	40,770	11,439	(29,331)	(71.9)
Provision for underwriting reserves	82,388	46,540	(35,847)	(43.5)
Investment expenses:	11,956	12,929	972	8.1
Investment losses on money trusts	85	15	(70)	(82.0)
Losses on sales of securities	910	696	(213)	(23.5)
Impairment losses on securities	1,037	4,869	3,831	369.3
Operating, general and administrative expenses	159,934	158,475	(1,458)	(0.9)
Other ordinary expenses:	4,900	4,695	(204)	(4.2)
Interest paid	3,563	3,529	(34)	(1.0)
Ordinary profit	33,361	64,438	31,076	93.1
Extraordinary gains:	1,286	1,036	(249)	(19.4)
Gains on disposal of fixed assets	1,286	1,036	(249)	(19.4)
Extraordinary losses:	3,009	4,158	1,148	38.2
Losses on disposal of fixed assets	786	632	(154)	(19.6)
Impairment losses	258	678	419	162.7
Provision for reserves under the special laws:	1,964	1,954	(10)	(0.5)
Provision for reserve for price fluctuation	1,964	1,954	(10)	(0.5)
Other extraordinary losses	—	893	893	—
Net income before income taxes	31,638	61,316	29,678	93.8
Income taxes	21,105	33,541	12,436	58.9
Deferred income taxes	(14,451)	(18,150)	(3,699)	—
Total income taxes	6,653	15,391	8,737	131.3
Net income	24,984	45,925	20,940	83.8
Underwriting result:				
Net premiums written (+)	1,128,105	1,093,789	(34,316)	(3.0)
Net claims paid (—)	593,817	562,979	(30,837)	(5.2)
Loss adjustment expenses (—)	58,286	56,919	(1,366)	(2.3)
Net operating expenses: (—)	357,177	360,646	3,468	1.0
Net commissions and brokerage fees	205,276	210,454	5,177	2.5
Operating, general and administrative expenses related to underwriting	151,900	150,191	(1,708)	(1.1)
Underwriting result	118,824	113,243	(5,580)	(4.7)
Underwriting profit (loss)	(21,098)	34,390	55,488	—
Ratios:				
Net loss ratio (%)	57.8	56.7	(1.1)	
Net operating expenses ratio (%)	31.7	33.0	1.3	
Combined ratio (%)	89.5	89.6	0.2	

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	Six months ended September 30, 2019 (April 1 to September 30, 2019)			Six months ended September 30, 2020 (April 1 to September 30, 2020)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	219,290	17.6	17.2	239,681	19.6	9.3
Marine insurance	24,447	2.0	0.8	23,100	1.9	(5.5)
Personal accident insurance	93,720	7.5	(2.0)	86,324	7.1	(7.9)
Voluntary automobile insurance	542,574	43.6	1.3	544,248	44.5	0.3
Compulsory automobile liability insurance	151,588	12.2	4.0	116,927	9.6	(22.9)
Others	212,699	17.1	3.4	213,162	17.4	0.2
Total	1,244,320	100.0	4.2	1,223,444	100.0	(1.7)
Deposits of premiums by policyholders	56,623	—	(1.5)	50,230	—	(11.3)

Net premiums written

(Millions of yen)

Business line	Six months ended September 30, 2019 (April 1 to September 30, 2019)			Six months ended September 30, 2020 (April 1 to September 30, 2020)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	149,886	13.3	14.9	151,634	13.9	1.2
Marine insurance	24,148	2.1	3.5	20,813	1.9	(13.8)
Personal accident insurance	91,397	8.1	(2.6)	82,602	7.6	(9.6)
Voluntary automobile insurance	540,519	47.9	1.2	541,214	49.5	0.1
Compulsory automobile liability insurance	145,611	12.9	4.8	123,211	11.3	(15.4)
Others	176,543	15.6	2.1	174,311	15.9	(1.3)
Total	1,128,105	100.0	3.2	1,093,789	100.0	(3.0)

Net claims paid

(Millions of yen)

Business line	Six months ended September 30, 2019 (April 1 to September 30, 2019)			Six months ended September 30, 2020 (April 1 to September 30, 2020)		
	Amount	Rate of change	Net loss ratio	Amount	Rate of change	Net loss ratio
Fire and allied insurance	86,003	(14.1)	59.8	100,202	16.5	68.4
Marine insurance	12,748	18.9	55.7	12,184	(4.4)	61.4
Personal accident insurance	42,259	(7.7)	49.6	35,449	(16.1)	46.7
Voluntary automobile insurance	277,723	(3.9)	58.3	251,656	(9.4)	53.2
Compulsory automobile liability insurance	95,895	(8.0)	71.9	81,073	(15.5)	72.6
Others	79,187	(5.5)	47.6	82,413	4.1	50.1
Total	593,817	(6.3)	57.8	562,979	(5.2)	56.7

Sompo Japan Insurance Inc. (Non-consolidated)

Non-consolidated Solvency Margin Ratio

	(Millions of yen)	
	As of March 31, 2020	As of September 30, 2020
(A) Total Non-consolidated Solvency Margin	2,722,944	2,866,522
Capital and funds, etc.	705,020	678,131
Reserve for price fluctuation	87,116	89,071
Contingency reserve	1,348	1,592
Catastrophic loss reserve	463,552	502,392
General allowance for possible credit losses	181	128
Unrealized gains and losses on securities, deferred gains and losses on hedges (before tax effect deductions)	731,484	850,395
Unrealized gains and losses on land	120,616	140,805
Excess amount of reserve for maturity refunds	—	—
Subordinated debt, etc.	433,560	433,560
Excess amount of reserve for maturity refunds and subordinated debt, etc. which are excluded from total solvency margin	—	—
Deductions	47,562	46,485
Others	227,627	216,930
(B) Total Non-consolidated Risks	759,131	796,067
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$		
Underwriting risk (R_1)	189,818	189,677
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_2)	—	—
Guaranteed interest rate risk (R_3)	16,855	16,504
Investment risk (R_4)	543,032	557,150
Business management risk (R_5)	17,993	18,729
Major catastrophe risk (R_6)	149,948	173,138
(C) Non-consolidated Solvency Margin Ratio	717.3 %	720.1 %
$[(A) / \{(B) \times 1/2\}] \times 100$		

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)

Interim Balance Sheet

	As of March 31, 2020	As of September 30, 2020	(Millions of yen) Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits	34,722	31,587	(3,135)
Securities	25,017	31,355	6,337
Tangible fixed assets	623	556	(66)
Intangible fixed assets	3,478	3,469	(8)
Other assets	6,260	9,248	2,987
Allowance for possible credit losses	(83)	(92)	(9)
Total assets	70,018	76,124	6,106
Liabilities:			
Underwriting funds:	52,152	59,351	7,199
Reserve for outstanding losses and claims	19,610	20,569	959
Underwriting reserves	32,541	38,782	6,240
Other liabilities	3,445	2,266	(1,179)
Reserve for retirement benefits to directors	24	26	1
Reserve for bonus payments	434	485	50
Reserve for bonus payments to directors	28	9	(19)
Reserves under the special laws:	57	62	5
Reserve for price fluctuation	57	62	5
Deferred tax liabilities	61	170	108
Total liabilities	56,204	62,371	6,166
Net assets:			
Shareholders' equity:			
Common stock	32,260	32,260	—
Capital surplus	40,692	40,692	—
Retained earnings	(59,387)	(59,728)	(341)
Total shareholders' equity	13,565	13,224	(341)
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	249	529	280
Total valuation and translation adjustments	249	529	280
Total net assets	13,814	13,753	(60)
Total liabilities and net assets	70,018	76,124	6,106

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

Interim Statement of Income

(Millions of yen)

	Six months ended September 30, 2019 (April 1 to September 30, 2019)	Six months ended September 30, 2020 (April 1 to September 30, 2020)	Increase (Decrease)	Rate of change
	Amount	Amount		
Ordinary income:	28,747	31,492	2,745	9.5
Underwriting income:	28,691	31,435	2,744	9.6
Net premiums written	28,664	31,411	2,746	9.6
Deposits of premiums by policyholders	0	—	(0)	(100.0)
Interest and dividend income on deposits of premiums, etc.	25	24	(1)	(6.3)
Investment income:	10	50	39	376.2
Interest and dividend income	35	74	39	110.5
Gains on sales of securities	—	0	0	—
Transfer of interest and dividend income on deposits of premiums, etc.	(25)	(24)	1	—
Other ordinary income	45	6	(39)	(85.8)
Ordinary expenses:	29,920	31,820	1,899	6.3
Underwriting expenses:	22,577	24,567	1,990	8.8
Net claims paid	15,410	14,636	(774)	(5.0)
Loss adjustment expenses	2,083	2,114	30	1.5
Net commissions and brokerage fees	577	611	33	5.8
Maturity refunds to policyholders	9	—	(9)	(100.0)
Provision for reserve for outstanding losses and claims	1,315	959	(356)	(27.1)
Provision for underwriting reserves	3,173	6,240	3,067	96.7
Investment expenses:	1	2	0	43.7
Losses on sales of securities	—	0	0	—
Operating, general and administrative expenses	7,287	7,219	(67)	(0.9)
Other ordinary expenses:	54	30	(23)	(43.7)
Interest paid	3	3	(0)	(17.4)
Ordinary loss	(1,173)	(328)	845	—
Extraordinary losses:	265	5	(260)	(98.1)
Losses on disposal of fixed assets	11	0	(11)	(100.0)
Provision for reserves under the special laws:	2	5	2	124.9
Provision for reserve for price fluctuation	2	5	2	124.9
Business structure reform expenses	252	—	(252)	(100.0)
Net loss before income taxes	(1,439)	(333)	1,106	—
Income taxes	8	7	(0)	(10.7)
Total income taxes	8	7	(0)	(10.7)
Net loss	(1,448)	(341)	1,107	—
Underwriting result:				
Net premiums written (+)	28,664	31,411	2,746	9.6
Net claims paid (—)	15,410	14,636	(774)	(5.0)
Loss adjustment expenses (—)	2,083	2,114	30	1.5
Net operating expenses: (—)	7,859	7,809	(49)	(0.6)
Net commissions and brokerage fees	577	611	33	5.8
Operating, general and administrative expenses related to underwriting	7,281	7,198	(83)	(1.1)
Underwriting result	3,310	6,851	3,540	106.9
Underwriting loss	(1,152)	(308)	844	—
Ratios:				
Net loss ratio (%)	61.0	53.3	(7.7)	
Net operating expenses ratio (%)	27.4	24.9	(2.6)	
Combined ratio (%)	88.4	78.2	(10.3)	

Note) Amount for the six months ended September 30, 2019 includes the result of Sonpo 24 Insurance Company Limited for the three months ended June 30, 2019.

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

Non-consolidated Solvency Margin Ratio

(Millions of yen)

	As of March 31, 2020	As of September 30, 2020
(A) Total Non-consolidated Solvency Margin	17,272	18,309
Capital and funds, etc.	13,565	13,224
Reserve for price fluctuation	57	62
Contingency reserve	11	11
Catastrophic loss reserve	3,358	4,381
General allowance for possible credit losses	—	—
Unrealized gains and losses on securities, deferred gains and losses on hedges (before tax effect deductions)	279	629
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	8,250	8,297
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$		
Underwriting risk (R_1)	6,591	6,592
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_2)	—	—
Guaranteed interest rate risk (R_3)	17	17
Investment risk (R_4)	1,033	1,251
Business management risk (R_5)	268	275
Major catastrophe risk (R_6)	1,307	1,309
(C) Non-consolidated Solvency Margin Ratio [(A) / ((B) × 1/2)] × 100	418.6 %	441.3 %

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).

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

Interim Balance Sheet

(Millions of yen)

	As of March 31, 2020	As of September 30, 2020	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits	116,117	144,189	28,072
Securities:	2,983,851	3,145,431	161,580
Government bonds	1,902,571	2,043,995	141,423
Municipal bonds	74,127	67,636	(6,491)
Corporate bonds	515,243	488,552	(26,691)
Domestic stocks	7,319	7,904	585
Foreign securities	484,588	536,986	52,397
Loans:	43,163	45,210	2,046
Policy loans	43,163	45,204	2,041
Ordinary loans	—	5	5
Tangible fixed assets	1,640	1,645	4
Agency accounts receivable	109	85	(24)
Reinsurance accounts receivable	1,356	574	(781)
Other assets	54,893	46,617	(8,276)
Deferred tax assets	16,731	10,850	(5,880)
Allowance for possible credit losses	(112)	(109)	2
Total assets	3,217,752	3,394,494	176,742
Liabilities:			
Policy reserves:	2,967,301	3,051,566	84,265
Reserve for outstanding claims	43,152	39,441	(3,710)
Policy reserves	2,919,802	3,007,542	87,740
Reserve for dividends to policyholders	4,346	4,581	235
Agency accounts payable	3,494	3,247	(246)
Reinsurance accounts payable	826	758	(68)
Other liabilities	85,548	151,556	66,008
Reserve for bonus payments to directors	37	—	(37)
Reserve for retirement benefits	4,134	4,391	257
Reserve for possible reimbursement of prescribed claims	584	475	(108)
Reserves under the special laws:	8,213	8,599	386
Reserve for price fluctuation	8,213	8,599	386
Total liabilities	3,070,138	3,220,596	150,457
Net assets:			
Shareholders' equity:			
Common stock	17,250	17,250	—
Capital surplus	13,333	13,333	—
Retained earnings	82,752	94,690	11,937
Total shareholders' equity	113,336	125,273	11,937
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	34,277	48,625	14,347
Total valuation and translation adjustments	34,277	48,625	14,347
Total net assets	147,613	173,898	26,285
Total liabilities and net assets	3,217,752	3,394,494	176,742

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

Interim Statement of Income

(Millions of yen)

	Six months ended September 30, 2019 (April 1 to September 30, 2019)	Six months ended September 30, 2020 (April 1 to September 30, 2020)	Increase (Decrease)	Rate of change
	Amount	Amount		
Ordinary income:	243,767	245,951	2,184	0.9
Insurance premiums and other:	217,706	215,330	(2,376)	(1.1)
Insurance premiums	216,517	214,236	(2,280)	(1.1)
Investment income:	24,021	26,086	2,064	8.6
Interest and dividend income and other	22,431	23,302	870	3.9
Gains on sales of securities	1,338	1,513	174	13.0
Investment gains on special account	220	1,267	1,046	473.4
Other ordinary income:	2,038	4,535	2,497	122.5
Reversal of reserve for outstanding claims	1,196	3,710	2,513	210.1
Ordinary expenses:	227,950	227,220	(730)	(0.3)
Insurance claims and other:	91,638	94,778	3,140	3.4
Insurance claims	16,631	18,706	2,074	12.5
Annuity payments	5,371	5,044	(327)	(6.1)
Insurance benefits	22,608	22,478	(130)	(0.6)
Surrender benefits	43,982	45,157	1,175	2.7
Other refunds	1,405	1,791	386	27.5
Provision for policy reserves and other:	90,695	87,740	(2,955)	(3.3)
Provision for policy reserves	90,695	87,740	(2,955)	(3.3)
Provision for interest portion of reserve for dividends to policyholders	0	0	0	8.3
Investment expenses:	1,288	1,786	497	38.6
Interest paid	39	38	(0)	(1.7)
Losses on sales of securities	779	1,337	557	71.5
Losses on derivatives	391	325	(66)	(16.9)
Operating expenses	42,167	40,754	(1,413)	(3.4)
Other ordinary expenses	2,160	2,160	(0)	(0.0)
Ordinary profit	15,816	18,731	2,915	18.4
Extraordinary gains:	0	7	6	1,471.1
Gains on disposal of fixed assets and other	0	7	6	1,471.1
Extraordinary losses:	1,149	405	(744)	(64.8)
Losses on disposal of fixed assets and other	27	18	(9)	(32.6)
Provision for reserves under the special laws:	345	386	40	11.8
Provision for reserve for price fluctuation	345	386	40	11.8
Other extraordinary losses	776	—	(776)	(100.0)
Provision for reserve for dividends to policyholders	1,430	1,666	235	16.5
Net income before income taxes	13,236	16,667	3,431	25.9
Income taxes	3,768	4,428	660	17.5
Deferred income taxes	12	301	288	2,238.1
Total income taxes	3,781	4,730	948	25.1
Net income	9,454	11,937	2,482	26.3

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

Major Business Results

Total amount of policies in force

(Number in thousands, Yen in hundred millions, %)

	As of March 31, 2020				As of September 30, 2020			
	Number		Amount		Number		Amount	
		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year
Individual insurance	4,143	101.4	234,291	101.5	4,165	100.5	234,123	99.9
Individual annuities	54	93.5	2,296	96.7	53	98.0	2,264	98.6
Group insurance	—	—	27,526	101.5	—	—	27,503	99.9
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 hundred millions, %)

	Six months ended September 30, 2019 (April 1 to September 30, 2019)				Six months ended September 30, 2020 (April 1 to September 30, 2020)			
	Number		Amount		Number		Amount	
		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year
Individual insurance	133	75.8	12,739	50.7	117	87.7	9,762	76.6
Individual annuities	—	—	—	—	—	—	—	—
Group insurance	—	—	70	58.3	—	—	430	612.3
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, 2020		As of September 30, 2020	
		% of previous fiscal year		% of previous fiscal year
Individual insurance	363,672	100.5	363,524	100.0
Individual annuities	15,643	93.8	15,453	98.8
Total	379,315	100.2	378,978	99.9
Medical and survival benefits	154,226	103.9	156,977	101.8

New policies

(Millions of yen, %)

	Six months ended September 30, 2019 (April 1 to September 30, 2019)		Six months ended September 30, 2020 (April 1 to September 30, 2020)	
		% of previous fiscal year		% of previous fiscal year
Individual insurance	12,029	67.2	11,334	94.2
Individual annuities	—	—	—	—
Total	12,029	67.2	11,334	94.2
Medical and survival benefits	6,861	112.0	6,347	92.5

Notes)

- 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.
- 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.

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

Non-consolidated Solvency Margin Ratio

(Millions of yen)

	As of March 31, 2020	As of September 30, 2020
(A) Total Non-consolidated Solvency Margin	382,291	430,325
Capital, etc.	113,336	125,510
Reserve for price fluctuation	8,213	8,599
Contingency reserve	32,499	32,870
General allowance for possible credit losses	5	3
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)	42,847	60,781
Unrealized gains and losses on land (85% of gain or 100% of loss)	—	—
Excess amount of continued Zillmerized reserve	182,064	179,471
Subordinated debt, etc.	—	—
Excess amount of continued Zillmerized reserve and subordinated debt, etc. which are excluded from total solvency margin	(27,819)	(12,496)
Brought in capital, etc.	—	—
Deductions	—	—
Others	31,144	35,584
(B) Total Non-consolidated Risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	51,935	55,015
Underwriting risk (R_1)	14,392	14,358
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_8)	10,554	10,841
Guaranteed interest rate risk (R_2)	8,442	8,468
Guaranteed minimum benefit risk (R_7)	393	396
Investment risk (R_3)	35,137	38,402
Business management risk (R_4)	1,378	1,449
(C) Non-consolidated Solvency Margin Ratio [(A) / {(B) × 1/2}] × 100	1,472.1 %	1,564.3 %

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 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

< 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.

4. Supplementary Data about Financial Results for the six months ended September 30, 2020 at Press Conference

Sompo Japan Insurance Inc. (Non-consolidated)

(1) Key figures

(Yen in hundred millions)

	Six months ended September 30, 2019	Fiscal year ended March 31, 2020	Six months ended September 30, 2020	Increase (Decrease)	Increase (Decrease)
	(A)	(B)	(C)	(C) - (B)	(C) - (A)
1 Net premiums written	11,281	21,847	10,937	—	(343)
Rate of change	3.2 %	1.7 %	(3.0)%	(4.7)%	(6.2)%
2 Total assets	73,595	71,660	71,131	(529)	(2,464)
3 Loss ratio	57.8 %	64.9 %	56.7 %	(8.2)%	(1.1)%
4 Operating expenses ratio	31.7 %	32.4 %	33.0 %	0.6 %	1.3 %
5 Combined ratio	89.5 %	97.3 %	89.6 %	(7.6)%	0.2 %
Underwriting result ratio	10.5 %	2.7 %	10.4 %	7.6 %	(0.2)%
6 Voluntary automobile insurance					
• Net premiums written	5,405	10,847	5,412	—	6
Rate of change	1.2 %	1.1 %	0.1 %	(0.9)%	(1.1)%
• Underwriting result ratio	10.1 %	7.7 %	14.7 %	7.0 %	4.6 %
• Loss ratio	58.3 %	60.6 %	53.2 %	(7.3)%	(5.0)%
• Operating expenses ratio	31.6 %	31.7 %	32.1 %	0.4 %	0.5 %
7 Fire and allied insurance					
• Net premiums written	1,498	2,851	1,516	—	17
Rate of change	14.9 %	7.6 %	1.2 %	(6.4)%	(13.7)%
• Underwriting result ratio	(1.0)%	(28.3)%	(11.8)%	16.5 %	(10.8)%
• Loss ratio	59.8 %	84.5 %	68.4 %	(16.1)%	8.6 %
• Operating expenses ratio	41.2 %	43.8 %	43.4 %	(0.4)%	2.2 %
8 Number of employees	25,411	24,689	23,721	(968)	(1,690)
9 Number of agencies	52,217	50,719	49,359	(1,360)	(2,858)

<Reference> Consolidated figures of Sompo Holdings, Inc.

(Yen in hundred millions)

	Six months ended September 30, 2019	Fiscal year ended March 31, 2020	Six months ended September 30, 2020	Increase (Decrease)	Increase (Decrease)
	(A)	(B)	(C)	(C) - (B)	(C) - (A)
1 Ordinary income	19,554	37,603	19,853	—	299
2 Net premiums written	15,024	28,254	15,688	—	664
Rate of change	4.3 %	3.9 %	4.4 %	0.5 %	0.1 %
3 Life insurance premiums written	1,729	3,560	1,688	—	(41)
Rate of change	1.5 %	1.8 %	(2.4)%	(4.2)%	(3.9)%
4 Ordinary profit	637	1,924	775	—	137
5 Net income attributable to shareholders of the parent	439	1,225	396	—	(43)

Notes)

1. Loss ratio = (Net claims paid + Loss adjustment expenses) / Net premiums written × 100
2. Operating expenses ratio = (Net commissions and brokerage fees + Operating, general and administrative expenses related to underwriting) / Net premiums written × 100
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, 2020 and the six months ended September 30, 2019, respectively.

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(2) Other figures

(a) Impairment losses on securities

(Yen in hundred millions)

	Six months ended September 30, 2019	Fiscal year ended March 31, 2020	Six months ended September 30, 2020
Domestic bonds	—	—	—
Domestic stocks	8	89	41
Foreign securities	2	27	7
Others	0	0	—
Total	10	117	48

Note) Besides the above, impairment losses on trust assets (securities) in money trusts other than trading purposes or held to maturity amount to 1 hundred million yen for the six months ended September 30, 2019, 47 hundred million yen for the fiscal year ended March 31, 2020 and 2 hundred million yen for the six months ended September 30, 2020 .
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, Sampo Japan recognizes impairment losses on securities if fair value declines by 30% or more from book value.

(b) Impairment losses on fixed assets

(Yen in hundred millions)

	Six months ended September 30, 2019	Fiscal year ended March 31, 2020	Six months ended September 30, 2020
Land	1	16	4
Buildings	0	5	2
Others	—	—	—
Total	2	21	6

(c) Unrealized gains and losses on securities

(Yen in hundred millions)

	As of September 30, 2019	As of March 31, 2020	As of September 30, 2020
Domestic bonds	1,409	1,141	1,007
Domestic stocks	7,956	6,115	7,200
Foreign securities	1,042	831	1,138
Others	57	34	91
Total	10,466	8,122	9,438

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 20 hundred million yen as of September 30, 2019, (5) hundred million yen as of March 31, 2020 and 19 hundred million yen as of September 30, 2020.

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

(Yen in hundred millions)

	Six months ended September 30, 2019	Fiscal year ended March 31, 2020	Six months ended September 30, 2020
Direct claims paid a	79	2,765	186
Net claims paid b	78	812	185
Unpaid claims c	352	119	269
Net incurred loss b + c	431	932	455

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 hundred millions, %)

Business line	Six months ended September 30, 2019			Fiscal year ended March 31, 2020			Six months ended September 30, 2020		
	Balance	Balance ratio	Provision	Balance	Balance ratio	Provision	Balance	Balance ratio	Provision
Fire and allied insurance	1,577	52.7	226	1,069	37.5	630	1,191	39.3	280
Marine insurance	452	93.6	14	440	93.9	15	446	107.2	6
Personal accident insurance	723	39.6	29	715	42.8	52	741	44.9	26
Voluntary automobile insurance	477	4.4	175	357	3.3	357	533	4.9	175
Others	2,133	60.4	102	1,996	62.3	101	2,053	58.9	56
Total	5,364	27.3	547	4,578	24.1	1,157	4,965	25.6	546

Notes)

1. Balance ratio = Balance of catastrophic loss reserve / Net premiums written (excluding household earthquake insurance and compulsory automobile liability insurance) × 100
As for the six months ended September 30, 2019 and 2020, 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 hundred millions)

Business line	Six months ended September 30, 2019		Six months ended September 30, 2020	
	Reinsurance premiums assumed	Reinsurance claims assumed	Reinsurance premiums assumed	Reinsurance claims assumed
Fire and allied insurance	181	138	179	82
Marine insurance	64	30	62	40
Personal accident insurance	4	3	5	3
Voluntary automobile insurance	1	2	0	8
Compulsory automobile liability insurance	1,038	958	843	810
Others	87	32	82	57
Total	1,377	1,166	1,173	1,002

(g) Reinsurance ceded

(Yen in hundred millions)

Business line	Six months ended September 30, 2019		Six months ended September 30, 2020	
	Reinsurance premiums ceded	Reinsurance claims ceded	Reinsurance premiums ceded	Reinsurance claims ceded
Fire and allied insurance	875	669	1,059	606
Marine insurance	67	21	85	28
Personal accident insurance	28	11	42	9
Voluntary automobile insurance	21	48	30	49
Compulsory automobile liability insurance	1,097	1,052	780	957
Others	449	213	470	198
Total	2,539	2,016	2,469	1,850